ESG Report

2023

neurimmune

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Introduction

1.1. Introduction / CEO Letter

Dear fellow shareholders, employees and business partners:

One of our guiding principles at Neurimmune is to ensure an ethical, beneficial approach to business and innovation. We understand the importance of environmental and social considerations in achieving this. During the last year Neurimmune has started to explore its impact, strategy and risk management regarding ESG topics. We looked into regulatory developments and expectations from national and international standards as well as relevant stakeholders, and run a materiality assessment workshop, to identify our priorities. As we grow, we are integrating these discussions into our strategic and operational planning, ensuring our ethics translate into our actions.

We are learning from the memory of life to develop transformative immune therapeutics and our stakeholders are at the core of this mission. We are focused on making a positive impact, minimizing environmental harm while enhancing social value. Driven by stakeholder interest, regulatory requirements and requests from business partners, the following report is our first of its kind and a milestone on our ESG journey. Our commitment is to transparently report our contribution to these crucial topics, prioritizing the material topic of "Ethical Business" in this year's report, as well as selected additional information on our other material topics. In the coming years, we will increasingly track and disclose our performance on these matters more systematically and comprehensively.

We appreciate your support as we embark on this ESG journey. We are open to feedback and believe that together, we can make a difference.

Sincerely,

Roger M Nitsch
CEO & President of the Board

1.2. Neurimmune overview and ESG context

Environmental, Social, and Governance (ESG) considerations have taken center stage in today's business landscape. For Neurimmune, the significance of ESG is multi-fold. Externally, regulations and stakeholder expectations, including those of our business partners, increasingly call for transparency and accountability on ESG issues. Internally, integrating ESG principles aligns with our mission to deliver industry-leading therapeutic antibodies, while emphasizing ethical business practices and contributing positively to society and the environment.

Neurimmune is a biotech group translating human immune memory into game changing therapeutics. For the purpose of this report, the Neurimmune group ("Neurimmune") consists of Neurimmune Holding AG, Neurimmune AG and Neurimmune Subone AG. It is a privately-held Swiss group founded in 2006, and it delivers industry-leading therapeutic antibodies for the treatment and prevention of diseases that are largely uncurbable with current medical art. Neurimmune operates in the dynamic and intensive biotech sector, where progress through various clinical phases determines a company's business trajectory. As of now, we have an exceptional pipeline of therapeutic antibodies in different stages of clinical trials. Our business model revolves around designing, developing, and handing over these antibodies to our business partners. They then take the responsibility of bringing our innovations to the market. Our business model is focused on research and development, with little direct physical output into the environment. The essentials we need to conduct our business are materials and animals sourced for our research and testing as well as operational energy use for the offices and laboratories we practice.

Ethical business conduct has always been at the core of Neurimmune. The potential impacts for the planet are from the laboratory waste and testing in clinical trials as well as the sourcing of our materials. The social impact of our research is undeniably having a tremendous positive impact on human health. In this report we look at direct social impacts towards employees, insights into Neurimmune's culture and employees as well as social impacts outside of the company's direct practice. Neurimmune has suppliers all over the globe and is in close exchange with them. In countries following lower standards regarding human rights, the company has taken a detailed look into the topic of child labour rights and risks of breaches.

Looking downstream, many of our business partners are subject to the currently increasing regulation around ESG topics and incorporate their disclosure needs in partnership discussion and supplier procurement practices. We are increasing our ESG reporting and analyses in this area to cater to these needs and strengthen even more our business partnerships in the coming years. To focus our efforts, we have conducted a materiality analysis in 2023.

1.3. Materiality Analysis 2023

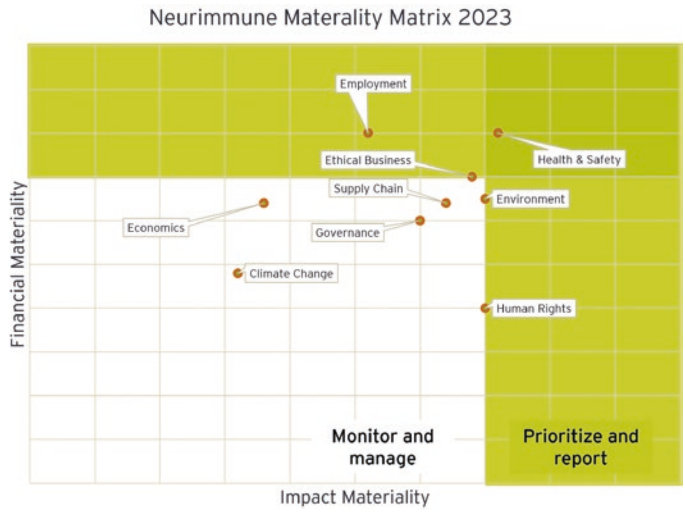
In 2023 we have analyzed our ESG context to identify the most material topics for us to focus our sustainability reporting efforts in the future. The process was aligned, while tailored to the specific circumstances of Neurimmune, with the recommendations on double materiality assessment by the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) being considered. Double materiality refers to the concept of identifying and assessing the impacts of environmental, social and governance factors on a company's performance as well as the impact of the company's activities on society and the environment. The process was as follows:

1. A long list of ESG topics was derived from the analysis of
   a. Relevant supplier codes of conduct comprising expectations from business partners towards Neurimmune, driven by industry standards and international regulations
   b. National and international regulations shaping the ESG landscape, directly or indirectly relevant to Neurimmune and its business partners (f.e. Corporate Sustainability Reporting Directive, Swiss regulations, EU Taxonomy, US regulations, Taskforce on Climate related Financial Disclosures)
   c. Voluntary standards and ratings that are internationally accepted in the industry (f.e. Pharmaceutical Supply Chain Initiative, Sustainability Accounting Standards Board, Global Reporting Initiative, Climate Disclosure Project, Ecovadis)

2. The identified granular sub-topics were clustered under the following nine main topics:
   a. Governance
   b. Employment
   c. Ethical Business
   d. Climate Change
   e. Environment
   f. Human Rights
   g. Health & Safety
   h. Economics

3. These 9 topics were rated in a workshop with Neurimmune experts, including representatives from R&D, clinical development, operations, finance and procurement, on two scales according to the double materiality approach:
   a. Impact Materiality (The potential of Neurimmune having an impact in this topic onto humans or the planet) – Positive & Negative
   b. Financial Materiality (the potential impact these topics could have on Neurimmune) – Opportunities & Risks

The outcome of the discussions can be visualized in the following matrix:



A materiality threshold was set at 70% of the maximum rating, meaning all topics rated above are deemed material. The following 4 topics were hence identified:

- Ethical Business
- Employment
- Health & Safety
- Environment

These topics are included in this report, complemented by the cross-cutting topic of supply chain management, which represents our ambition of extending our responsibility beyond our own operations. The material topics pave the way for our strategic sustainability approach going forward and will be the focus of our continuing performance improvements.

1.4. Risk Management

1.4.1. Risk Assessment

In conducting its business activities, Neurimmune is exposed to risks which may adversely impact the organization. Risk management is therefore an integral part of Neurimmune's activities, guided by internal processes designed to proactively identify, assess, mitigate, and monitor potential risk events. Neurimmune's Risk Policy includes financial and nonfinancial risk, which include ESG related risks.

The Board of Directors is responsible for the overall oversight of the risk management process, and annually reviews and approves the Group's annual risk assessment reporting. This includes mitigating actions, which Neurimmune's management provides to the BoD on a frequent basis.

The objective of Neurimmune's risk management process is to ensure the resilience and sustainability of the business in a four-phase approach:

1. Risk identification

The main purpose of this phase is to identify all conceivable risks faced by the organization, both from a financial and non-financial perspective. This is done by engaging various stakeholders within Neurimmune to gather diverse standpoints. The identified risks are aligned with the business strategy and categorized along Neurimmune's risk clusters:

1. Supply chain, including CMC (Chemistry, Manufacturing, and Controls) and business conduct in the supply chain,
2. IT, encompassing cyber-security measures,
3. Finance-related risks,
4. Risks associated with clinical trials.
5. Business conduct risks, encompassing risks related to employment, health and safety, environment and ethical business.

2. Risk assessment

Once risks have been identified, they are evaluated and prioritized based on their likelihood and potential impact. This phase helps Neurimmune understanding which risks require immediate attention.

3. Risk mitigation

The implementation of a robust risk mitigation framework is key to reduce the impact and/or likelihood of the identified risks to acceptable levels. All high risks are monitored and those with the highest likelihood of occurrence are considered as top risks, for which mitigation plans are defined and pursued.

4. Risk monitoring and review

To ensure Neurimmune's Risk Management process stays current in a changing business environment, the continuous monitoring and reassessment of risks are key. This is done through regularly reviewing risks, monitoring key risk indicators, and adjusting mitigation plans where needed.

1.4.2. Emergency preparedness and response

Neurimmune has established a robust Emergency Preparedness and Response System. This features well-defined emergency contact numbers for swift incident response and a thorough plan for managing laboratory incidents. These are kept in each laboratory and next to the telephones.

We document all lab incidents to learn from them and prevent future occurrences. Detailed records enable safety officers to analyze and understand the causes of incidents. All incidents are recorded in our database for a minimum of 5 years. In the event of serious incidents, the emergency services must always be warned.

We actively collaborate with local emergency services and authorities to facilitate efficient emergency intervention. By providing key information about our facilities, we ensure that emergency services are familiar with our operations and ready to respond adequately in crisis situations. This detailed data includes risk plans, area maps, project lists, and vital protection measures.

Neurimmune's biosafety concept has been reviewed and approved by the responsible regulatory authority. Access to high-risk areas like Level 2 laboratories is controlled, promoting an organized work environment. Clear signage and markings ensure prompt evacuation if necessary.

Our Standard Operating Procedures (SOPs) incorporate a range of protective measures across varied aspects of our operations. These SOPs include practices for safe usage of equipment such as safety workbenches to handle infectious materials, measures to prevent blood-transmitted infections, and implementing stringent hygiene plans to maintain a secure work environment. All staff members receive regular training on these SOPs to ensure consistent adherence and knowledge.

Additionally, our Power Outage Contingency Plan & Manual serves as a ready guide directing the safe shutdown of facilities and managing unexpected power disruptions, effectively mitigating potential damage, and facilitating the quick restoration of core operational areas such as storage and communication.

By integrating these measures, we create an environment that not only prioritizes safety but also readiness for any emergencies.

2

Ethical Business

2.1. Responsible business conduct

Neurimmune is committed to conducting business responsibly across its entire value chain. We are convinced that helps us building stronger relationships with our business partners, while empowering our employees and improving our customers' trust.

2.1.1. Legal compliance

We conduct our business in accordance with all applicable laws, rules and regulations throughout our business operations.

The manufacturing of pharmaceuticals as well as pre-clinical and clinical drug development are highly regulated by an array of national, European, and international laws, regulatory requirements, and ethical guidelines. Neurimmune's Quality Management System (QMS) provides the foundation to enable the Company to consistently meet these requirements to ensure:

- the quality of the drug substances (DSs), drug products (DPs) and Investigational Medicinal Products (IMPs),
- the integrity and reliability of data from non-clinical studies and clinical trials,
- the safety, rights, and well-being of trial participants, and
- the compliance with regulations (including protection of privacy and personnel data).

We expect all our employees and stakeholders to act in accordance with the law and report any suspected violations or concerns immediately. In the year under review, no instances of non-compliance with laws and regulations were identified.

2.1.2. Ethical and responsible business conduct

Neurimmune's Code of Conduct establishes that we conduct our business adhering to the highest level of integrity and ethical standards. We avoid, where possible, situations in which personal interests conflict, or have the appearance of conflicting, with those of Neurimmune.

If potential or actual conflicts do arise, they are disclosed to management and reviewed. We address them honestly, ethically, and in accordance with our policies and values. In the year under review, no instances of conflict of interests were identified.

2.1.3. Anti-corruption and anti-bribery

Neurimmune does not offer or accept bribes, kickbacks, or gifts, directly or indirectly, to any person in order to obtain an improper advantage or to improperly influence decisions from business partners or government officials. In the year under review, no instances of corruption or bribery were identified.

2.1.4. Identification of concerns & grievance mechanism

Neurimmune is committed to integrity and accountability in the workplace. We support an open, honest and safe working environment where employees feel comfortable to ask questions and raise potential problems or concerns, without fear of reprisals.

Any employee who becomes aware of an existing or potential violation of the Code of Conduct, or of any law, rule, regulation or Neurimmune's policy has an obligation to report the concern to a member of the Executive Committee or other dedicated instances. Neurimmune does not permit retaliation of any kind against employees for reports of concerns or violations made in good faith.

Additionally, to reinforce this commitment, we have put a whistleblowing system in place. Anyone external to the company, who has concerns regarding any perceived violations of our Code of Conduct can express these through an email to info@neurimmune.com. Each concern is treated confidentially. The issue will then be elevated to our Executive Committee for thorough evaluation and appropriate action. In the year under review, no actual or potential violations were identified or brought to the attention of management.

2.1.5. Animal welfare

Animal welfare is a crucial consideration at Neurimmune in cases where animal testing is needed for research.

Our adherence to governing ethical principles stems from a deep respect for life and commitment to minimizing harm. The regulations for animal testing are strictly followed, and the professionals who carry out these complex experiments are methodically trained in the appropriate ethical conduct. This guarantees our methods stay up to date with the latest ethical considerations and best practices.

Aligned with the provisions of the Swiss Animal Protection Ordinance of 23 April 2008 (AniPO), our stance is clear: animal experiments are only undertaken as a last resort when there is no other alternative. Our working principle reflects the '3R' ethos – Replace, Reduce, Refine, as we aim to minimize our dependence on animals, and the potential distress to the animals is reduced as much as possible. The degree of distress versus the potential gain in knowledge is evaluated in a mandatory severity and harm-benefit analysis for each experiment.

Our adherence to these stipulations is tested in regular audits by the cantonal department for animal welfare. In 2023, all inspections were successfully passed, reflecting our persistent commitment to these protocols.

2.2. Human rights and child labour

Neurimmune is committed to supporting and respecting human rights standards and guidelines as set out by the Universal Declaration of Human Rights and different ILO conventions. We believe in promoting fair and ethical employment practices and preventing human rights abuses within our value chain. Neurimmune condemns any form of child labor, forced labor or exploitation within our own operations and expect our suppliers and business partners to uphold the same standards.

This commitment is outlined in our Code of Conduct, which applies to all Neurimmune's affiliates, directors, officers and employees. We also expect our suppliers and business partners to uphold the same standards.

As per the requirements set out in the Swiss Ordinance on Due Diligence and Transparency in relation to child labor, Neurimmune performed an assessment of its operations and supply chain, which is described in detail in chapter 6 of this report. No incident nor significant risk of child labour in own operations was identified. In its approach towards responsible business conduct, Neurimmune takes the OECD Due Diligence Guidance for Responsible Business and the UN Guiding Principles on Business and Human Rights as a reference.

2.3. Product quality and data protection

2.3.1. Product quality

Research integrity is fundamental to the scientific process and to Neurimmune's ability to advance novel products to market. We protect the integrity of the R&D process by ensuring that all research, including but not limited to non-clinical and clinical development, is conducted according to all applicable laws and regulations, to the generally accepted standards of the scientific community, and to our policies.

Neurimmune implements and maintains a comprehensive and effective quality management system with processes to guarantee that the activities undertaken comply with the applicable regulatory environment and meet the industry standards. Overseeing the QMS is a core responsibility of Neurimmune's management.

The responsibilities of the Quality Management function cover the following areas:

- Developing QMS with established standards (such as International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use, World Health Organization, International Standard Organisation)
- Managing regular internal and external quality audits.
- Providing QMS relevant training to employees.
- Maintaining compliance-illustrating records and documentation.
- Assessing supplier quality standards.
- Detecting and mitigating quality and risk deviations.

The QM function is independent of clinical operations and reports to the Chief Operating Officer (COO), with a direct line of communication for any quality-related information. Quality Management meetings are held monthly by the Quality Management responsible together with the COO and the relevant Department Heads. This ensures that the Neurimmune's leadership is kept informed about key quality issues and that any feedback or concerns raised by management is discussed in a timely manner.

2.3.2. Data privacy and security

The protection of privacy and integrity of personal data in all business activities form an important part of our business and accordingly incorporated into our Code of Conduct. Neurimmune is bound to the rules of the Swiss Federal Act on Data Protection, the related Swiss Ordinance, and the General Data Protection Regulation (GDPR) that applies to personal data originating from data subjects residing in the European Union (EU). A data privacy and security policy has been implemented to ensure compliance with applicable requirements. It provides an overview of how Neurimmune safeguards the security of personal data when it is collected, processed, stored, and transferred.

In case of a breach of security leading to the accidental or unlawful destruction, loss, unauthorized disclosure or access to personal data, Neurimmune's Data Protection Officer (DPO) must be informed without undue delay. In the year under review, 2 data breaches were identified or brought to the attention of management and resolved according to the GDPR regulation.

3 Employment

Our work culture fosters professionalism, fairness, health, safety, and respect for all employees. We oppose any form of discrimination, harassment, or retaliation, and emphasize the importance of diverse backgrounds, perspectives, and open communication. Our commitment to these values encourages inclusivity, promotes transparency, and instills a sense of trust in our team. In this chapter, our employment practices are illuminated, along with a glimpse into our company culture, social initiatives, and the diligent efforts we make to strengthen diversity through research grants for young talents.

3.1. Company culture

Our company culture is based on four pillars and consists of guidance principles for all employees to achieve a good workplace culture:

1. Acting purpose driven

At Neurimmune, innovation is at the core of our purpose and our mission is to keep learning from the memory of life to develop transformative immune therapeutics, and we put these values at the center of our culture as well. Innovation propels us at Neurimmune as we strive to find the treatment and prevention of these diseases.

Our staff identify personally with our mission, commit to this pursuit, and leverage their entrepreneurial spirit in the process. We value simplicity, diverse thinking, and personal and organizational growth, all driven by passion, emotion, self-motivation, and self-discipline.

2. Working with quality focus

Quality is at the heart of what we do at Neurimmune. Our team adopts a results-oriented approach, striving for excellence and precision in every action. The ability to use scientific evidence and factual arguments steers us, paired with urgency and a hands-on approach. Collectively, this shapes our quality-focused work environment.

3. Showing open attitude

Openness is not just a value but a driving force at Neurimmune. The cornerstone traits of hard work, persistency, and diligence blend with a willingness to adapt and explore the unknown. Creativity, innovation, and courage are celebrated, fostering learning and competency.

4. Living true collaboration

At Neurimmune, collaboration isn't just a principle; it's a lived reality. Effective communication, empathy, and a culture of shared knowledge define our teams. We maintain harmony via mutual respect and thoughtful discourse. Our work environment fosters a sense of belonging and empowerment, where everyone is heard, appreciated, and feels valued.

3.2. Our employees

Neurimmune has a community of 77 employees all dedicated to creating a supportive and productive work environment and bring innovative solution to our business partners. Throughout the years the staff is growing slowly but steadily as we focus on efficient innovation and value delivery. Women represent around 63% of our staff mix. When looking at age groups, we see an inclination toward younger generations. Employee fluctuation in 2023 was minimal, coming down only to 3 employees parting their way with Neurimmune, while 6 new hires joined the company. 2 of these positions are interns bringing fresh perspective from university.

We recognize the importance of diverse representation of workforce at all levels. We are aiming to increase gender diversity also at the leadership level as part of our long-term strategic vision.

As of 2023, the growth trajectory of Neurimmune continued to ascend steadily, and our communication tools have been nurtured and broadened to accommodate our expansion. Of particular note is NI-Net, our internal communication and information platform. Its functionalities support facilitating information sharing, simplifying the onboarding process for new hires, enabling a paperless environment as well as providing e-rooms for meetings, workgroups, and collaborative projects.

Complementing this, the performance management system we developed in 2019 now operates seamlessly, catalyzed by comprehensive employee training rolled out in 2020. We are improving our engagement and approach to people management with every passing year. An example of an initiative to keep a tight knit company belonging is the company retreat. The staff, including leadership, is attending a company retreat for a few days each year to foster belonging, company culture and discuss important topics for the year ahead.

Employee statistics	2023	2022
Total number of employees Headcount)	77	74
Full-time equivalents (FTE)	70.8	68.0
Number of female	49	46
Number of male	28	28
Trainees, interns, apprentices	2	-
Employees by age		
< 30 years	15	15
30-50 years	45	46
> 50 years	17	13
New hires and turnover		
New hires	6	14
Turnover	3	9

3.3. Social Engagement

At Neurimmune, we embrace an ethos of giving back and cultivate this through various social engagements at both the local and global level.

In continuation with our innovative start-up spirit, we stay close to our academic roots and on top of the latest scientific innovations. We support internships for students at ETH, UZH, and USZ, and encourage further research efforts by backing Master and PhD projects from ETH and UZH students.

Enriching the future generation is another facet of our outreach, as demonstrated by our participation in the Canton of Zurich Future Day, where we invite pupils to explore our company.

Our initiatives extend to funding and delivering essential medication to local communities in need, such as the case in Ukraine, addressing vital healthcare needs.

We are proud sponsors of the Schlieren City festival and actively participate in the monthly Tuesday Biotechnopark Schlieren Apero, contributing to thriving local communities.

Acknowledging the importance of education and professional development in our industry, we fund educational grants for junior professionals at Advances in Science & Therapy meetings.

Through these social commitments, Neurimmune continues to drive impact and foster development within our community and beyond.

3.4. Non-discrimination, inclusion & diversity

Neurimmune is committed to fostering a corporate culture that promotes diversity, inclusion, and equality, by creating an inclusive working environment where differences are respected and valued and where our employees feel encouraged to bring their unique perspectives. We stand against discrimination, intimidation, and harassment in all forms.

As part of our commitment to inclusion, we are participating in a federal initiative designed to support the reintegration of unemployed professionals. We also strive to advance the topic of inclusion and diversity in academia, through the fellowship program we established in 2023. This program is aimed at women with limited access to education or professional training, from Ukraine, Iran and Afghanistan. With a maximum yearly budget of CHF 100’000 spanning over three years, it is available for all levels of seniority, can be shared among several fellows.

These programs demonstrate our dedication to reaching out to underrepresented communities and developing a diverse and inclusive workforce. We are continuously looking at how to improve in the areas of diversity and inclusion and will further track progress in the years to come.

3.5. Employer attractiveness

3.5.1. Training and competency

At Neurimmune, we place significant value on the training and education of our personnel. All employees are required to undergo training on key controlled documents (such as the Code of Conduct, Biosafety Policy, Quality Management System). Training requirements specific to each role are recorded in a training matrix that outlines the necessary controlled documents and regulatory documents for each job function. This training matrix is in the overseeing responsibility of the Quality Management (QM) Responsible as well as training documentation, training materials/presentations, and the regulatory guidance documents that Neurimmune adheres to.

Those with GXP responsibilities are asked to keep documented proof of their qualifications, experience, and evidence of their training, including certificates, participant logs, and records of attendance at external events like conferences.

New employees receive a copy of our Code of Conduct, which is also publicly available on our website (Code of Conduct – Neurimmune). Each employee signs an acknowledgment of receipt and understanding of the Code, creating a record that underscores our shared commitment to our company's ethical standards.

3.5.2. Wages & benefits

Neurimmune acknowledges the value and dedication our employees bring to the company. We guarantee wages above local minimum strictly in line with applicable local laws. In addition, and to express our appreciation to our people, we have competitive working conditions supplemented by a very beneficial pension scheme as well as an employee stock ownership plan (ESOP). This plan is available to all employees that have been in the firm for longer than 2 years. The stock options are granted for free and can be exercised after 3 years at a very beneficial price. We also offer the possibility to acquire or sale participation certificates through the Neurimmune participation certificate exchange introduced in 2022. Every Thursday we offer joint lunch for everyone at the Schlieren offices.

3.5.3. Working hours and ways of working

Neurimmune leverages electronic time recording to streamline project costing, resource planning, and reporting to partners. Aligned with Swiss laws and company guidelines, our employment model accommodates flexible working hours, striking a balance between meeting business needs and maintaining quality standards.

This flexibility extends to occasional remote working and considers business trips as working time. Time management remains a personal responsibility, particularly for our Executive Committee members and employees at Director level who are exempted from formal time recording.

We use meticulous timekeeping to ensure transparency and fairness in remuneration – reconciling overtime and safeguarding employee rights. All employees benefit from vacation days, with those working full-time entitled to 25 days annually. For part-time employees, the vacation entitlement is calculated proportionally.

Health and Safety

This chapter describes our activities in the field of health and safety, which comprises occupational health and safety measures, emergency preparedness and response as well as customer health and safety.

4.1. Occupational health and safety

With research at the core of our daily operations, health & safety comes first regarding our employees. Neurimmune operates in the biotech domain, where biosafety constitutes a critical aspect of daily operations. To navigate the potential risks in our working environment, we adopt various practices designed to create a safer workspace, taking into consideration the well-being of our employees at every stage.

4.1.1. Biosafety

As works with pathogens and genetically modified organisms is conducted in our laboratories, Neurimmune has put a biosafety policy in place to protect people, animals, and the environment from negative consequences. The biosafety concept forms the binding framework for the implementation of the legal provisions that are to be observed for activities with pathogens or genetically modified organisms in closed systems. The safety concept includes the Neurimmune measures for occupational safety as well as for the safety of people, animals, and the environment.

The Neurimmune management bears the operative responsibility and ensures the implementation and observance of the company safety concept and has determined the necessary organizational structure for this. The management has tasked at least one person with the monitoring of biological safety and has detailed their status, tasks, and competencies in a functional specifications document. The necessary financial and personnel means have been provided.

In 2023, one laboratory incident occurred without any injuries nor impact on the environment and was resolved according to the biosafety protocols.

4.1.2. Health Acts

Considering Neurimmune’s work involves handling blood samples and human tissue, regular health checks for our employees are crucial. For data protection reasons, Neurimmune does not keep health records on its employees, only on test completion. For laboratory employees, the following medical tests are obligatory upon hiring and to be repeated every three years: Epstein-Barr virus, Hepatitis B and Hepatitis C. The costs for testing are borne by the company. Additionally, Neurimmune recommends all laboratory employees to be vaccinated for Hepatitis B and bears the corresponding costs.

4.2. Health and safety related to patients and clinical trials

Ensuring patient health and safety goes to the heart of Neurimmune's operations. We follow all applicable international health & safety regulations for our own operations and clinical trials. As highlighted in our Code of Conduct, we maintain two key principles:

First, respect for patients underpins our work. As we strive to create transformative therapeutic options, we prioritize clear and truthful communication about our products. We advocate for patient rights, ensuring privacy and complete, accurate safety information about our offerings. Our engagement with patient organizations and advocacy groups is not aimed at product promotion but is driven by science.

Secondly, we adhere to the highest standards of clinical and scientific integrity. Patient safety is a critical aspect of our mission, and ensuring an acceptable risk-to-benefit profile of our products is one of our priorities. Rigorous non-clinical and clinical testing helps us to understand the safety and tolerability profiles of our products. Employees are required to uphold the integrity of information related to the quality and safety of our products and report any information that could affect the safety profile of a drug to the Clinical Department promptly.

5 Environment

Caring for the planet is a crucial part of global wellbeing. Even though our focus lies on the social benefits associated with our research products, we acknowledge our environmental contributions through the consumption of materials and energy. As we do not produce a physical product going to market, but rather sell licensed innovation to our business partners, a big driver of GHG emissions to the environment lies within our upstream value chain rather than our own operations, addressed in chapter 6. Nevertheless, we strive to properly manage our research and clinical development operation, offices and any resources needed for this. We already have some initiatives in place in this regard and will further expand our comprehensive strategic approach in the future.

5.1. Pollution and waste

Neurimmune's office waste management system is focused on sustainability. We aim to reduce plastic waste, which led us to replace about 40 small desk bins with centralized waste bins. This move also helps to conserve the use of plastic bin liners. Furthermore, we've installed new "Eco-Points" – containers made from fully recycled PE material. These containers are designed for separate recycling of general waste, PET, aluminum, and paper. These measures reflect our ongoing efforts to promote recycling and reduce waste within our office environment.

As we have active ingredients, animals, and human material, in our laboratories, our biosafety concept is fundamental for the proper handling of these substances. When dealing with waste that carries a risk of contamination, such as tissue waste, blood-related waste or any malodourous or nauseating substances, we adhere to strict labelling and packaging guidelines. We give importance to correct treatment of biologically contaminated waste to protect both people and the environment. To ensure the proper handling of such waste, we have a designated waste disposal plan in place, helping us to minimize or prevent any potential release of organisms from a laboratory. We use autoclaving, which inactivates biological waste, supporting our aim to maintain a safe and clean environment.

Next waste category of concern regarding handling and disposal are the chemicals used in our daily work. Neurimmune has a robust system in place to manage chemical safety. The storage quantities are only as much as needed for smooth daily operations. Flammable liquids are kept in marked cupboards or compartments fitting safety standards. Any long-term storage adheres to the rules set by the Federal Coordination Commission for Occupational Safety (FCOS), positioned outside the laboratory to observe fire regulations.

All data regarding the handling and storage of chemicals is precisely recorded in safety data sheets, stored on the NI-Net and available to all employees. When it comes to waste disposal, chemical waste including potent acids, alkalis, and (chlorinated) organic solvents are disposed of in accordance with the guidelines mentioned in the Ordinance on Waste Processing (VeVa).

5.2. Climate change

Typically, environmental concerns related to the pharmaceutical industry are centered around potential water pollution and waste generation rather than emissions. However, we acknowledge the global need for decarbonization and wholeheartedly support this goal. Therefore, we will conduct a detailed analysis of our company's greenhouse gas (GHG) emissions and set up appropriate GHG accounting, which will allow us to keep track of our performance and take effective measures. We are committed to reduce the GHG emissions related to our operational activities as much as possible. In Switzerland, we benefit from the Swiss grid energy mix with high share of renewable and low-emission sources, minimizing our indirect energy-related emissions. Given the nature of Neurimmune's business model, the main impact related to GHG emissions is primarily associated with upstream processes in our supply chain as well as downstream activities in our value chain. Accounting for other indirect (Scope 3) GHG emissions will therefore be of high importance.

6 Supply Chain Management

Our suppliers and vendors are indispensable to our operations. Over the years, we've diligently developed our vendor management practices, primarily to ensure that the quality and legal compliance of products and services supplied to us are held to the highest standards. Recognizing the evolving nature of sustainable business practices, we are now progressively integrating Environmental, Social, and Governance (ESG) aspects into our vendor and supplier management frameworks.

We are committed to work with suppliers and business partners who share the same levels of commitment towards integrity and ethical standards as we do, and we expect such values to be reflected in all our business dealings. The careful selection of suppliers plays a critical role in maintaining our ethical stance. We purposely foster relationships with those committed to respecting and protecting human rights in their operations. This includes zero tolerance towards child labor, forced labor, and any form of exploitation in their operations.

In addition, we mandate that all our suppliers and business partners adhere to all relevant laws and regulations in their respective regions and globally. This includes abiding by the principles of fairness, transparency, and legality in all their activities. The Code of Conduct has been updated, to also include supplier expectations, asking all vendors to adhere to the same principles as we do.

In the years to come, we remain adamant about strengthening and maintaining this ethical standard, ensuring our supply chain continues to reflect Neurimmune's commitment to integrity, ethical operation, and high-quality deliverables.

6.1. Social aspects

Neurimmune employs vendor questionnaires to appraise the quality of products and services, focusing on Quality Management Systems, proper training, and Health & Safety standards. Separately, we deploy specialized questionnaires to evaluate potential risk factors, including the use of child labor and sourcing of conflict minerals.

6.1.1. Vendor Quality Questionnaire

At Neurimmune, we use comprehensive vendor questionnaires as a crucial part of assessing selected partners in Clinical Trial Sample Analysis and Medical Device Manufacturing regarding their adherence to the highest standards of quality, safety, and compliance. Thes questionnaires are providing insightful data that guides our vendor selection and management.

The questionnaire covers key areas like quality management, personnel training, contracts and agreements, and trial conduct. It asks vendors to detail their Quality Management Systems, Standard Operating Procedures, audit programs, and certified quality standards.

In the personnel training section, the vendors are asked to outline their employee position descriptions, CV management, and training records procedures. The particulars of their internal and technical training programs and their process for identifying the training needs of employees are also covered.

The questionnaire further investigates trial conduct procedures, seeking information about protocol adherence, handling of deviations from standard procedures, and measures taken when additional work requests arise. Contracts and agreements questions involve their procedures for handling contracts or agreements between the laboratory and the sponsor. Detailed questions on availability and review protocols, assessment of their relevance and ensuring their compliance with local legal, regulatory, and ethical requirements are included.

In the area of trial conduct, the focus is on the procedures for reporting unexpected results, individual safety reporting, and the procedures established to assess the impact of any deviations from the SOPs.

We delve into sub-contracting laboratory analysis, focusing on whether the vendor subcontracts any part of their work, and if so, how they qualify these sub-contractors and manage the subcontracting to uphold standards. Other areas covered include informed consent procedures, sample identification, storage, and chain of custody, and method validation procedures.

All this information not only helps Neurimmune to ensure the quality of products and services from vendors but also helps to evaluate important ESG aspects like child labor and conflict minerals through separate questionnaires. The detailed vendor evaluation forms a central part of our value chain, ensuring every part of our operation aligns with our commitment to quality, ethics, and legal compliance.

6.1.2. Child labor

We follow the definitions established by the International Labour Organization (ILO) Conventions Nos 138 and 182 concerning child labor. This essentially deems work as child labor when it involves individuals under 18 engaging in dangerous or harmful work, or any work by children who are under the age of 15 or still in compulsory schooling.

Neurimmune has established a thorough risk assessment process in 2023, focused on identifying the potential for child labour practices among our suppliers.

This process commences with the comprehensive review of supplier information procured from Neurimmune's databases. Applying a risk-based approach, we consider companies above a purchasing quantity of 1'000 CHF. From this pool, we focus on suppliers operating in countries that the UNICEF Children's rights in the workplace index has classified as "Enhanced" or "Heightened" risk countries. For each of the identified suppliers, we perform a multi-layered assessment.

This includes:

- Evaluating industry risk according to the guidelines of the ILO Child Labor Guidance tool for businesses.
- Scrutinizing any publicly available responsible conduct documentation to assess references to human rights and child labor.
- Conducting a negative news assessment on research platforms, specifically focusing on human rights and child labor aspects.
- Review of our Vendor Quality Questionnaire for selected suppliers.

The consolidated and weighted consideration of these different risk factors contribute to our overall risk assessment. In case of suppliers assessed as medium or high risk we directly follow up with them for additional inquiry. We apply questionnaires with the following focus:

Part A investigates the partner's commitment to human rights and child labor, delving into whether they have clearly stated their commitment to respecting human rights, including children's right to avoid child labor, and if these expectations apply to their business partners. Additionally, we enquire how they communicate this commitment, both internally and externally.

Part B focuses on risk assessment. We ask the partner if they have assessed the risk of child labor and human rights violations in the past 12 months within their own operations and those of their business partners. We further investigate any awareness of child labor or human rights violations cases in the operations associated with their products or services.

In case of non-compliance, we may request a supplier to take necessary corrective actions, and, if the issue persists, we retain the right to terminate the business relationship.

In 2023 no reasonable suspicion for child labour in our supply chain was detected.

6.1.3. Conflict minerals

In line with the Swiss Ordinance on Due Diligence and Transparency concerning Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO), we established a process to assess whether we procure any product related to conflict-minerals and metals as covered in Annex I DDTrO. We asked our suppliers to provide information through questionnaires and confirm whether they provide any covered products to Neurimmune, and if yes, provide additional information on the quantities. Through the questionnaires, we aim to ensure transparency of our supply chains and avoid any exposure to minerals and metals stemming from conflict-affected areas.

The results for 2023 showed, that Neurimmune does not import or process any minerals or metals as defined in the Ordinance and is therefore exempt from the reporting obligations regarding conflict minerals and metals.

6.2. Environmental aspects

At present, Neurimmune's focus in assessing suppliers has been predominantly on aspects such as quality and specialization of the provided equipment and goods required for our research. Many of these are sourced from highly specialized suppliers whose offerings are unique and often unmatched in quality.

However, we are aware that every product or service procured has an environmental footprint. While our current code of conduct encourages our employees to be mindful about resource usage and ordering necessary quantities, we acknowledge that more comprehensive measures can be integrated into our procurement process.

Going forward, Neurimmune looks to incorporate an environmental lens into our assessment of supplied goods and services. This expansion of criteria falls in line with our dedication to sustainability and will contribute to a more holistic evaluation of our supply chain.

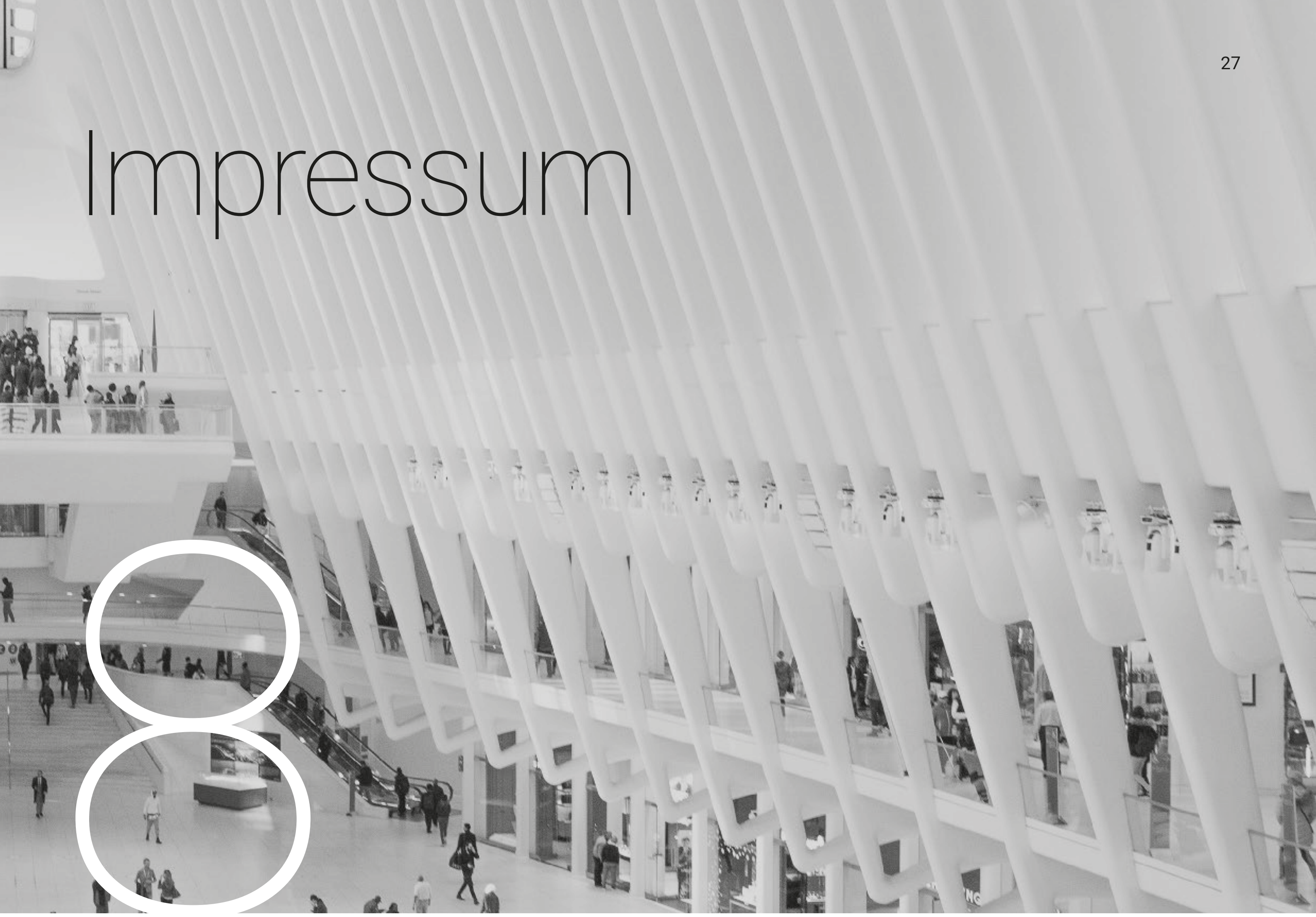
Glossary

AniPO Swiss Animal Protection Ordinance
BoD Board of Directors
CEO Chief Executive Officer
CMC Chemistry, Manufacturing, and Controls
COO Chief Operating Officer
CSRD Corporate Sustainability Reporting Directive
DDTrO Swiss Ordinance on Due Diligence and Transparency concerning Minerals and Metals from Conflict-Affected Areas and Child Labor
DP Drug Products
DPO Data Protection Officer
DS Drug Substances
ESG Environment, Social, Governance
ESOP Employee Stock Ownership Plan
ESRS European Sustainability Reporting Standards
ETH Federal Institute of Technology Zurich
EU European Union
FCOS Federal Coordination Commissions for Occupational Safety
FTE Full Time Equivalent
GDPR General Data Protection Regulation
GXP Good Clinical/Distribution/Laboratory/Manufacturing/… Practice
GHG Greenhouse Gas
ILO International Labor Organisation
IMP Investigational Medicine Products
NI-NET Neurimmune Intranet
OECD Organisation for Economic Co-operation and Development
PE Polyethylene – most commonly produced plastic
PET Polyethylene Terephtalate – most common thermoplastic polymer resin
PhD Doctoral research degree
QMS Quality Management System
R&D Research and Development
Scope 3 The Greenhouse Gas Protocol categorises GHG emissions into three scopes:
- Scope 1 are direct emissions from owned or controlled sources
- Scope 2 are indirect emissions from the purchase and use of electricity, steam, heating and cooling.
- Scope 3 includes all other indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions

Source: www.ghgprotocol.org

SOP Standard Operating Procedures
UN United Nations
USZ University Hospital of Zurich
UZH University of Zurich
VeVa Ordinance on Waste Processing

Impressum



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