



2022

2030 Environmental,
Social and Governance
Roadmap

Reinventing existing medications



Introduction

The core of our business is unlocking the hidden potential of existing medicines and tackling unmet medical needs through drug repurposing. As an organization we need to act responsibly. Releasing our potential requires embedding sustainability into business practices, processes, product development, operations and strategy.

In publishing this initial report, we want to allow for an assessment of our organization's performance on various sustainability and ethical issues. We believe transparency is linked to better outcomes for stakeholders as it will support informed decision-making.

In this global overview, we consider:

- our potential to contribute positively to the planet we share;
- the human potential and well-being of our colleagues;
- the potential of science to solve some of the greatest health challenges in the world.

We are committed to bringing all of these aspects together, not only in ethical business operations but also in our relationships with a broad community of stakeholders including patients, physicians, payors, governments, investors, employees and suppliers.

In 2022, we shouldered an exercise to identify the practices, initiatives, strategies, and gaps in our approach to Environmental, Social and Governance (ESG) challenges in an effort to more effectively and authentically communicate our positive impact on society. This report is a result of those efforts.

Stijn Van Rompay, CEO of Hyloris

"Our company desires to create value for our stakeholders by developing innovative and affordable medicines that address unmet medical needs, while minimizing our environmental impact, ensuring ethical conduct and promoting social responsibility. In this first report we lay out where we stand at present, and where we want to improve in the future, to make an increasingly positive impact on the world around us."



The United Nations Agenda for Sustainable Development provided the framework for identifying our contributions and for mapping our progress against them. Adopted in 2015 by all United Nations member states, the UN Agenda for Sustainable Development offers 17 goals for global development to be achieved by 2030. These broad goals are further defined by a total of 167 targets, which in turn are measured by 232 indicators of progress. Our first step in assessing Hyloris' contributions to these goals was determining which of them were authentic to our core mission and against which we could measure progress. In all, we mapped our business against four UN SD goals and six corresponding targets.



Selected Goals and Targets



Good health and Well Being

- By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being (Target 3.4);
- Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol (Target 3.5);
- Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines for all. (Target 3.8);
- Support the research and development of medicines for the communicable and non-communicable diseases that primarily affect developing countries. (Target 3.8B).



Gender Equality

- Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life (Target 5.5).



Decent Work and Economic Growth

- Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. (Target 8.8).

Hyloris ESG Imperatives

Once we identified the UN Agenda for Sustainable Development goals and targets that were authentic to our mission, we organised our commitments under three imperatives.

Imperative I	Imperative II	Imperative III
Commitment to the Good Health and Well-Being of Society	Commitment to Environmental Sustainability	Commitment to Responsible Leadership



Imperative I – Commitment to the Good Health and Well-Being of Society

A. Access to safe, effective, quality and affordable essential (Target 3.8)

We currently have a portfolio of 14 value-added medicines (of which 2 are commercialised) addressing underserved medical needs in areas including cardiovascular diseases, the largest therapeutic area globally. Hyloris aims to develop 30 or more products, targeting a global presence for most of them.

One of our first commercial products, Sotalol IV for the treatment of atrial fibrillation, can significantly reduce the length of hospital stay and hereby reduce the overall cost of care, while improving patient outcomes and safety. Sotalol IV is currently marketed in the US, where overnight hospital stays typically cost thousands of dollars.

Hyloris currently has a portfolio of 3 high barrier generic medicines in development. Once approved, these offer identical, effective, safe and significantly cheaper alternatives to patients and the health care community.

Our development strategy of reformulating and repurposing approved pharmaceuticals, whose safety has often already been established, can dramatically reduce the time and cost it takes to get our medicines approved. A

lower development cost can result in lower costs to patients and health care systems overall

B. Part of the solution to the Opioid Crisis (Target 3.5)

The UN Agenda for Sustainable Development emphasizes a health-oriented approach to the global scourge of drug abuse. According to the World Health Organization (WHO), drug abuse has killed more than 500,000 people with 70 percent of those deaths attributable to opioids. Further, the WHO found that "the number of opioid overdoses has increased in recent years in several countries, in part due to the increased use of opioids in the management of chronic pain and increasing use of highly potent opioids appearing on the illicit drug market."

(Source: <https://www.who.int/news-room/fact-sheets/detail/opioid-overdose>).

Developing non-addictive alternatives to opioids for pain management is a public health imperative. Our product Maxigesic® IV is a novel, dual mode of action non-opioid analgesic for the treatment of post-operative pain. As of this writing, it is marketed in over 20 countries and Hyloris is working diligently on market approval for the US, where over 100,000 deaths are reported annually due to opioid-involved overdoses. We are proud to be a part of the solution to this public health crisis and expect that

Maxigesic® IV will be available in the vast majority of all countries, including most developing nations.

C. A portfolio focused on the leading cause of death. (Target 3.4)

Cardiovascular Diseases (CVDs) are the leading cause of death globally. According to WHO, an estimated 17.9 million people died from CVDs, in 2019, representing 32% of all global deaths. Of these deaths, 85 percent were due to heart attack and stroke. At Hyloris, over a third of our current portfolio (7 product candidates) is devoted to addressing cardiovascular disorders.



27%
of people die from heart attack and stroke. Hyloris has 7 product candidates addressing cardiovascular disorders



Imperative II - Commitment to Sustainable Consumption and Environmental Protection

At Hyloris we have taken specific and proactive initiatives to do our part to address the planetary crises of biodiversity loss, pollution and climate change.

A. Headquarters and Lab Relocation

In 2022, we made a sustainable choice by moving our headquarters to the LégiaPark site in Liege. The complex is a BREEAM-accredited facility with a performance rating of "Excellent". BREEAM (Building Research Establishment Environmental Assessment Method) is the leading international standard for rating green buildings. It validates this office space as an enjoyable and comfortable workplace with respect for the environment.

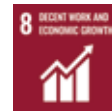
Solar panels on the roof of the LégiaPark Complex are estimated to cover two thirds (67%) of the energy consumption of the site, at full capacity. Thermal engineering for heat retention, natural light, passive ventilation, rain water recuperation for reduced water consumption and parking capacity for electric vehicles are other key features. In addition, in 2023, we will move our R&D laboratory facility to the complex to further leverage its environmental benefits.

B. Raising the bar for our suppliers

In choosing suitable partners for its drug development & manufacturing, the Company requires certain disclosures in the selection procedure. Hyloris reviews amongst others product quality, supplier capabilities, consistency, and supplier risk but also ESG metrics and policies. Sustainability is expected to become increasingly important, with a strong focus on responsible consumption and production.

C. Leading the push for electric vehicles

Ahead of deadlines incorporated in Belgian law, Hyloris is turning its small fleet of cars green: company cars are chosen by a list of leasing offers pre-approved by Hyloris. From this shortlist, nearly all combustible engine vehicles have been phased out and several types of PHEVs (Plug-in-Hybrid Electric Vehicle) or BEVs (Battery Electric Vehicle) have been added in recent months. In other words: the choice for a car "with a plug" is strongly encouraged.



Imperative III - Commitment to Responsible Leadership

A. A Virtual, Flexible Workplace

Working with dozens of suppliers and partners while relying on an international group of colleagues often based in their native countries, Hyloris sets the example for hybrid working. Virtual meetings are the standard. Over 90% of all recurring (weekly or bi-weekly) meetings were held virtually in 2022.

Colleagues can choose to work at the Liège headquarters 2 to 5 days a week, if it fits their schedule. To further cut down on commuting time, travelling colleagues are offered the option to stay overnight in a company-paid hotel to bridge two in-office workdays.

B. Key Values, Accountability and Leadership Culture

Four key values support the achievement of Hyloris' mission, and will be part of the yearly evaluation procedures as of 2023:

- › Passion and Drive;
- › Entrepreneurship;
- › Professional Excellence;
- › Integrity and Accountability.

Colleagues in leadership position also have their performance review centered around empowerment and coaching. To ensure these values and culture are integrated into every aspect of our operations and after growing its workforce significantly in a short period, Hyloris hired a dedicated human resources director in 2022 who brings decades of experience in "soft HR" into the company, and reports to the executive leadership team with full accountability for employee well-being.

C. Respect for Global Expertise

At Hyloris we abide by the guiding principle to "look for expertise where it is available" Thus, we have recruited colleagues of 11 different nationalities to help fulfill our mission. They are working across three continents (Europe, US and Asia).

Hyloris is proud of the diverse background of its team members, and expects the number of nationalities to grow naturally as the company progresses towards its objectives.

D. Dedication to Workplace Safety (SDG Goal 8.8)

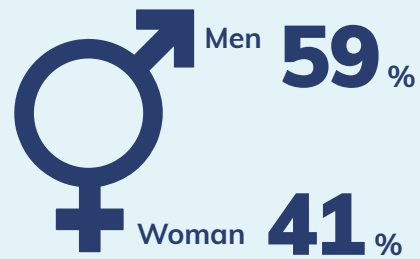
Hyloris is dedicated to upholding the highest standard of workplace safety for our employees. Our newly hired human resources manager has recently obtained the necessary certifications and is outlining a 5-year plan focusing on safety as well as the psychological well-being of our employees.



Peter Mertens, HR Director

"Employee well-being is not just a nice-to-have, it's a must-have for any organization that wants to succeed. We value every team member and want to demonstrate our commitment to a healthy, safe and supportive work environment in every way. Our flexible, location-independent way of working is a testament to that. In the future, we want to offer extra benefits to help everyone working at Hyloris cope with stress, balance work and private life, and achieve professional and personal goals."

Hyloris gender diversity



E. Checks & Balances in place at the highest level



As a quoted company, the Company adheres to all requirements in the Belgian Company Code. As of this annual report, the board consists of 8 members of which 4 are independent directors. The Remuneration Committee consists solely of non-executive directors and is formed in majority by independent directors.

F. Pursuit of Gender Equality (SDG Goal 5)

Hyloris remains committed to further diversifying its leadership, and in particular its board representation. The Company's Board currently counts one female Director. Special efforts are being made to attract additional female Board Members to bring additional experience at the highest decision making level and improve gender diversity.

Hyloris employs 37 people, 15 women and 22 men. While the Company recruited nearly half of the current team in 2022, the gender balance remained stable around 40% (women) to 60% (men). This overall balance is also representative of all the positions in the company, with the exception of the Executive Committee (which does not yet have any women members).

In the future, the goal remains to keep a similar gender balance and pay special attention to bring extra diversity into the team.

G. Ethical Business Practices

Hyloris maintains high ethical standards in all its business practices and relationships with customers, suppliers and its internal workforce. The following ethical guidelines are a cornerstone of day-to-day operations of the company, and apply to all employees:

- 1). Personal conduct;
- 2). Conflict of Interests;
- 3). Confidential Information
- 4). Influence;
- 5). Competition.

Hyloris has also drawn up a set of rules - "Dealing Code" - regarding 'market abuses' such as insider dealing, unlawful disclosure of inside information and market manipulation, and transactions in financial instruments by persons discharging managerial responsibilities and persons closely associated with them.

H. Less Animal Testing

In utilizing the 505(b)(2) development pathway in the US and similar pathways in other countries, the need for additional early stage R&D is reduced compared to New Chemical Entities following the 505(b)(1) regulatory pathway. Hyloris will continue to implement alternatives to animal testing where possible.

Conclusion

As a business of some 40 colleagues, we are cognizant of the limits of our contributions to as ambitious an undertaking as the UN's Agenda for Sustainable Development. Yet, we also are inspired by its call to action "to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere." In particular, the UN Secretary General called for three levels of action to complete this sustainable agenda – global, local and people, defining "people" as inclusive of the private sector.

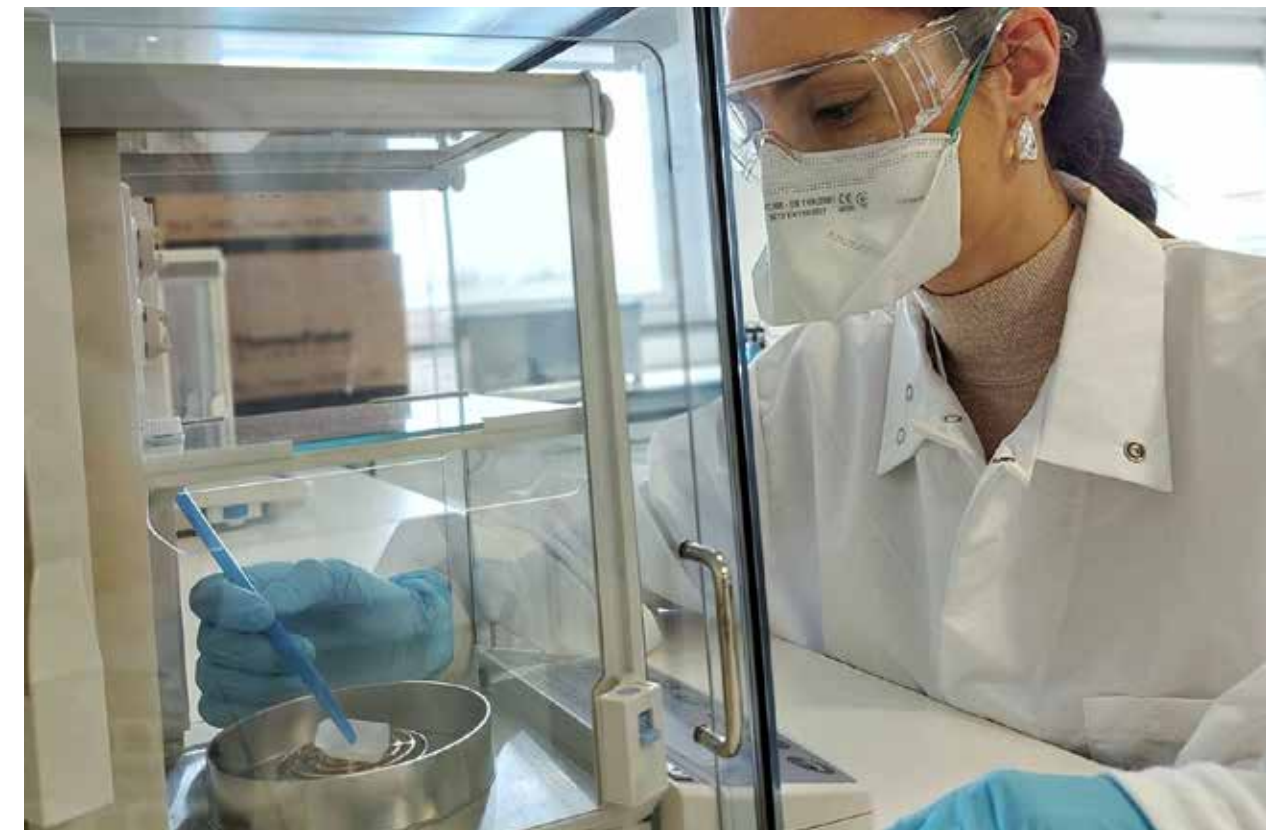
We believe our core mission of addressing unmet medical needs through reinventing existing medications goes to the heart of improving "the lives and prospects of everyone, everywhere." Further, our first three ESG imperatives will guide us in our efforts to make measurable progress in unlocking the potential of our products, our people and our planet.

Key Performance Indicators

The Company will keep its attention on sustainability on its way to achieving the main commercial goals. Points of attention in the medium term will be:

- increased gender diversity at the board level: by 2026, at least one third of the members of our board must be of another gender than the other members;
- increased focus on sustainability factors in the selection procedure for suppliers;

- maintaining or improving a diverse workforce with different nationalities (currently 11 on a workforce of 37) and cultural backgrounds as the Company hires more team members;
- maintaining or improving gender equality across all levels of the team (currently 40% of the team is female).





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