

2024

Sustainability Report



 Hyloris

Reinventing existing medications



Environmental, Social, and Governance

Introduction

As the pharmaceuticals sector continues to evolve, the importance of Environmental, Social, and Governance considerations can not go unnoticed. While recent developments in Europe have seen a slowdown in regulatory sustainability reporting requirements, the momentum for transparency and accountability remains a critical focus for our industry.

At Hyloris, we recognize the pressing need to address environmental challenges, promote social responsibility, and uphold governance standards that reflect our company values. We believe that sustainability is not merely a compliance obligation but a way to create value. Therefore, it remains our ambition to transparently share our sustainability journey based on best practices. In this way, we hope to build trust with our investors, partners, end-users, and the public, while we continue our push to improve the lives of patients facing unmet medical needs.



General Information

Our Approach to Sustainability

Since 2022, Hyloris concentrated its efforts on selected Sustainable Development Goals (SDGs). These SDGs guided us in identifying three strategic imperatives that align with our mission and values:

01

Commitment to the Good Health and Well-Being of Society

02

Commitment to Environmental Sustainability

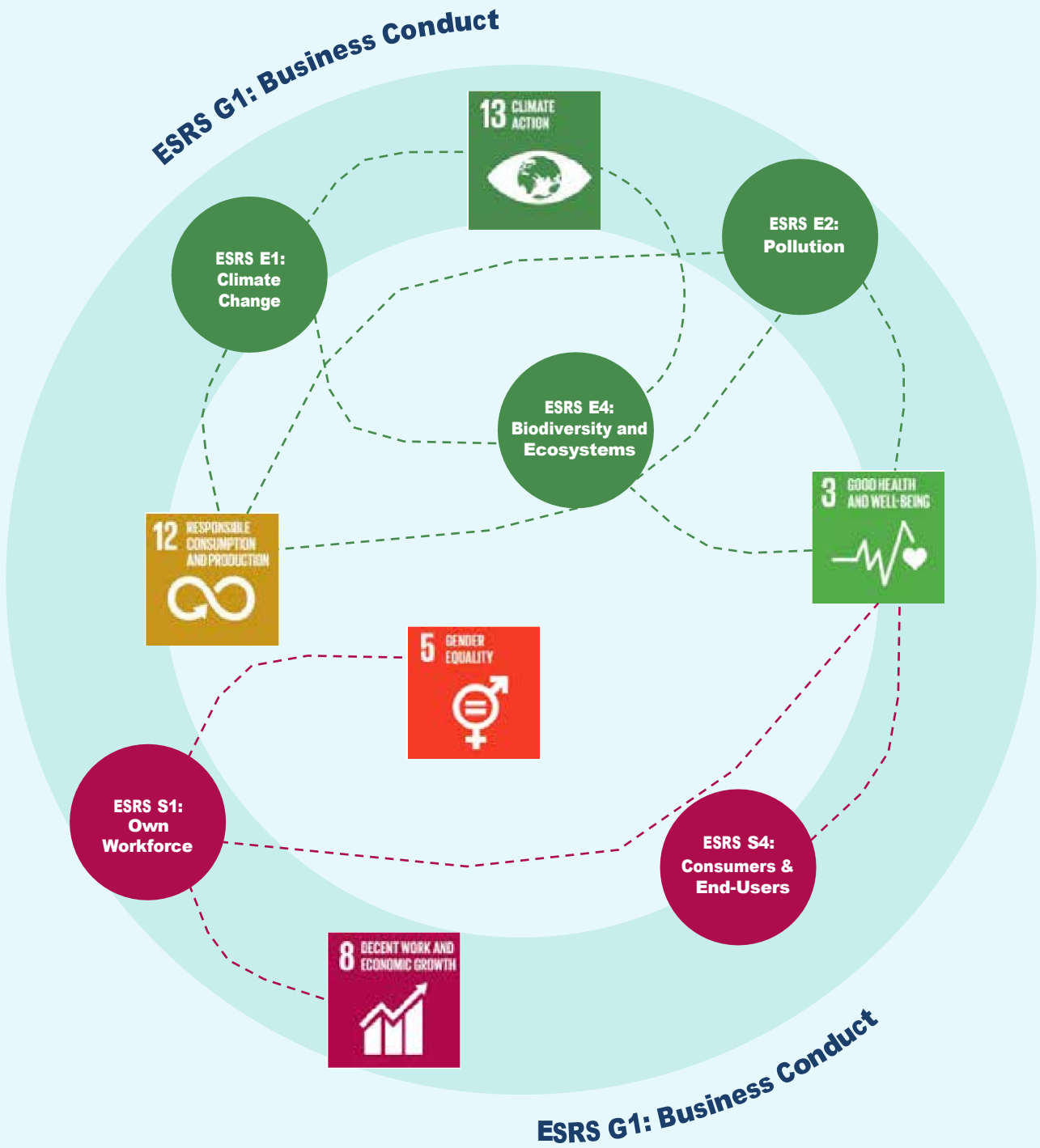
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Commitment to Responsible Leadership

As Hyloris continues to grow, we remain committed to these goals as we recognize their importance in fostering a sustainable future. However, To strengthen our sustainability efforts and reporting, we have opted to streamline our strategy in alignment with the Corporate Sustainability Reporting Directive (CSRD) guidelines wherever feasible. As a result, this report will address, on a voluntary basis, most topics outlined by the CSRD's European Sustainability Reporting Standards (ESRS), allowing us to communicate our progress and impact in a more meaningful and transparent manner.

Hyloris has also carried out a Gap analysis with an external partner to identify areas for improvement and the data to be collected for the future sustainability report in accordance with the CSRD.

Enhancing our Initiatives through the integration of SDGs and ESRS





Environmental

The importance of Environmental considerations in Pharmaceuticals

The positive impact and beneficial effects of medicinal products on society are well known and acknowledged. However, as environmental issues are becoming more and more urgent, there is a need for additional focus of the sector in addressing the biggest risks for our climate and planet.

Some of the key challenges in our sector:

Pollution of Air, Water, and Soil

The contamination of water bodies and soils with pharmaceutical residues has emerged as a significant environmental concern. Pharmaceutical compounds, along with their metabolites and conjugates, primarily enter the environment through human excretion. These substances make their way into sewage treatment systems, where they may undergo degradation, become adsorbed to sewage sludge, or ultimately be released into surface water.

Increasingly, traces of various medicinal products, including antibiotics, are detected in surface water, groundwater, and soil, posing risks to human health, wildlife, and overall biodiversity.

Climate Change and Greenhouse Gas Emissions

Climate change has become one of the most urgent challenges of our time, impacting the environment, economies, and societies around the globe. The Earth's average temperature is steadily rising due to the accumulation of greenhouse gases, particularly carbon dioxide (CO₂), in the atmosphere. This increase in temperature is not merely a statistic; it manifests in more frequent and severe weather events, rising sea levels, and disruptions to ecosystems. In this context, it is essential for governments, organizations, and individuals to make more conscious decisions to minimize their carbon footprints and contribute to a sustainable future.

How Hyloris is addressing these Environmental challenges



Environmental Risk Assessments

At Hyloris, we understand the potential negative impacts pharmaceuticals can have on the environment. Therefore, we diligently perform environmental risk assessments (ERAs) for all new medicinal products in accordance with regulatory requirements to estimate the exposure of the environment to the new drug substance and assess the potential effects. In this way, we make sure to protect our planet and ecosystems from potential harm.



Reducing our CO₂ Footprint

The Hyloris headquarters is located in LégiaPark, Liège, in a BREEAM-certified building that has achieved an "Excellent" performance rating. BREEAM, which stands for the Building Research Establishment Environmental Assessment Method, is a widely recognized standard for measuring the sustainability and environmental performance of buildings. Receiving an "Excellent" rating reflects a strong commitment to sustainability, including efficient use of utilities such as water and energy, as well as the use of sustainable materials. Additionally, this rating highlights the focus on providing a comfortable and healthy indoor environment, featuring good air quality and plenty of natural light, which contributes to the well-being of our employees and visitors.

In further efforts to reduce our carbon footprint, we have made significant progress in our transition to a sustainable vehicle fleet. As part of our ongoing efforts to completely move away from combustion engines, we have switched to using only hybrid and fully electrical vehicles. By investing in cleaner transportation options, we are taking yet another important step to address our direct emissions and promote a greener future for our employees and the communities we serve.

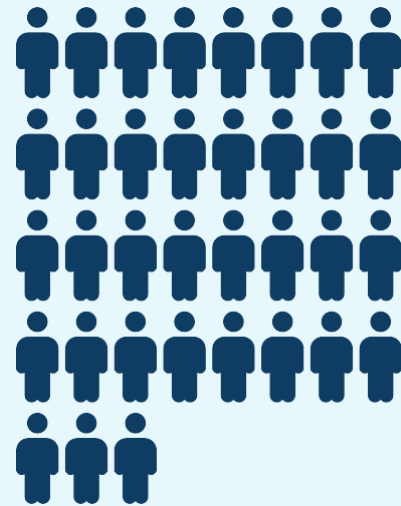


Social

Our People

At Hyloris, we recognize that our people are our greatest asset. Our workforce is the driving force behind our innovation, creativity, and commitment to improving healthcare outcomes for our patients. As we continue to grow and evolve, we remain committed to attracting and retaining top talent around the world by fostering a supportive, transparent, and inclusive work environment based on our core values.

Workforce in statistics:



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Self-Employed



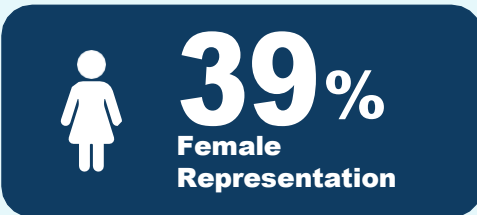
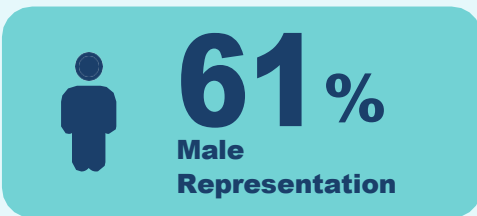
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Employees

Hyloris utilizes a flexible structure to leverage expertise around the world. Under this structure, a significant majority of our workforce is operating as self-employed professionals. This model allows us to bring in specialists with unique skills and experiences that can enhance project outcomes and drive innovation. Regardless of employment status, we remain committed to equal treatment and inclusivity of our team members. Since we are one team, the next social topics in this section will dive a bit deeper into our team dynamics, exploring how our diverse backgrounds and experiences contribute to a collaborative environment.

A diverse pool of talent:

Irrespective of gender, ethnicity, or nationality, Hyloris wants to attract the best people where possible. Our dedication to global expertise focuses on bringing together individuals with different viewpoints and experiences, ultimately aimed at creating a dynamic team that is better equipped to tackle the complex challenges in the biopharmaceutical industry.



We are proud of our nearly perfectly balanced gender ratio across the organization. This balance is a testament to our dedication to creating an inclusive workplace, regardless of gender. However, we do recognize that our female representation at the top level does not yet align with our overall diversity.

Currently, only 1 out of our 7 Directors on the Board is a woman, highlighting an area where we are seeking improvement. We are committed to enhancing diversity at all levels of our organization and are focused on attracting women with valuable experience to contribute to our highest decision-making body.



Fair Pay for All

We are committed to ensuring that our employees receive adequate wages that reflect their contributions and comply with local legislation. We understand the importance of fair compensation in promoting employee satisfaction and retention, and we strive to create a transparent and equitable pay structure.

In addition to adhering to legal requirements, we conduct an annual review process that evaluates employee performance against pre-defined targets and goals. This process is designed to recognize and reward the hard work of all employees, entitling them to bonuses and salary increases based on their achievements. By linking compensation to performance, we hope to foster a culture of accountability and motivation, encouraging our team members to strive for excellence in their roles.



Transparency in Remuneration

Transparency is key at Hyloris, and we believe that open communication about our remuneration practices is essential to building trust with our employees and stakeholders. To this end, we share an extensive Remuneration Report as part of the Corporate governance chapter, providing detailed insights into our compensation structure and practices. We have also

established a comprehensive remuneration policy designed to attract, motivate, and retain expert individuals who are critical to our success. A core principle of our remuneration policy is to ensure consistency between the remuneration of executives and that of all staff members. We recognize that every role within Hyloris contributes to our mission, and we strive to create a balanced approach to compensation that reflects this value.



Social Protection

We prioritize the well-being of our employees by ensuring comprehensive social protection coverage in alignment with local legislation across the various countries where we operate. Our commitment to social protection encompasses safeguarding our employees against loss of income due to significant life events, including sickness, unemployment, employment injury and acquired disability, parental leave, and retirement.



Work-Life Balance

In our efforts to promote a sustainable work-life balance, we offer a flexible workspace that accommodates the diverse needs of our employees. Our hybrid working model allows team members to blend remote and in-person work, promoting flexibility and enhancing productivity. Additionally, we provide hotel accommodations for employees who need to bridge in-person workdays, ensuring that they can maintain a healthy balance between their professional and personal lives.



Training and Development

Talent and expertise are essential drivers of success in our sector. To foster professional growth, we provide our employees with access to a range of training programs. By allocating resources for training and development, we motivate our team members to pursue initiatives that align with their individual needs and career aspirations. In the coming years, we will continue to enhance our training program by establishing a consistent framework and ensuring regular follow-up on our employees' training hours. This commitment not only supports their professional development but also strengthens our organization.



Healthy and Safe? - Check!

At Hyloris, maintaining a safe and healthy work environment is one of our top priorities, as we believe that the well-being of our employees is just as crucial as the health and safety outcomes of our products for patients. Our commitment to workplace safety is embodied in our dedicated 5-year workplace safety plan, which includes well-defined processes, mandatory safety training, and regular medical checkups for our lab personnel.

There have been **0 work-related accidents** at Hyloris, a testament to our proactive approach and the collective responsibility of our employees to uphold safety standards.



Our Patients

It is our mission to improve patients' lives. By focusing on unmet medical needs, we aim to bring added value to the healthcare system through innovative reformulations and repurposing of existing pharmaceuticals.

In that aspect, Hyloris aims to bring positive impacts to patients and healthcare professionals by aligning with the highest standards and regulatory requirements in terms of quality, safety, and data collection. More specifically, we focus on the 505(b)(2) regulatory pathway in the U.S. and similar pathways in other countries, which is designed for existing pharmaceuticals where safety is already established. In this way, we can speed up the development process, leading to faster product launches and quicker access to innovative treatments for those patients who need them most.



Unmet medical needs



Quality Pharmaceuticals



Quicker Access



Established Safety



Innovative Treatments



Affordable Medicines

Spotlight Impacts



Providing a solution for the Opioid Crisis

The global fight against drug abuse is increasingly adopting a health-centered approach, as highlighted by the United Nations' Sustainable Development Agenda. This is crucial given the alarming impact of drugs, which the World Health Organization (WHO) reports claim over half a million lives annually, with opioids responsible for 70% of these deaths. The rise in opioid overdoses is linked to their use for post-operative pain relief and the emergence of potent illicit opioids.

In response to this public health crisis, Hyloris proudly introduces Maxigesic® IV, a novel non-opioid analgesic for post-operative pain management. Approved in the U.S. in 2023, Maxigesic® IV provides a vital alternative to traditional opioids, which have significantly contributed to the opioid epidemic. The U.S. has experienced more than double the opioid-related deaths compared to other countries, underscoring the urgent need for effective non-opioid solutions.

Maxigesic® IV is now approved in over 50 countries, with plans for further marketing authorization submissions in more than 30 countries, including low- and middle-income countries (LMICs). This expansion reflects our commitment to addressing the global opioid crisis and aligns with our Environmental, Social, and Governance (ESG) goals. By offering healthcare professionals a safe and effective alternative for pain management, we aim to reduce reliance on opioids and enhance patient outcomes.



The leading cause of death: Cardiovascular Diseases

Cardiovascular diseases (CVDs) represent a pressing global health crisis, claiming millions of lives annually. In 2019 alone, the World Health Organization (WHO) reported that CVDs were responsible for a staggering 17.9 million deaths, accounting for over a third of all global fatalities. Heart attacks and strokes are particularly devastating, comprising 85 % of these tragic outcomes.

In response to this critical public health challenge, Hyloris is committed to making a significant impact by dedicating one-third of our product development pipeline to addressing cardiovascular diseases. Our pioneering product, Sotalol IV, specifically targets atrial fibrillation, emphasizing both patient safety and cost-effectiveness.

Sotalol IV is designed to significantly reduce hospital stays—from an average of three days to just one—especially in the U.S. market, where overnight hospital costs can be prohibitively high. This reduction not only enhances patient outcomes but also alleviates the financial burden on healthcare systems. By prioritizing innovative solutions like Sotalol IV, Hyloris is actively contributing to the fight against cardiovascular diseases, improving lives while promoting sustainable healthcare practices.



Governance

Business Conduct



At Hyloris, we adhere to the highest possible ethical standards in our operations. This includes integrity, fairness, and respect for human rights. As part of this commitment, all employees are required to follow comprehensive **ethical guidelines** addressing core principles such as personal conduct, conflict of interest, confidentiality, influence, and competition.



As a Belgian listed company, Hyloris is also subject to the 2020 Belgian Code on Corporate Governance, more information on our **Corporate Governance Charter** can be found in the dedicated chapter.



In addition to this, we have a dedicated **Dealing Code** to ensure compliance with market regulations and to promote transparency and integrity in trading. These policies are designed specifically to prevent insider trading and ensure all investors have access to the same information and can make informed decisions based on publicly available data.

Hyloris is committed to upholding the highest standards of corporate governance, and will continue to do so in the future



Quality and Ethics in Clinical Trials

While clinical trials involving human subjects are a limited aspect of the development and registration process for our new drugs, Hyloris is fully committed to upholding internationally recognized standards of quality and patient safety whenever such trials are conducted. We prioritize the well-being of participants and ensure that all clinical research adheres to the highest ethical and scientific principles. By following these rigorous standards, we aim to generate reliable data that supports the safety and efficacy of our products.



Limited Animal Testing

The protection and welfare of animals is very important for Hyloris. By leveraging the 505(b)(2) development pathway in the US and similar pathways in other countries, Hyloris reduces the need for extensive early-stage research compared to traditional 505(b)(1) approaches for new drugs. This streamlined process allows us to focus our efforts on developing valuable medicines while minimizing the use of animal testing.

We remain committed to implementing alternatives to animal testing, such as in-vitro techniques, wherever possible, ensuring that our research and development practices align with our ethical standards and sustainability goals. Whenever there is no alternative solution, and studies need to be carried out on animals, we ensure compliance with specific animal welfare regulations along with the oversight of an ethics committee.



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