nykode therapeutics

ESG REPORT 2022

ESG highlights

Number of employees

155

Number of clinical trials, ongoing and applied for

5

Diversity Staff

F:67%/M:33%

Diversity Board/Senior Mgmt*

F:38%/M:62%

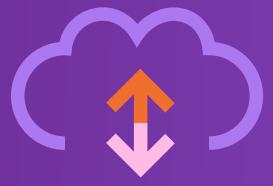
* Board and Sr. Mgmt have same diversity %

Regulatory breaches

0

Waste tonnes

3.7



GHG tonnes CO_2e

745

(market-based)

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About this report

This report includes environmental, social and governance (ESG) disclosures for Nykode Therapeutics ASA (Nykode or the Company) for the annual period January 1 to December 31, 2022. Disclosures have been made following the Sustainability Accounting Standards Board (SASB, https://www.sasb.org) Biotechnology & Pharmaceuticals Standard (2018). In determination of material ESG topics to include in the report, Nykode referenced the Global Reporting Initiative (GRI) Standards' (2021) Materiality Standard (GRI 3), the opinions of its stakeholders, the reporting of industry peers, and internal and independent expert opinions. The ESG disclosures contained within this report have not been independently assured. For further information or feedback on this report, contact info@nykode.com.

CEO STATEMENT

Entering 2023, I am proud to share our commitment to sustainability and the progress we have made in promoting responsible practices in this: our inaugural environmental, social and governance (ESG) Report

Dear reader,

As the world faces increasingly complex challenges, we at Nykode are committed to being part of the solution for a better world, ensuring healthy lives and promoting well-being for patients. Entering 2023, I am proud to share our commitment to sustainability and the progress we have made in promoting responsible practices in this: our inaugural environmental, social and governance (ESG) Report.

Our five values – courage, integrity, collaboration, respect, and flexibility – guide our actions on sustainability, diversity, equity and inclusion (DE&I), and position us to be a purpose-driven leader in our industry. Our work is meaningful at its core, and we are making steady progress in our pipeline, with five clinical programs ongoing and applied for, and world class pharma collaboration partners to treat cancers and infectious diseases with a high unmet medical need.

In order to maximize the positive impact both within and outside of Nykode, we are working on better integrating ESG initiatives into our strategies and daily activities. In 2022, we established our baseline measures for greenhouse gas emissions, energy use, and waste, as a component towards reducing our environmental impacts. As a clinical-stage biotechnology company with 155 employees (per December 31, 2022), our environmental footprint is relatively small. We are reviewing our value chain and business partners to identify where human rights risks may exist in response to the Norwegian Transparency Act (Åpenhetsloven). We are currently formalizing our reporting systems to further communicate our ESG targets in this annual ESG report format.

The pharma and biotech industry operates within a regulated framework aiming to support meaningful medical innovation. Our clinical trials are performed in accordance with the ethical and scientific principles governing clinical research on human subjects outlined in the Declaration of Helsinki and the International Conference on Harmonization, and we handle personal data in accordance with the General Data Protection Regulation. Headquartered and publicly listed in Norway, Nykode appreciates the incorporation of the Transparency Act as national law. We maintain a close and diligent relationship with our suppliers and clinical partners to ensure that our trials are carried out responsibly and their manufacturing facilities are conforming to Current Good Manufacturing Practices.

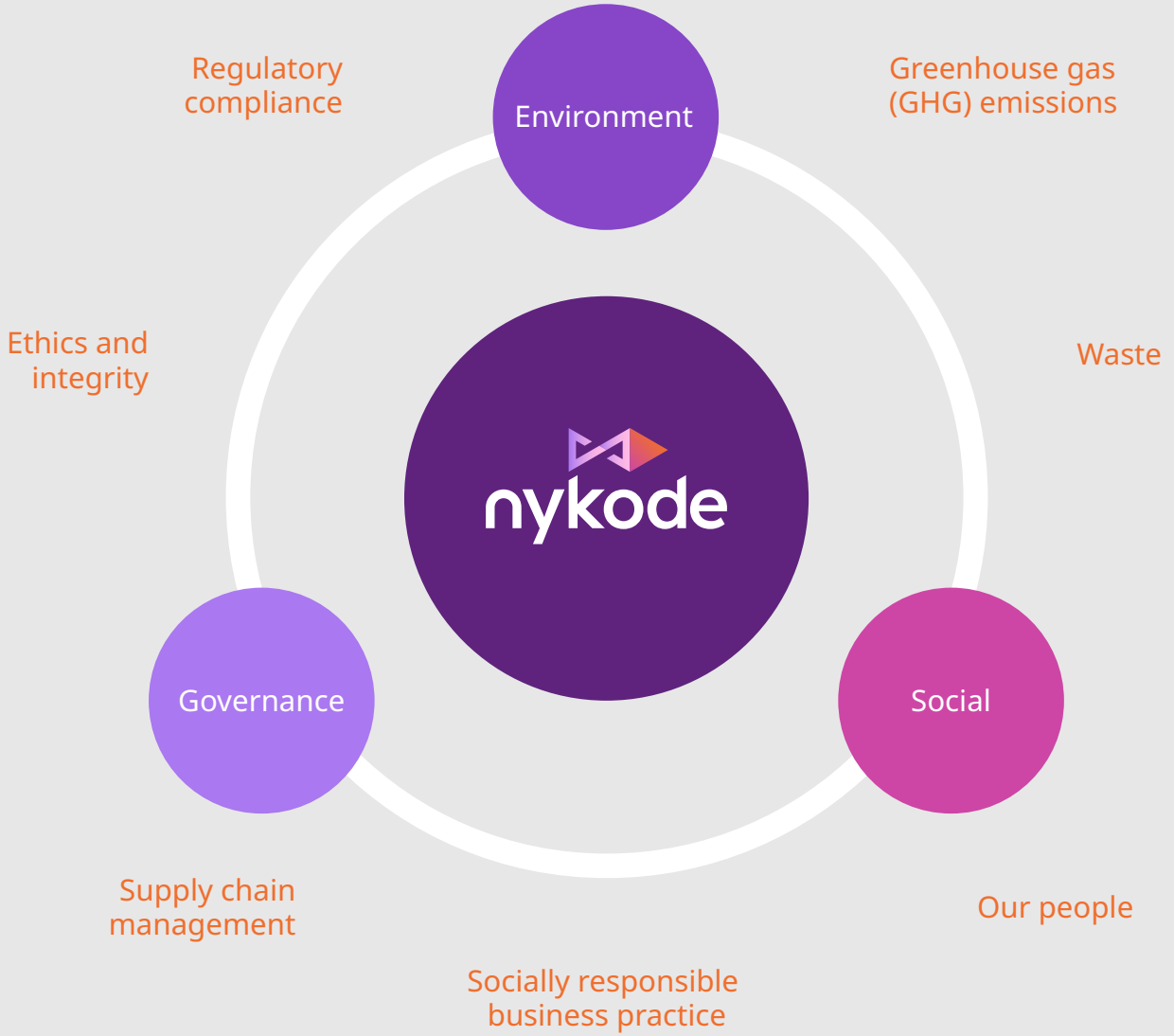
We recognize our critical role in promoting sustainable and responsible practices. During a time of global uncertainty due to inflation and geopolitical tensions, we are taking concrete actions to identify and manage the issues that are most important to our stakeholders.

On behalf of the leadership team at Nykode, I would like to thank patients, our colleagues and partners for their efforts and contributions over the past year. I invite you to read our report and welcome your feedback.

Sincerely,
Michael Engsig
Chief Executive Officer

SUSTAINABILITY AT NYKODE

The purpose of Nykode is to deliver improved outcomes for human health. Our focus on sustainability includes environmental, social and governance matters which create value for society and our business. Responsibility for Nykode's ESG performance is ultimately held by the Board of Directors and ESG initiatives are managed by the CEO, with specific functions delegated to members of the management team. The CFO has responsibility for reporting on ESG performance. Nykode's sustainability framework includes management of the material ESG topics of the business:



ENVIRONMENT

GHG Emissions

Nykode is committed to measuring and reducing its greenhouse gas (GHG) emissions and in doing so, contributing to the achievement of national and international climate goals. As a clinical-stage biotech company, our chemistry, manufacturing and control (CMC) activity is currently limited to our R&D activities including clinical programs. Nykode operates offices and laboratories requiring energy inputs; purchases and uses products with associated emissions; and, generates waste streams requiring disposal. In 2022, we have identified our GHG emission sources and established a baseline measure. A total of 557 tonnes of carbon dioxide equivalent (CO_2e) emissions were generated in 2022 (location based).

Emissions	2022 (tonnes)
Scope 1 – direct energy use	0.03
Scope 2 – indirect energy use (market based)	204.7
Scope 2 – indirect energy use (location based)	17.3
Scope 3 – other emissions*	540.1

*Including business travel and waste disposal, where data is available. Scope 3 emissions from contract manufacturing have not been quantified at this time.

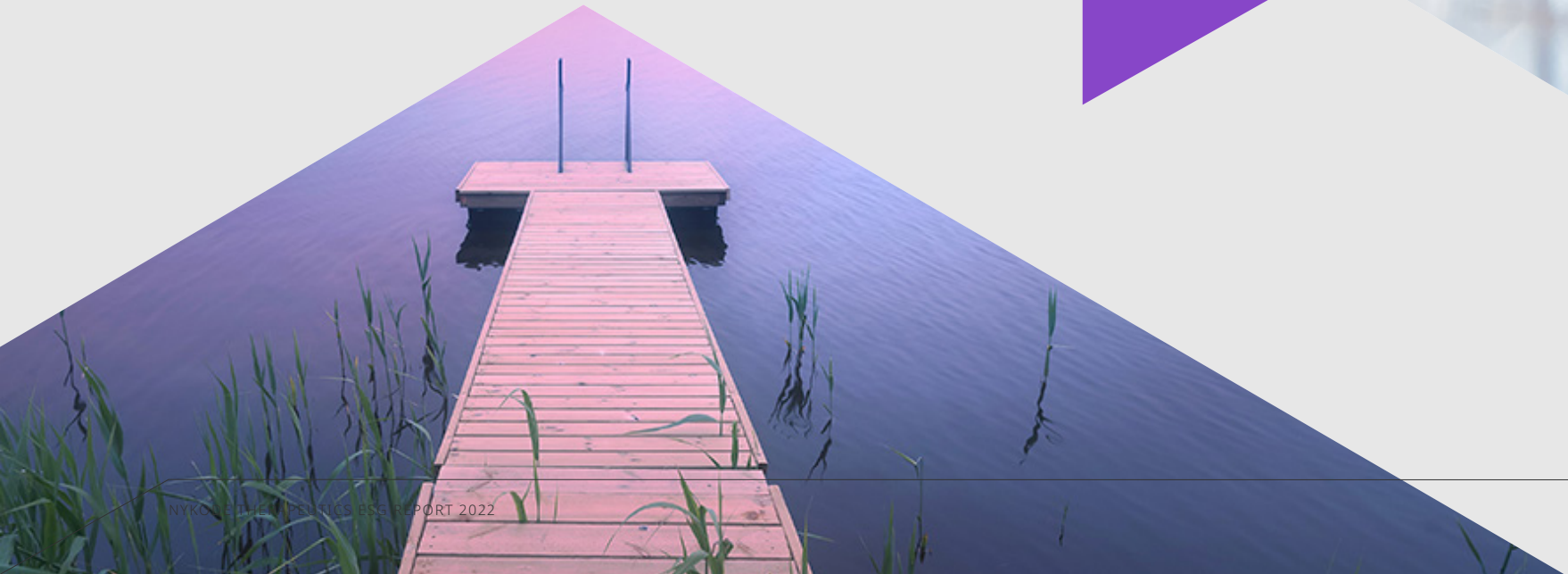
Waste

Waste streams are generated via our office operations and research laboratories. As with all biotechnology and pharmaceutical companies, many of our waste streams require careful disposal and have limited scope for recycling or other forms of waste diversion. In 2022, we identified our key waste streams and established a baseline measurement. Total waste generated in 2022 was 3.73 tonnes.

Waste stream	2022 (tonnes)
Paper waste	0.097
Biohazardous waste	3.550
Non-halogenated organic solvents	0.082
Inorganic bases	0.002
Acidic organic waste	0.003
Total	**3.734**

Reducing our environmental impacts

At Nykode we are working to reduce the environmental impacts of our office and laboratory activities. In 2022, we established baseline measures for energy use and waste, and worked to identify areas where our impact may be reduced. Several existing environmental initiatives are currently in place directly or through our business partners, including energy efficient building solutions and waste diversion options (recycling).



SOCIAL

Our people

Over 155 talented professionals work at Nykode and are the Company's greatest asset. We recognize the value of human capital in creating a learning and thriving organization and actively promote diversity, training and development. As of 31 December 2022, there were three women on our Board (38%) and three women were on our senior management team (38%). Professional development and training is provided to all employees, including for managing health, safety and wellbeing in the workplace. There were a total of zero work-related lost time injuries in 2022. Further, the Company has taken the initiative to form specific guidelines on equality and diversity in a Diversity, Equity and Inclusion strategy. A DE&I Sounding Board has been formed to guide and improve Nykode's work on DE&I.

Employees	2022
Total Full Time Equivalents	155
Female	104 (67%)
Male	51 (33%)
Under 30 years	19
30 – 50 years	118
Over 50 years	18
Turnover	8%

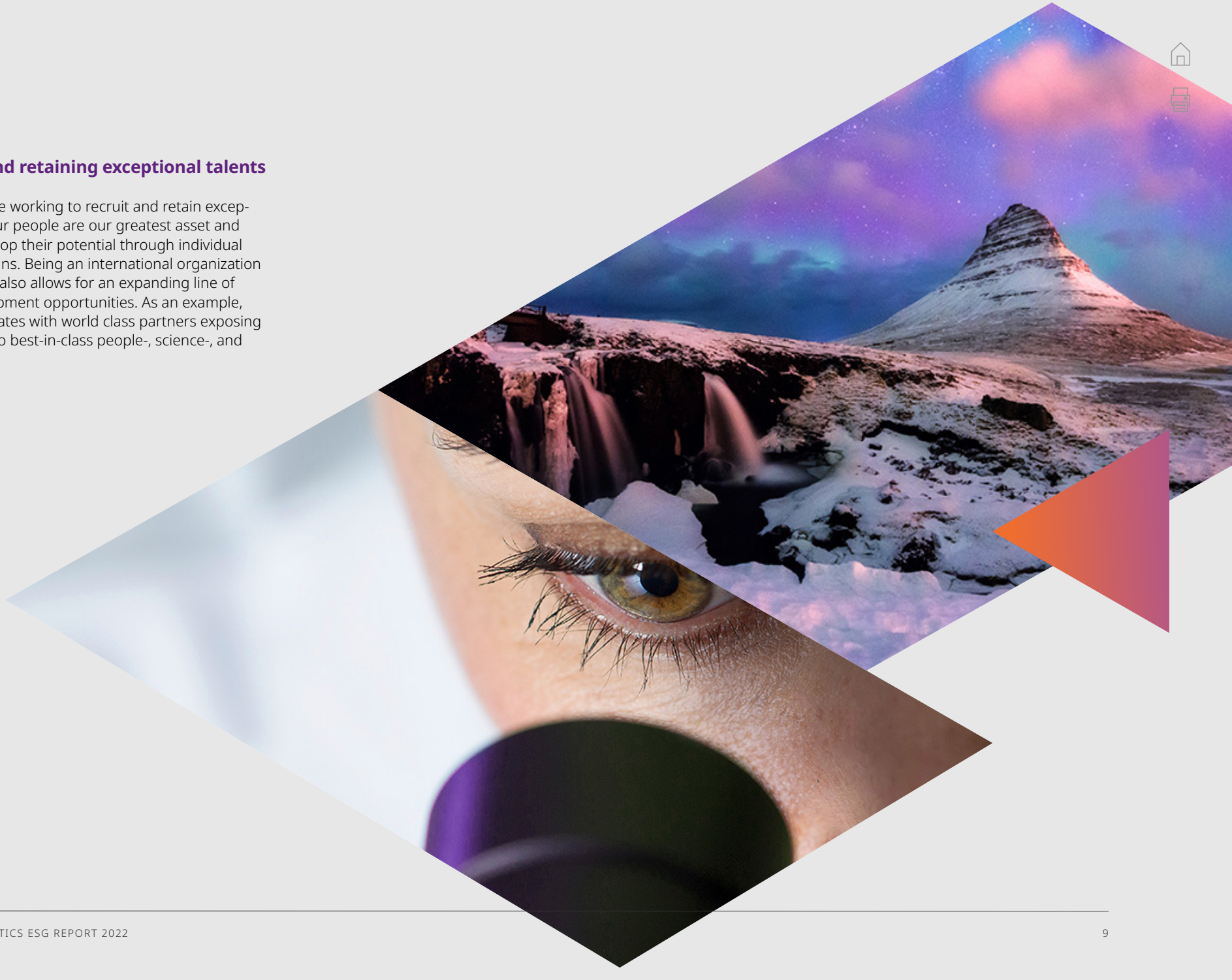
Socially responsible business practice

Nykode sets its own high standards with respect to responsible business practices and is fully committed to meeting all of our regulatory obligations. Our standards include our general Code of Conduct and general business ethics. An example is how we carry out responsible trials, in all regions where we may operate, for which we have developed specific standard operating procedures (SOP) for ensuring quality and patients safety during clinical trials comprising:

1. Trial management SOP – ensuring compliant processes and activities related to planning, conduct and conclusion of clinical trials by Nykode, including handling of sponsor's oversight responsibilities.
2. Clinical safety handling and surveillance – Nykode is responsible for safety surveillance of its compounds and projects and for appropriate reporting of adverse events and other safety information to authorities and stakeholders. The purpose of this SOP is to establish processes and tasks to fulfil this responsibility.
3. Data handling – the purpose of this SOP is to ensure appropriate and compliant Nykode activities for clinical trial data handling, regarding internal processes as well as vendor oversight responsibilities.
4. Quality management – the purpose of this SOP is to describe the procedure needed to ensure Nykode's compliance with internal and external quality requirements, agreements with vendors and relevant laws and regulations.

Recruiting and retaining exceptional talents

At Nykode we are working to recruit and retain exceptional talents. Our people are our greatest asset and we actively develop their potential through individual development plans. Being an international organization in growth mode also allows for an expanding line of personal development opportunities. As an example, Nykode collaborates with world class partners exposing our employees to best-in-class people-, science-, and processes.



GOVERNANCE

Supply chain management

Suppliers to Nykode must comply with the Company's Code of Conduct, including issues relating to upholding Human Rights. Nykode is committed to ensuring respect for the inherent dignity of people and their inalienable rights as a fundamental part of its corporate responsibility and upholding of the UN Guiding Principles on Business and Human Rights. The Company is taking measures to ensure compliance with the new Norwegian Transparency Act (Åpenhetsloven) which came into force in July 2022. This law requires companies to carry out human rights' due diligence in line with the OECD Guidelines for Multinational Enterprises. In addition, companies must report on the actions taken to mitigate adverse human rights impacts and their effectiveness, as well as to respond to requests for information from the public. As a first step to comply with the law, Nykode has partnered with an external independent third party to identify its potential salient human rights issues.

These are:

- Health and safety
- Ethical clinical trials
- Right to privacy
- Public health influence
- Environmental risks
- Supply chain

The results of the human rights' due diligence will be published on our website.

Ethics and integrity

Our ethical standards are laid out in the Nykode Code of Conduct. The Code sets out the ethical standards for behavior towards colleagues, suppliers, patients, business partners and other relevant stakeholders. The Company has developed anti-corruption guidelines and instructions regarding the handling of potentially hazardous waste materials. A whistle blowing channel is available to anonymously report unethical practices or activity which may be in breach of the Code of Conduct.

Regulatory compliance

Nykode complies with all relevant laws and regulations. This includes the handling of personal data and ensuring it is in accordance with the General Data Protection Regulation (GDPR), incorporated in the Norwegian Personal Data Act (2018). The GDPR requires the Company to have e.g. records of processing activities, privacy statements, data protection policies, risk assessments and data processing agreements. In collaboration with our partners, Nykode conducts preclinical experiments in animals as well as clinical trials. The animal experiments are approved by the Norwegian Food Safety Authority (Mattilsynet). The clinical trials are performed in accordance with the ethical and scientific principles governing clinical research on human subjects, as set out in the Declaration of Helsinki and the International Conference on Harmonization (ICH) guidelines on Good Clinical Practice.

APPENDIX

SASB Disclosure Table

Biotechnology & Pharmaceuticals Standard (2018)

TOPIC	ACCOUNTING METRIC	CODE	Nykode disclosure
Safety of Clinical Trial Participants	Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials	HC-BP-210a.1	Page 8
	Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)	HC-BP-210a.2	(1) 0 (2) 0
	Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries	HC-BP-210a.3	Zero, no legal proceedings have taken place
Access to Medicines	Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index	HC-BP-240a.1	N/A, no approved or marketed products
	List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)	HC-BP-240a.2	N/A, no approved or marketed products
Affordability & Pricing	Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period	HC-BP-240b.1	N/A, no approved or marketed products
	Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year	HC-BP-240b.2	N/A, no approved or marketed products
	Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year	HC-BP-240b.3	N/A, no approved or marketed products

TOPIC	ACCOUNTING METRIC	CODE	Nykode disclosure
Drug Safety	List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database	HC-BP-250a.1	N/A, no approved or marketed products
	Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System	HC-BP-250a.2	Zero fatalities associated with the testing of our products. No approved or marketed products
	Number of recalls issued, total units recalled	HC-BP-250a.3	Zero
	Total amount of product accepted for takeback, reuse, or disposal	HC-BP-250a.4	N/A, no approved or marketed products
	Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type	HC-BP-250a.5	Zero
Counterfeit Drugs	Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting	HC-BP-260a.1	N/A, no approved or marketed products
	Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products	HC-BP-260a.2	N/A, no approved or marketed products
	Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products	HC-BP-260a.3	N/A, no approved or marketed products
Ethical Marketing	Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	HC-BP-270a.1	N/A, no approved or marketed products
	Description of code of ethics governing promotion of off-label use of products	HC-BP-270a.2	N/A, no approved or marketed products

TOPIC	ACCOUNTING METRIC	CODE	Nykode disclosure
Employee Recruitment, Development & Retention	Discussion of talent recruitment and retention efforts for scientists and research and development personnel	HC-BP-330a.1	Page 9
	(1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) midlevel managers, (c) professionals, and (d) all others	HC-BP-330a.2	Not reported. Overall 8% turn-over rate
Supply Chain Management	Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third party audit programs for integrity of supply chain and ingredients	HC-BP-430a.1	(1) 0 (2) 0
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	HC-BP-510a.1	Zero, no legal proceedings have taken place
	Description of code of ethics governing interactions with health care professionals	HC-BP-510a.2	Page 10
Number of patients treated		HC-BP-000.A	See Activity metrics table, below
Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)		HC-BP-000.B	(1) No approved or marketed products (2) Four drugs - VB10.16; VB10.NEO; 2x COV2

Development activity metrics up to December 31, 2022

Number of Development Programs	Number of clinical trials (incl. trials applied for)	Total number of subjects treated in trials (range)
3	6	200-250

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