

ESG

ESG	88–123
Foreword	89
About BB Biotech AG	91
Sustainability achievements 2024	93
Sustainability Strategy	94
Sustainable Development Goals (SDG)	99
Sustainability at Board of Directors level	102
Sustainability at Investment Manager level	104
Sustainability at BB Biotech AG's portfolio level	117
Annex	122

Foreword

Dear reader,

BB Biotech maintains a concentrated, high-conviction portfolio of biotech companies. Our portfolio companies develop products that address unmet medical needs, showcasing high profit-growth potential and making a meaningful societal impact.

We adopt a business-driven approach to sustainability, backed by over 30 years of experience as an engaged and responsible investment company, with a focus on delivering long-term value for both our investors and society at large.

Over the past three decades, we have continually refined our responsible investing strategy, recognizing that there is much to learn in this dynamic field. Engaging with our portfolio companies on ESG matters is a journey that fosters ongoing learning for all involved.

In 2024, BB Biotech received an «A» rating for ESG from MSCI and improved its ESG rating to «B» from the Swiss rating agency Inrate. BB Biotech was again included in the SPI ESG Index.

In 2024 BB Biotech was again included in the SPI ESG Index.

By incorporating ESG considerations into our investment strategies, processes, and ownership practices, we believe we can enhance long-term returns for our shareholders and benefit society as a whole.

As a leading biotech investor, we are uniquely positioned to contribute to positive societal improvement with new medicines being developed by our portfolio companies. We prioritize investments in companies and assets that addresses unmet medical needs. The core mission of biotechnology is to meet human needs and improve quality of life, positioning the sector among the fastest-growing industries.

BB Biotech's portfolio companies saw a number of new approvals in 2024:

Company	Product	Treatment of
Vertex/Crispr	Casgevy	Transfusion dependant beta thalassemia
Esperion	Nexletol	Label expansion – reduce risk of cardiovascular events
Moderna	mResvia	RSV infection, older adults
Argenx	Vyvgart Hytrulo	Chronic inflammatory demy polyneuropathy
Incyte	Axatilimab	3L-chronic graft-versus-host disease
Neurocrine	Crenessity	Congenital adrenal hyperplasia
Ionis	Tryngolza	Familial chylomicronemia syndrome
Vertex	Alyftrek	Cystic fibrosis

Looking ahead, we anticipate our portfolio companies will contribute to several new drug approvals, as many of them currently have numerous product candidates in clinical development.

BB Biotech AG is committed to sustainability and it is an important priority for our Board of Directors.

We remain dedicated to providing transparency regarding our processes and results, ensuring that our investors have the information they need to succeed.



**Chairwoman of the Sustainability and
Governance Committee**

Laura Hamill

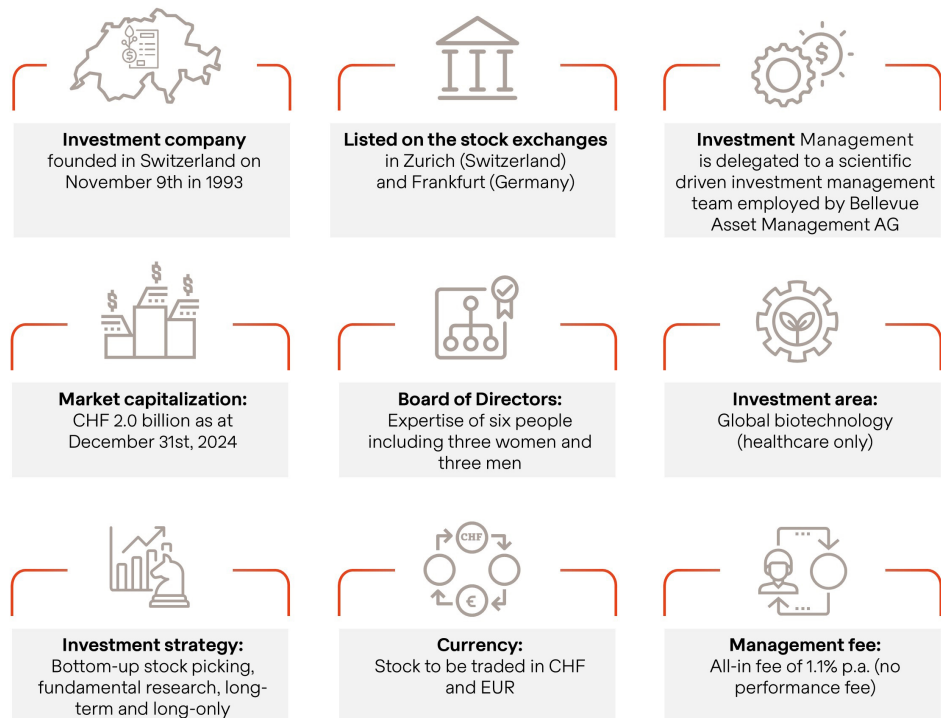
About BB Biotech AG

BB Biotech AG («the company») invests through its subsidiaries (together «the Group» or also «BB Biotech») in companies in the fast growing market of biotechnology and is one of the world's largest investors in this sector with more than 30 years of experience. The shares of BB Biotech AG are listed on the SIX Swiss Exchange and the Frankfurt Stock Exchange. Its investments are focused primarily on listed companies that are developing and commercializing novel drugs and therapies that offer sound value for the healthcare system.

Bellevue Asset Management AG is the delegated investment manager and administrator of BB Biotech AG. Bellevue Asset Management is a subsidiary of Bellevue Group AG and is regulated by the Swiss Financial Market Supervisory Authority FINMA.

Following sustainability-related information may either refer to our investment portfolio (BB Biotech as the investment vehicle) or to the corporate organisation (Bellevue Group / Bellevue Asset Management) that is managing the investment portfolio.

Facts and Figures



Board of Directors



Dr. Thomas von Planta

Chairman of the Board
since 2019 on the Board

- Current:*
- Chairman of the Board of Baloise Holding



Dr. Clive Meanwell

Vice-Chairman
since 2004

- Current:*
- Executive Chairman of Population Health Partners and Metsera
 - Member of the Board of Fractly Health, Saama Technologies and Hugo Health Inc.



Laura Hamill

Board member
since 2022

- Current:*
- Board member of Y-mAbs Therapeutics, Jazz Pharmaceuticals and Unchained Labs
 - Advisory Committee member of Launch Therapeutics



Dr. Pearl Huang

Board member
since 2022

- Current:*
- CEO of Dunad Therapeutics
 - Board member of Waters Corporation



Prof. Dr. Mads Krogsgaard Thomsen

Board member
since 2020

- Current:*
- CEO of the Novo Nordisk Foundation
 - Board member of the BioInnovation Institute



Camilla Soenderby

Board member
since 2024

- Current:*
- Board member of F2G, Abivax and Affibody AG
 - Consultant at Private Equity Group, Member of Novo Advisory Group

Investment Management Team



Dr. Christian Koch
Head Investment Management Team (since 2025)
Member Investment Management Team (since 2014)
Cardiovascular and metabolic diseases, Genetic Medicines, Targeted Oncology



Dr. Wendy Lam
Deputy Head Investment Management Team (2024)
Member Investment Management Team (since 2024)
Head of US Research



Dr. Maurizio Bernasconi
Deputy Head Investment Management Team (2023)
Member Investment Management Team (since 2017)
Inflammatory & Infectious diseases



Dr. Leonidas Georgiou
Member Investment Management Team (since 2022)
Neurology, Psychiatry



Dr. Anna Guinot Aguado
Member Investment Management Team (since 2024)
Oncology



Dr. Samuel Croset
Data Scientist Team (since 2020)
Data science, machine learning



Dr. Olivia Woolley
Data Scientist Team (since 2022)
Data science, machine learning



Dr. Can Buldun-Gora
Data Scientist Team (since 2022)
Data science, machine learning



Dr. Silvia Siegfried-Schanz
Investor Relations (since 2012)
Switzerland, Germany, Europe



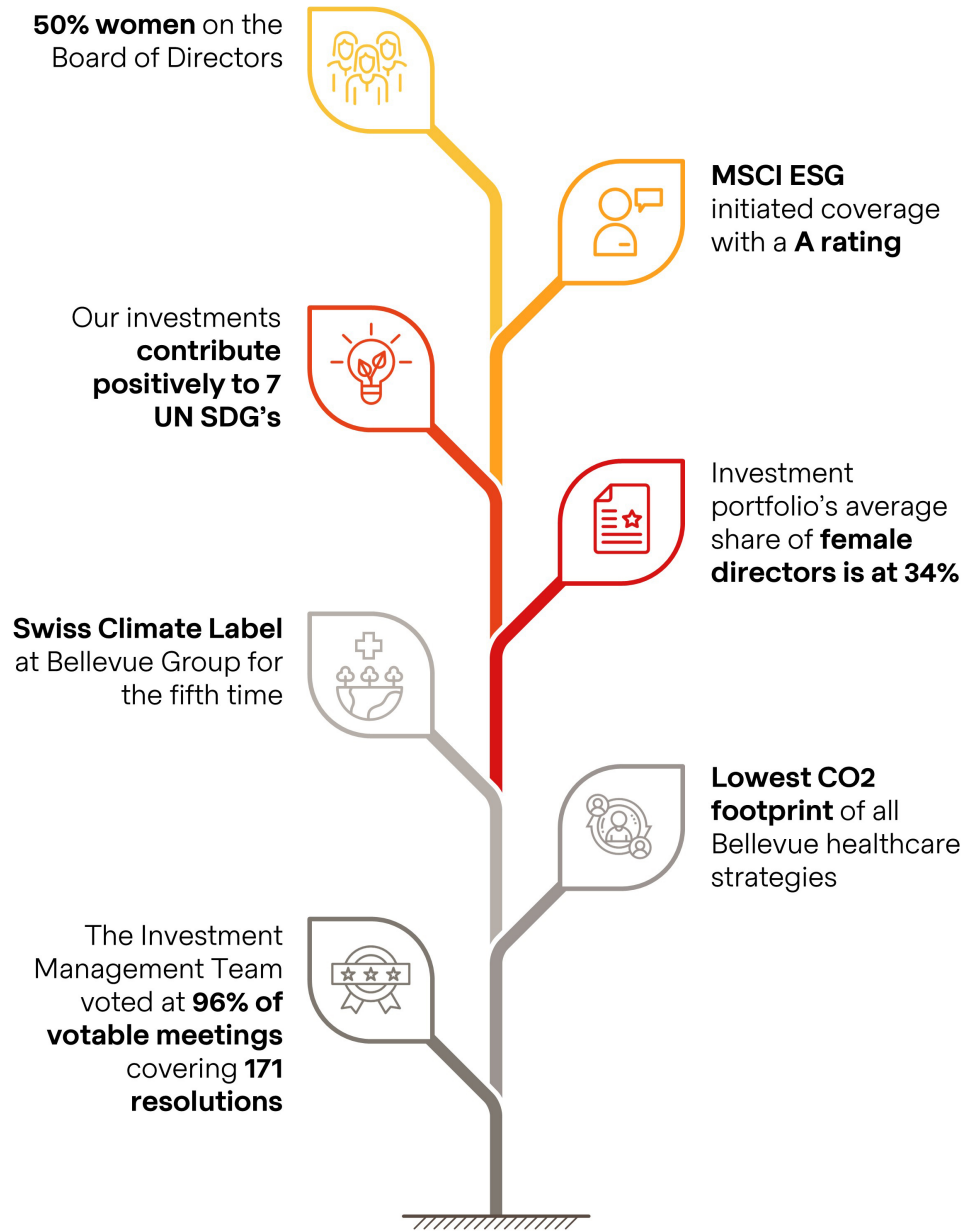
Maria-Grazia Alderuccio
Investor Relations (since 2007)
Italy, Switzerland, Europe



Claude Mikkelsen
Investor Relations (since 2012)
UK, Scandinavia, Europe



Sustainability achievements 2024



Sustainability Strategy

Sustainability is central to BB Biotech's business strategy, driving long-term success and value creation for shareholders and stakeholders alike. We aim for growth while considering environmental and societal needs. As an investment company, we are positioned to support sustainable development for the benefit of all our stakeholders.

Sustainability is integrated into our investment process as a key factor in assessing risks and opportunities during due diligence. We believe the most significant ESG aspect of medical development is the positive societal impact of novel therapeutics, as biotech companies aim to create drugs for unmet medical needs. Below are our four strategic focus areas in a sustainability context.

Full integration of sustainability into business strategy

ESG and sustainable investing are widely recognized, and BB Biotech is committed to integrating sustainability at the Board, Investment Manager, and portfolio levels. These principles are the foundation of our responsible corporate practices, essential for creating value for our stakeholders. Guided by these values, we follow a clear and transparent ESG policy and investment guidelines that define our environmental, social, and governance standards.

Maintaining CO₂ neutrality of business operations and initiating the Net-zero process

The Investment Manager is committed to achieving net zero by 2050, with a goal to reduce CO₂ emissions per employee (FTE) by 30% by 2030. The carbon footprint was first measured in 2021, with business travel, commuting, heating, and electricity being the main sources of emissions. To address this, we prioritize video conferencing, encourage public transport with financial incentives, and use natural lake water for office heating and cooling in Küsnacht. By offsetting CO₂ emissions through high-quality climate projects in Switzerland, the Investment Manager was certified by Swiss Climate for the fifth consecutive year in 2024.

The Investment Manager is committed to achieving net zero by 2050, with a goal to reduce CO₂ emissions per employee (FTE) by 30% by 2030.

Increase gender diversity and promote inclusion

BB Biotech values diversity within its Board of Directors and the Investment Management team, believing it drives business success. A culture of respect and collaboration across languages, cultures, and nationalities fosters innovation and long-term success. The diverse backgrounds, experiences, and networks of the Board members help attract qualified professionals and ensure effective oversight in the highly technical biotech field.

This diversity, along with an inclusive environment, supports investment decision-making aligned with the company’s long-term strategy. Gender diversity is reflected with three experienced women on the Board out of six board members. A formal policy requiring at least 30% representation has been implemented.

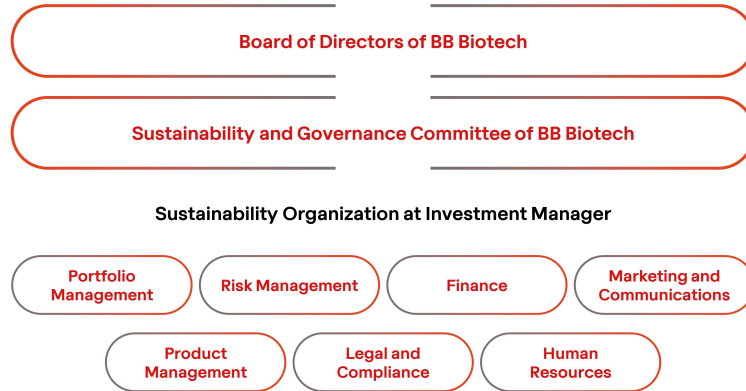
Anchoring sustainability in the investment process

BB Biotech systematically reviews its investments for sustainability risks and compliance with fundamental human rights, following principles like the UN Global Compact. In addition to strict exclusion criteria, environmental, social, and governance (ESG) factors are integrated into the analysis of each company, using ratings from MSCI ESG Research. While investments in «ESG laggards» are allowed, they require a detailed and well-documented justification. If material ESG issues are identified, they are brought to the attention of the company’s management as part of a systematic stewardship process.

Sustainability Governance

Effective sustainability governance is key to embedding sustainability in our business and investment practices while identifying opportunities and challenges early. This requires a clear regulatory framework for managing sustainability issues. Both the Board of Directors and the Investment Manager actively oversee sustainability governance. The Board’s Sustainability and Governance Committee, working with the Investment Management Team, ensures a robust sustainability strategy and meets at least four times a year.

ESG Governance structure



A sustainability working group at the Investment Manager is tasked with leading the implementation and integration of sustainability in all business areas. This working group consists of members from different business departments. It monitors current developments in the area of sustainability and anticipates their impact on the business model of BB Biotech. It supports the Board of Directors and the Sustainability and Governance Committee in the formulation and further development of the sustainability strategy. The sustainability working group is therefore also responsible for managing and implementing projects in the business units and areas of activity.

Stakeholder Engagement and material ESG Topics

With our business model unchanged, material ESG topics remained the same as for the previous year. With respect to our continuous stakeholder dialogue, following aspects were considered during 2024:

Stakeholder	Engagement	Activities 2024	Topics
Shareholders	<ul style="list-style-type: none"> • BB Biotech is in regular contact with its shareholders. • Throughout the year, regular dialogue with investors is maintained. In accordance with the listing rules of SIX Exchange and XETRA, important business developments are published by means of press releases or ad hoc announcements. At the same time, these announcements are published on the company's website. • The notices to shareholders required by Swiss company law are published in the Swiss Official Gazette of Commerce SOGC. 	<ul style="list-style-type: none"> • Annual general meeting • Conferences and events • Roadshows/ investor meetings • Corporate website • ad hoc publications • Media releases • Annual and interim reports 	<ul style="list-style-type: none"> • Economic performance • Portfolio companies • Sector developments • Macro developments • Share performance- Sustainability
Employees at the Investment Manager	<ul style="list-style-type: none"> • Employees are regularly informed about business developments, changes in the company and product updates. Communication takes place through various channels such as emails and townhall meetings. • The Investment Manager also conducts company-wide surveys to monitor employee satisfaction and engagement and ensure employees understand the business. Employee feedback is forwarded to management, which uses it to drive specific actions. 	<ul style="list-style-type: none"> • Continuing education • Talent attraction and retention 	<ul style="list-style-type: none"> • Safety and health • Sustainability • Strategy • Next Generation
Analysts and Distribution partners	<ul style="list-style-type: none"> • Our distribution partners are supported by a dedicated Investor Relations and Sales team. Analysts and distribution partners have regular personal contact with their key account managers and receive regular newsletters with product and business information. • You can sign up for the free email distribution list. 	<ul style="list-style-type: none"> • Key Account Manager Relationships • One-on-one meetings • Conferences and events • Complaint handling • Survey 	<ul style="list-style-type: none"> • Products • Sustainable products • Customer relationship and satisfaction
Suppliers	<ul style="list-style-type: none"> • BB Biotech and the Investment Manager are in constant contact with their suppliers and service providers. If possible, local suppliers and service providers are preferred. Each supplier or service provider undergoes pre-qualification to ensure compliance and correspondence is maintained throughout the business relationship to verify requirements, make payments and negotiate contracts. 	<ul style="list-style-type: none"> • Direct dialogue 	<ul style="list-style-type: none"> • Responsible procurement • Traceability
Portfolio companies	<ul style="list-style-type: none"> • In the interest of our shareholders, we engage with management as a professional investor. • Activities: Meetings with company representatives on all levels (top management, Board of Directors, IR, etc.) 	<ul style="list-style-type: none"> • Management meetings (senior management, Board of Directors, IR) • Voting at general meetings • Exchange of experience 	<ul style="list-style-type: none"> • Sustainability • Innovation • Cost structure • Capital structure • Corporate Governance

ESG rating agencies	<ul style="list-style-type: none"> • We engage with rating agencies and provide transparency in order to be fairly assessed. 	<ul style="list-style-type: none"> • Meetings • Participation in survey • Training of employees based on feedback 	<ul style="list-style-type: none"> • Small vs. large caps • Coverage • Rating methodology
Regulator	<ul style="list-style-type: none"> • BB Biotech regularly reports to regulators as part of its business and complies with rules and regulations. 	<ul style="list-style-type: none"> • Exchange of experience • Events • Annual and interim reports 	<ul style="list-style-type: none"> • All ESG-related topics • Reporting standards
Media	<ul style="list-style-type: none"> • Media office at the Investment Manager conducts active media relations with a high level of service. For balanced reputation management, the topic of sustainability has a high priority. 	<ul style="list-style-type: none"> • Key Account Manager Relations • One-on-One meetings • Unofficial media roundtables 	<ul style="list-style-type: none"> • All ESG-related topics • Company developments • Product and sector updates

Material ESG topics identified

The materiality assessment helps the Board of Directors and Investment Manager identify key sustainability issues by considering stakeholder expectations. The analysis continuously enhances sustainability management by understanding stakeholder needs and evolving material concerns. The materiality matrix guides corporate processes, identifying opportunities and risks and enabling appropriate actions.

Materiality matrix

Throughout 2024 the key material topics have not changed vs. the prior reporting period, i.e. BB Biotech still derives eight central topics from the materiality matrix, which are taken into consideration as part of sustainability management and the strategy.

1. Economic performance

Financial solidity and delivering long-term total returns to shareholders ensure that BB Biotech AG is and remains a reliable and value-adding partner for all its stakeholders.

2. CO₂ emissions

By 2030, the Investment Manager aims to reduce the CO₂ emissions of its business operations per employee (FTE) by 30%.

3. Corporate governance and business ethics

BB Biotech recognizes that sound corporate governance and a clear management structure with defined roles and responsibilities are critical to the long-term success of the company.

4. Transparency

BB Biotech's corporate governance complies with internationally recognized standards. We disclose transparent information about our governance. This enables our stakeholders to verify the quality of the company and supports investors in their investment decisions.

5. Diversity and inclusion

Diversity and equal opportunities are part of the corporate culture practiced by BB Biotech and the delegated Investment Manager. Accordingly, we promote potential as well as skills and competencies equally among all employees across all age groups.

6. Employee development and retention

Our corporate culture is based on mutual respect and trusting cooperation. Regular feedback and development meetings, as well as recognition and appreciation of performance, are important prerequisites for the company's success.

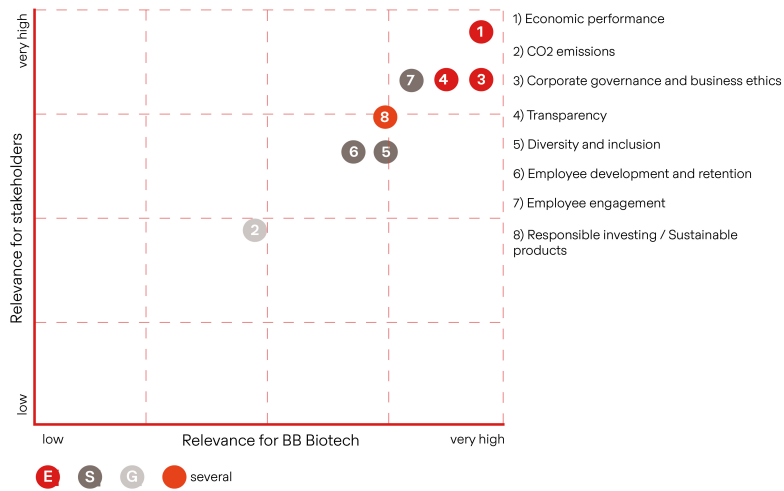
7. Employee engagement

The Investment Manager commits to conduct a Group-wide employee engagement survey every three years to assess employee satisfaction and the need for improvement.

8. Responsible investing/Sustainable products

Our investment process implements formal ESG investment guidelines and therewith all investments are systematically reviewed for sustainability risks and breaches of elementary human rights. Besides upholding strict exclusion criteria, environmental,

social and governance factors are integrated into the fundamental analysis of every company through an ESG integration process. ESG ratings compiled by the global leading ESG research provider MSCI ESG Research are incorporated in this process.



Further details on the management of material ESG topics follows in the chapters after we introduce the relevant SDGs.

Sustainable Development Goals (SDG)

BB Biotech actively integrates ESG into its portfolio companies by engaging with management teams, voting at general meetings, and fostering dialogue. This ongoing collaboration is key to addressing ESG concerns and reflects a continuous learning process for all parties.

For listed portfolio companies, BB Biotech collects data from public platforms and ESG questionnaires. Over its more than 30-year history, the company has continually refined its approach to responsible investing, recognizing that it remains a dynamic and evolving process. Responsible investing has been central to BB Biotech since its founding in 1993.

Through investments in biotech companies, BB Biotech contributes to improving global health by supporting the development of new drugs for unmet medical needs, aligning with UN Sustainable Development Goal 3 to ensure healthy lives and well-being for all.

SDGs at Board of Directors of BB Biotech AG and the Investment Manager level:

The five SDGs considered most relevant for BB Biotech on Board of Director and Investment Manager level are: good health and well-being (3), quality education (4), gender equality (5), decent work and economic growth (8) and climate action (13). This is where BB Biotech can have the most significant impact. Those material SDG’s are highlighted in color below:



Source: MSCI ESG Inc.

Goal 3: Ensure healthy lives and promote well-being for all at all ages

Through our biotech expertise and investments, we aim to improve people’s health. Supporting good health and well-being is central to BB Biotech’s strategy. Providing capital and guidance to develop new drugs addressing unmet medical needs, such as rare disorders, cancer, and chronic diseases, is a priority for the Board and Investment Manager. The goal is to enhance patients’ quality of life, ideally curing diseases and benefiting society. Many portfolio companies align with UN Sustainable Goal 3, promoting health for all. By backing biotech innovation, BB Biotech advances medical research and global healthcare improvements.

Also in 2024, substantial medical breakthroughs could be marked through approvals of new drugs from BB Biotech's portfolio companies. So did Vertex receive approval for Casgevy, the first medicine using CRISPR/CAS9 (novel gene-editing technology) to treat transfusion-dependent beta Thalassemia and severe sickle cell disease. Esperion saw a label expansion of its medicine Nexletol which helps reducing the risk of cardiovascular events. Moreover, Moderna got mResvia approved, a novel drug that protects older adults against RSV infection. Additionally, Argenx's Vyvgart Hytrulo was approved a new drug which is used for the treatment of adult patients with chronic inflammatory demyelinating polyneuropathy.

Looking ahead, we anticipate that these companies will continue to secure approvals for several additional groundbreaking drugs.

Goal 4: Ensure inclusive, equitable and quality education and promote lifelong learning opportunities for all

BB Biotech encourages continuing education for all employees and promotes life-long learning.

By the end of 2024 Bellevue Asset Management introduced an employee and training directive; Bellevue empowers every employee to take advantage of training and development opportunities commensurate with their position and function and supports the personal and professional development activities of its employees. As of 2025, training and development activities will systematically be tracked and reported.

Further social employee practices are presented below in the Sustainability at Investment Management Level section.

Goal 5: Achieve gender equality and empower all women and girls

BB Biotech fosters a culture of gender equality and promote a balanced mix of gender and age across all hierarchical levels and functions of the company.

Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all

BB Biotech and its delegated Investment Manager offer attractive, family-friendly working condition, promotes diversity, has a competitive salary policy with equal pay for women and men, and is committed to the training and development of its employees.

Goal 13: Take urgent action to combat climate change and its impacts

BB Biotech and its delegated Investment Manager ensure that responsible operational ecology contributes to CO₂ reduction. Necessary operational emissions that cannot be further reduced are compensated for by purchasing CO₂ emission certificates in the amount of the greenhouse gas emissions emitted each year ensuring our CO₂ neutrality commitment.

SDGs at portfolio level:

Portfolio level relates to the portfolio companies that BB Biotech are invested in. At the portfolio level UN SDG's are considered in order to derive the proportion of «sustainable investments» (c.f. also chapter «[Proportion of ESG investments](#)»). The concept of «Sustainable investments» introduces a positive contribution to an environmental and/or a social objective while not significantly harming any of these objectives. Furthermore, the portfolio companies must apply practices of good corporate governance.

ESG research provider MSCI ESG measures the target contribution of companies to each of the SDGs and categorizes them as «strongly aligned», «aligned», «neutral», «misaligned» and «strongly misaligned». A positive contribution to an environmental or social objective hence requires a company to exhibit a positive alignment with at least one of the 17 UN SDGs and at the same time not negatively influence any other SDG.

As at December 31, 2024, BB Biotech AG exhibits a share of 73% in sustainable investments. Thereby, the portfolio contributes to the following 7 UN SDGs that are marked in colour:



Source: MSCI ESG Inc. United Nations

Some of BB Biotech's portfolio companies positively contribute to UN SDG **No.1** (No Poverty), **No.3** (Good Health & Well-Being), **No.5** (Gender Equality), **No.8** (Decent Work and Economic Growth), **No. 10** (Reduced Inequalities), **No. 13** (Climate Action) as well as to **No. 16** (Peace, Justice and Strong Institutions). Innovative biotech companies play a key role in contributing to the underlying objectives of «Good Health and Well-Being».

According to MSCI ESG's SDG alignment methodology, the following core portfolio holdings are positively aligned with the narrowly defined goals under UN SDG No.3 (Good Health & Well-Being): Alnylam Pharmaceuticals, Incyte, Ionis Pharmaceuticals, Neurocrine, Vertex Pharmaceuticals, Agiros Pharmaceuticals and Argenx.

Sustainability at Board of Directors level

Sustainability at the Board of Directors level focuses primarily of the investment strategy, the organization of the group and the guidelines and instructions to the delegated investment manager Bellevue Asset Management AG.

Economic performance

The economic performance is essential for creating long-term value for our stakeholders with a portfolio of diversified biotech companies.

In terms of portfolio size and market capitalization, BB Biotech is one of the largest biotech investors globally. The annual average performance of BB Biotech's shares since inception in 1993 is 9.5%

BB BIOTECH (SIX)	
CHF 35.40	
31.12.2024	
Share Price Performance YTD	-13.5%
Market capitalisation	CHF 2.0 bn
Net Asset Value (NAV)	CHF 41.75

BB BIOTECH (XETRA)	
EUR 37.45	
31.12.2024	
Share Price Performance YTD	-14.1%
Market capitalisation	EUR 2.1 bn
Net Asset Value (NAV)	EUR 44.40

Corporate Governance and business ethics

BB Biotech emphasizes that both its internal processes and those managed by the Investment Manager uphold compliance, data protection, stakeholder engagement, and good business practices. The Board acknowledges its responsibility for the environmental, social, and governance (ESG) impact of its activities and integrates corporate governance as a core aspect of its operations.

Corporate governance policies are tailored to the company's size and complexity, with transparency ensured through publicly available documents, including the articles of incorporation, organizational regulations, and committee charters. The Corporate Governance report complements the annual report, detailing governance policies and their implementation.

As a company listed on Swiss and German stock exchanges, BB Biotech adheres to the respective regulations. In 2022, the Board established a «Sustainability and Governance Committee», defining its roles, responsibilities, and charter.

Diversity, equal opportunities and non-discrimination

We are of the belief that diversity and inclusion, and people with different backgrounds, competencies and perspectives are key components to long-term success. BB Biotech's focus is on having a diverse Board of Directors whilst ensuring that they also have the relevant experience to oversee investments in the field of biotechnology. The Board of Directors is well diversified in terms of age, gender, expertise and geographical location. The Board of Directors conducts periodically salary benchmarks to ensure competitive and equal compensation. A policy on these aspects is accessible on www.bbbiotech.com.

Transparency

BB Biotech's environment, social and governance (ESG) performance is reviewed on a regular basis by independent ESG rating agencies. Whereas we welcome the feedback from and collaboration with these important stakeholders it is also a learning process for both parties as investment companies structurally do not fit into the rating agencies' current measures. In 2024, BB Biotech AG's rating conducted by the independent ESG rating agency Inrate, was again upgraded from B- to B. Therewith, the company was again included in the SPI ESG Index in Switzerland. Eventually, in December 2024 MSCI ESG has initiated its rating on BB Biotech AG with a solid A rating. We consider these developments very promising in the context of enhanced ESG visibility to international investors that require ESG coverage by leading sustainability agencies.

The ratings and feedback provided by various ESG rating agencies are one of the factors that are taken into consideration when continuously aiming at improving BB Biotech's ESG performance – and there is a commitment by the Board of Directors to further improve going forward.

Responsible investing

BB Biotech's Board of Directors establishes the investment strategy and guidelines for the investment manager, incorporating ESG dimensions into the process. Investment decisions are made by the Investment Management Team at Bellevue Asset Management AG.

Sustainability at Investment Manager level

Independent – entrepreneurial – committed

Operational corporate sustainability matters have to be evaluated from the perspective of its delegated investment manager and administrator, Bellevue Asset Management AG.

Environmental practices

Within the framework of our work processes, we attach importance to environmentally friendly practices and ensure this in particular with the following measures:

CO₂ emissions

Bellevue Group was certified by the independent specialist «Swiss Climate AG» for the fifth time in 2024 (based on 2021 values) with the highest label standard («Gold certificate»). By purchasing CO₂ emission certificates in the amount of the greenhouse gas emissions emitted each year, we support projects that save the same amount of emissions. Bellevue has selected a project focusing on «Climate protection and sustainable management in the Swiss forest» so as to offset our CO₂ emissions. The project ensures CO₂ storage and sustainable management of 7 279 hectares of forest in the canton of Schwyz. This protects the climate, preserves biodiversity in the Swiss forest and enables the production of energy wood for renewable energy production.

Measurement of environmental indicators

The environmental indicators were calculated for the fifth time in 2024 on the basis of the 2021 financial year. The 2020 balance with normalized data in the categories commuting and business flights will be used as a reference balance to assess the efficiency of the measures implemented as part of the climate policy and to verify improvements in the CO₂ balance.

Total emissions (in t CO ₂)	Base year*	2024	2023	2022
CO ₂ -emissions scope 1 ¹⁾	32	12	10	21
CO ₂ -emissions scope 2 ²⁾	44	10	23	20
CO ₂ -emissions scope 3 ³⁾	725	581	575	576
Total CO₂-emissions	801	603	608	617
CO ₂ -emissions/full-time position	8.2	6.9	6.1	6.2

* Base year: 2020 adjusted for COVID-19 effects (travel / home office).

¹⁾ Scope 1: Direct greenhouse gas emissions

²⁾ Scope 2: Indirect energy-related greenhouse gas emissions

³⁾ Scope 3: Energy supply (energy-related emissions not received in scope 1 or 2); business travel (external vehicles), commuting, IT equipment, paper, print jobs, waste, water

Source: CO₂ Report for Bellevue Group AG issued by Swiss Climate AG (2022, 2023, 2024)

As Bellevue is active in the financial sector, its Scope 1 and Scope 2 emissions are rather low. Areas of focus are heating, electricity and business travel with company cars. Most of its CO₂ emissions relate to Scope 3 emissions and are mainly attributed to business travel and commuting. In 2020 and 2021, action to prevent the spread of the coronavirus led to a sharp reduction in business air travel (air travel) and commuting travel. From 2022 on, CO₂ emissions in these two areas has increased significantly, but are still below pre-pandemic levels.

Total emissions at a glance

Total emissions (in t CO ₂)	Base year*	2024	2023	2022
CO ₂ -emissions scope 1 ¹⁾	32	12	10	21
Heating	27	6	7	15
Business trips	5	6	3	6
CO ₂ -emissions scope 2 ²⁾	44	10	23	20
Electricity	26	4	15	12
Heating	18	6	8	8
CO ₂ -emissions scope 3 ³⁾	725	581	575	576
Energy supply	20	13	10	14
Business trips	499	471	468	396
Commuting	186	70	90	152
IT equipment	14	23	2	7
other	6	4	5	7
Total emissions	801	603	608	617
Emissions Total / FTE (t CO ₂ /FTE)	8.2	6.9	6.1	6.2

* Base year: 2020 adjusted for COVID-19 effects (travel / home office).

¹⁾ Scope 1: Direct greenhouse gas emissions

²⁾ Scope 2: Indirect energy-related greenhouse gas emissions

³⁾ Scope 3: Energy supply (energy-related emissions not received in scope 1 or 2): business travel (external vehicles), commuting, IT equipment, paper, print jobs, waste, water

Source: CO₂ Report for Bellevue Group AG issued by [Swiss Climate AG](#) (2021, 2022, 2023)

Energy consumption

At Bellevue Group's headquarters in Küssnacht, where most of BB Biotech's Investment Management Team is located, natural lake water is used for heating and cooling the building. Energy-efficient devices are prioritized when purchasing equipment like computers, monitors, and printers. Automated energy controls are set to put IT components into standby mode based on predefined schedules. Lighting is used only when the buildings are occupied, and additional energy-consuming devices, such as air conditioners or radiators, are operated only as needed and turned off immediately after use.

Transportation and mobility

Our locations are very easy to reach by public transport. Employees are motivated to travel by public transport. The company supports this through financial support by providing a half-fare Travelcard of Swiss public transport free of charge to all employees. Parking spaces are not subsidized and are charged at full market rates.

Due to our global investment strategies and distribution activities with employees at different locations, international contacts are important. All office locations have a video conferencing infrastructure. Most of the meetings are through telephone and video conferencing as a substitute for physical meetings to limit travel. Where possible and appropriate, we substitute air travel with public transportation such as train travel and coordinate joint site visits. In December 2024, Bellevue Group relocated to a more central location in the city of Zurich which will further help reducing GHG emissions from commuting activities.

Procurement process

When procuring materials, furniture, food, etc., we consider local suppliers and local products whenever possible. Likewise, when selecting suppliers and service providers, their environmental practices are taken into account. In the procurement of furniture and other office materials, attention is paid to durability.

Waste management and recycling

Systems are in place at all office locations to collect and recycle a wide range of materials, including cardboard, PET, glass, paper, batteries and IT equipment. We separate waste and dispose of it properly. We take care at the procurement stage to avoid excessive waste or other unnecessary environmental impact (e.g. use of washable dishes instead of disposable cups/plates). In addition, water filtering devices are installed to reduce PET bottle consumption. Paper consumption is a significant resource for a service company. We take appropriate measures to ensure that paper consumption is constantly reduced and can be replaced by other means (e.g. customer presentations on notebooks/tablets instead of printed handouts, video calls for customer meetings, annual reports printed on FSC paper, shipping only on request). Print programs are initialized so that printouts are two-page and black and white by default.

Key climate-relevant memberships

In 2024 Bellevue Group was again awarded with the highest label standard by the Swiss Climate Label «Gold certificate». In addition, Bellevue Asset Management benefits from its membership with Swiss Sustainable Finance (SSF) to support its mission to strengthen Switzerland's position as a leading voice and player in the field of sustainable finance and thus contribute to a sustainable and prosperous economy.



TCFD

The uniform and transparent rules for disclosing the financial climate risks by the Task Force on Climate-Related Financial Disclosures (TCFD) have been considered for the second consecutive year in 2024 for Bellevue’s sustainability reporting.

We are currently working to identify and assess climate-related risks that may impact our business activities. In the coming years we are planning to revise and expand our reporting on climate-related factors.

The recommendations are structured around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets.

Governance	Strategy	Risk Management	Metrics & Targets
Disclose the organization’s governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Source: TCFD, 2024

Governance

Climate-related opportunities and risks could potentially influence all areas of BB Biotech and its business – both in terms of our own business activities and the portfolio companies. Therefore the ultimate responsibility for this topic lies with BB Biotech’s Board of Directors and its dedicated Sustainability and Governance Committee (SGC).

The Investment Management Team is responsible for the implementation of the investment strategy with a focus on sustainability topics as well as overarching principles and policies.

In addition, the Sustainability Working Group is entrusted with managing the implementation and integration of sustainability across all areas of the business. The working group comprises members from various functions, such as Risk Management, Product Management or Legal and Compliance. The group monitors the latest developments on the sustainability front and anticipates their impact on the business model. It supports the Bellevue Executive Board with formulating and developing the sustainability strategy. The Sustainability Working Group is therefore additionally responsible for managing and implementing projects within the business areas/functions and areas of activity.

Strategy

BB Biotech recognizes that a contribution towards the realization of the objectives set out in the Paris Agreement is required. This can be achieved through the way in which we structure our portfolio. We analyse and manage climate-related risks and show how they influence our investment decisions. As a biotech investor, we naturally apply sector exclusions for controversial industries (e.g. fracking/oil sands, etc.), engage in an active dialogue with the companies or other stakeholders regarding their climate strategy, and exercise our voting rights.

At an operational level, we disclose the emissions resulting from our own business activities in our Sustainability Report. BB Biotech considers sustainability risks to be a critical element of its risk management practices.

Climate Risk Management

Risks arising from disruptions and shifts that indirectly affect BB Biotech, e.g. through the introduction of climate policy measures involving a transition to a low-carbon economy (e.g. CO₂ levies, emissions or energy efficiency standards, or restrictions on «unsustainable» industries such as coal or oil), severely changing consumer sentiment or disruptive technological breakthroughs.

Metrics and targets

BB Biotech and the Investment Manager endorses the goals of the Paris climate agreement adopted in December 2015 and supports measures to mitigate global warming. Carbon intensity is measured at the portfolio level at least on a quarterly basis and these readings are compared with the relevant investment universe or the respective benchmark.

Bellevue has been purchasing electricity from renewable sources for its Swiss locations – either directly or otherwise indirectly through regional Guarantees of Origin and is further formalizing the net-zero climate strategy. Goal is to reduce greenhouse gas emissions from our business operations to net zero by 2050.

Social practices

Employees are the most important asset for the long-term success of BB Biotech and the Investment Manager. We foster a strong entrepreneurial culture with flat hierarchies, a high level of personal responsibility and flexibility in terms of working hours, workload and location.

Our commitment to treating employees with respect and responsibility is evident in both daily interactions and structured employee evaluations. These evaluations provide a foundation for personal feedback and planning for future development. We actively support targeted training and professional development, both financially and through creating an environment conducive to learning and growth.

The health and safety of our employees, as well as others impacted by our business activities, are of utmost importance. As an employer, we play a crucial role in promoting our employees' well-being through various initiatives, helping them stay healthy and motivated over the long term. At our Swiss headquarters, we provide an annual membership to a professional medical gym and subsidize additional sports activities. Employees are also offered free vaccinations annually, including those for influenza and tick-borne encephalitis.

The added value that BB Biotech generates for its investors is inextricably linked to the professional competence, motivation and high level of identification of the Investment Management Team. Accordingly, we place great emphasis on the careful selection of suitable talent. The suitability of a candidate is usually assessed over several selection stages and assessments. In addition to professional competence, soft skills such as the ability to work in a team and compatibility with corporate values are also assessed. From the employees' point of view, the manageable size of the company and the resulting personal contacts are a key success factor. Criteria such as age, origin and gender must not lead to discrimination.

The Investment Manager Bellevue recruited a total of 11 employees in 2024 across all locations and had a total of 85.6 FTE as at December 31, 2024.

Number of new hires	2024	2023	2022
Switzerland	9	6	13
- thereof men	5	3	10
- thereof women	4	3	3
Europe	1	4	2
- thereof men	1	3	2
- thereof women	–	1	–
Other	1	–	–
- thereof men	–	–	–
- thereof women	1	–	–
Total	11	10	15
- thereof men	6	6	12
- thereof women	5	4	3
By age groups			
>50	3	2	1
30-50	7	7	11
<30	1	1	3
Total	11	10	15
Recruitment rate	11.4%	9.8%	14.8%
- thereof men	6.2%	5.9%	11.8%
- thereof women	5.2%	3.9%	3.0%

Employee development and retention

The development of our employees is of central importance and an integral part of the Sustainability Plan 2030. Lifelong learning is becoming increasingly important. The company organization is designed to enable employees to develop and use their respective professional talents in the best interests of the company's stakeholders, the company and the employee, always taking into account the family and personal environment (e.g. part-time work, IT setup for home office, support for training and development).

Under the supervision of the HR department, employees are offered a wide range of professional development opportunities as well as career and succession planning as part of Bellevue's onboarding and induction process and education and talent management program. The regular institutionalized employee appraisals provide a framework for assessing personal performance and planning further development.

In the year 2024, Bellevue established a new training and development directive, which comes into force on January 1, 2025. This directive will enable the disclosure of training and development figures as from the 2025 financial year onwards.

In 2024, the following training courses were held:

- Cyber Security: All Bellevue employees complete annual e-learning modules in the area of cyber security.
- Compliance: The following internal training courses were held in the area of compliance Market Conduct (all employees), Code of Conduct (portfolio managers), Cross-Border (all employees), Cyber Security (all employees) and general compliance/instructions training (all new employees).
- External training: 5 employees from the Private Markets business division attended a refresher course to obtain advisor status for the advisor register. 2 employees have started or completed CFA training.
- Management career path: 6 people attended management training with individual modules and individual coaching in 2024.

Employee engagement

Employee information channels

In order to address employees' increased need for internal information updates, also in 2024 a total of 4 quarterly employee information events were held. Besides the latest operating results, information is given about specific products, new developments, the projects being developed and pursued by individual teams and so on. The presentations are prepared in collaboration with the directly involved employees, which gives them an opportunity to present their specific tasks and related challenges in their own words.

Employee development

In addition to the annual review, employees have the opportunity to suggest and pursue suitable training and education initiatives (see «Training and education» for further details).

Collaboration between executive management teams

Due to its historically and geographically diverse structure, Bellevue operates with multiple executive management teams. A level of merging and consolidation has now taken place, and interaction has been stepped up through regular meetings.

Remuneration policy

Within Bellevue, the following overarching principles apply to all compensation:

Compensation is transparent, comprehensible, fair and appropriate for members of the Board of Directors and Group Executive Management as well as for all employees. All compensation must take balanced account of operational and strategic responsibility, the quality of the work and the workload of the respective function. Compensation shall be commensurate with the function and shall be influenced to a significant extent by the individual achievement of quantitative as well as qualitative targets and by the results of Bellevue. When determining compensation, it must be ensured that it is proportionate and competitive compared to companies in the same labour market and economic sector, and that it is sustainable regardless of the course of business. Serious breaches of internal or external regulations (incl. ESG/sustainability) will lead to a reduction or forfeiture of variable compensation.

Further details and numbers are publicly disclosed in the audited compensation report of Bellevue Group AG as part of the annual report.

Employee profit participation

In the spirit of identification with the company and the entrepreneurial activities of each employee at his or her level, we give employees across all hierarchical levels a share in the success of their own employer.

For the Investment Management Team of BB Biotech there is a compensation system in place with three components:

1. Competitive fixed salaries in line with asset management industry standards,
2. An allocation of the management fee paid by BB Biotech AG reflecting mid- and long-term success,
3. A long-term incentive plan, fully aligned with shareholders' interests with multi-year performance hurdles, resulting in payments between 0% and 100%.

Furthermore, Bellevue periodically offers an employee share ownership program under which rights to purchase Bellevue Group shares are offered at a discounted purchase price.

The compensation of employees is designed to motivate all employees to perform very well. This approach promotes a long-term performance culture.

Diversity and Inclusion

The Investment Manager provides equal employment and advancement opportunities to all individuals regardless of age, race, ethnicity, gender, sexuality, disability, religion or other characteristics. That's why we benefit from a diverse workforce, creating a competitive advantage.

With their different perspectives and approaches, experiences, ideas and skills, employees inspire and learn from each other. As a result, the company gains in creativity, innovation and success.

We foster a culture of gender equality and promote a balanced mix of gender and age across all hierarchical levels and functions of the company. Employee compensation is periodically reviewed (every 2 years) for unjustified differences and adjusted if necessary. In August 2023, an analysis of salaries was carried out using the federal government's standard software («Logib»). No gender effect was identified. The next analysis is planned for Q3/2025.

Both genders should be represented on the Group Executive Board and on the Board of Directors. Discriminatory behavior will not be tolerated and improper conduct will be punished by line managers. To that end, a whistleblowing policy was approved and an internal reporting system created in 2022.

The Board of Directors of Bellevue Group has set itself the goal of continuously increasing the proportion of women at all levels, especially at senior management level (Board of Directors and executive management). Furthermore, the Board of Directors is promoting the development and retention of women in the company. In addition, the company aims to fill vacant positions with women through targeted talent attraction measures.

In 2024, the following activities took place in the area of diversity and equal opportunities:

- Election of three female members of the Board of Directors resulting in a 50% split of men and women on the board.
- To date, no complaints or reports of discrimination have been received via the aforementioned whistleblowing or whistleblower system.

Governance practices

Transparency

In accordance with Regulation (EU) 2019/2088 of the European Parliament and the Council of the European Union of November 27, 2019, on sustainability-related disclosures in the financial services sector, Bellevue Asset Management is committed to transparency with respect to:

- Policy for managing sustainability risks
- Adverse sustainability impacts at entity level
- Compensation policies in relation to the integration of sustainability risks
- Adverse sustainability impacts at financial portfolio level
- Promotion of environmental or social characteristics in pre-contractual disclosures
- Sustainable investments in pre-contractual disclosures
- Promotion of environmental or social characteristics and of sustainable investments on websites
- Promotion of environmental or social characteristics and of sustainable investments in periodic reports

Policy

Sustainability risks

«Sustainability risks» is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment¹.

Bellevue Asset Management AG and its subsidiaries have integrated sustainability risks into the investment decision-making processes of all their actively managed strategies and associated funds with the aim of identifying, assessing and, if possible and appropriate, mitigating such risks.

While every investment strategy can be exposed to such sustainability risks to varying degrees, the projected impact of sustainability risks on the returns of the investment strategies will depend on the specific investment strategy.

100% of BB Biotech's and more than 90% of Bellevue Asset Management AG's assets under management as at December 31, 2024, are invested in the healthcare sector, which is characterized by lower levels of carbon emissions than the manufacturing, commodities or energy sectors and the broadly diversified global equity indices. Focus on healthcare therefore reduces the sustainability risks.

¹ in Regulation (EU) 2019/2088 of the European Parliament and of the Council of the European Union of November 27, 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation, SFDR)

ESG investment policy

ESG framework in portfolio management

Exclusion criteria



Source: Bellevue Asset Management, as at December 31, 2024

Bellevue Asset Management is committed to complying with internationally recognized standards and consistently exclude companies with serious violations of human rights, the environment, labour standards and involvement in corruption from the investment portfolios it manages. No investments may be made in companies that seriously violate the environment, human rights and business ethics. This is measured by compliance with the principles of the UN Global Compact Compliance, UN Guiding Principles for Business and Human Rights, and standards of the International Labour Organization.

In contrast to exclusions based on violations of global standards, values-based exclusions are based on social, ethical and moral views. Percentages of sales per business segment are defined, that a company may not exceed in ESG-critical business segments such as conventional weapons, thermal coal or tobacco production. Issuers whose annual sales exceed the generally accepted tolerance limits defined below are excluded. For BB Biotech and the biotech industry in general, these thresholds are in practice not relevant.

Business area	Revenue threshold	BB Biotech
Controversial weapons	0%	0%
Conventional weapons	10%	0%
Thermal coal	5%	0%
Fracking/oil sands	5%	0%
Production of tobacco	5%	0%
Sale of tobacco	20%	0%
Adult entertainment	5%	0%
Gambling	5%	0%
Palm oil	5%	0%

The defined turnover limits are based on empirical values with institutional investors and industry experts.

Bellevue Asset Management maintains an exclusion list, which is updated on a quarterly basis. Currently, this list comprises close to 900 issuers that are excluded from all investment universes in the context of direct investments.

ESG Integration

Environmental, social and governance factors are incorporated into the fundamental assessment of a company and evaluated in terms of their financial risks or opportunities for future share price performance. This gives our portfolio managers a holistic picture of a company.

The environmental area includes, for example, whether a company systematically measures and discloses its environmental footprint. The area of society includes, for example, product quality, data security and employee development. Good governance includes, for example, independence and compensation of the board of directors or business ethics.

As a basis for the integration of sustainable business criteria in the investment decision process, the Investment Manager uses an ESG rating per issuer, which is composed of various sub-scores. The scores are based on data from the independent third-party providers MSCI ESG Research. Their relevance and consequently weighting can vary significantly depending on the industry affiliation.

Over the past year, it has again proven important to interpret aggregated ESG ratings with caution and to critically scrutinize them. Most ESG rating methodologies are based on predefined systematics that do not lead to an objective or «fair» risk assessment in all cases. Especially small-capitalized and young companies, such as those still in the start-up phase, are typically systematically disadvantaged compared to large companies. A lack of human resources and experience in dealing with ESG issues can lead to a poorer sustainability rating. MSCI ESG Research regularly conduct client surveys to address these issues and implement potential methodology improvements.

Our portfolio managers and analysts stand in close contact with our portfolio companies and in many cases may have a more profound fundamental understanding of certain processes with the company than an external ESG rating agency. Accordingly, our portfolio managers take a critical look at potential or alleged «ESG laggards» (rating CCC, B) and repeatedly seek personal discussions with the ESG specialists of our cooperation partner and the companies concerned. Our ESG investment guidelines tolerate an investment in an alleged «ESG laggard» provided that our rationale to do so is clearly explained and documented in detail. Nonetheless, an investment in a so-called «ESG laggard» does under no circumstances qualify as an investment with «sustainable characteristics» nor as a «sustainable investment» with regards to the calculation of our regulatory ESG investment proportions (c.f. also chapter Proportion of ESG Investments).

ESG stewardship

As a responsible investor with a long-term focus, BB Biotech supports all measures and initiatives that increase the value of the companies invested in over the long term in the interests of shareholders and investors. This includes engagement activities as well as the exercise of voting and election rights on the occasion of general and shareholders' meetings.

Engagement

Active management means investing with conviction. We know what we are investing in, and pursue this with great discipline. At Bellevue you will not find any overarching investment committees or a CIO. Working independently in their own product areas, the relevant investment specialist teams are all committed to personal responsibility, respect, and the

strength of their own vision. As well as being investment experts, our employees are simultaneously entrepreneurs who participate in the success of clients through their own investments. Active management also stands for constructing high-conviction portfolios based on a bottom-up oriented investment process, which inherently includes not only the decision to allocate a security, but also in many instances to exclude a security for various reasons. The latter is often a result of an in-depth interaction with company representatives, which we would certainly also describe as a type of engagement.

This commitment to active investment management also highlights the importance of engagement as a key element in our ESG framework. Portfolio managers are engaged in an active and constructive dialog with the executives and other relevant stakeholders of portfolio companies on environmental, social and governance issues. All our engagements are conducted along (but not limited to) our predefined list of key ESG issues, which are reviewed periodically and may change in terms of priority as a result of changing dynamics in the field of ESG.

Written records of ESG engagement activities are maintained as part of the regular documentation of conversations with company representatives. In addition, every relevant company interaction is systematically recorded in our proprietary ESG Engagement Tool and as such accessible to all investment team and ESG product management members.

Bellevue Asset Management's ESG Investment Guideline, particularly its section on Stewardship, can be found [here](#).

ESG-Reporting

Since 2019, Bellevue Asset Management AG has been a signatory of the United Nations Principles for Responsible Investment (UN PRI). PRI reporting is the world's largest responsible investment reporting project. It was developed with investors for investors. Reporting on our sustainability activities and progress is one of the six principles of the UN PRI. Bellevue Asset Management is also a member of Swiss Sustainable Finance Association (SSF).

We fulfil our responsibility in ESG reporting through quarterly ESG factsheets, the ESG section of the Bellevue and BB Biotech websites, Bellevue Asset Management's UN PRI Report as well as regulatory portfolio related ESG reporting, namely EU SFDR Annex IV report.

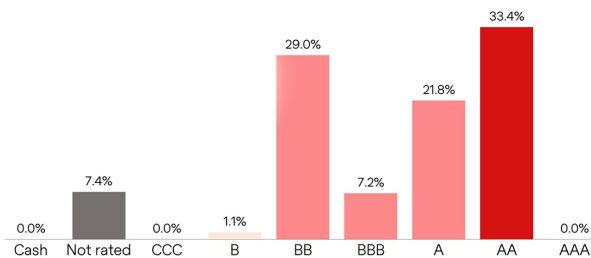
Sustainability at BB Biotech AG's portfolio level

The Head Investment Management Team BB Biotech and member of the executive management board at Bellevue Asset Management AG comments as follows:

Our investment process fully implements Bellevue Asset Management's formal ESG investment guidelines and therewith all BB Biotech investments are systematically reviewed for sustainability risks and breaches of elementary human rights (as defined, for example, by UN Global Compact principles). Besides upholding strict exclusion criteria – such as very severe controversies that violate universal norms regarding the environment, human rights or good corporate governance – environmental, social and governance factors are integrated into the fundamental analysis of every company through an ESG integration process in which the associated financial risks or opportunities are evaluated with respect to future share price development. ESG ratings compiled by the global leading ESG research provider MSCI ESG Research are referenced in this process, all the while exercising the necessary prudence and, in some cases, questioning the ESG score.

Responsible Investing

MSCI ESG Rating distribution (portfolio investments)



Note: Rating based on 92.6% MSCI ESG Research coverage. The aggregated weighted average MSCI ESG rating of all portfolio investments as per 31.12.2024 amounts to a BBB-rating. This BBB-rating must not be confused with the MSCI ESG A rating awarded to BB Biotech AG as a corporate organisation (incl. operations of its asset manager).

Source: MSCI ESG Research, Bellevue Asset Management, Data as of December 31, 2024

Sustainability at BB Biotech AG's portfolio level

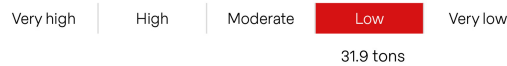
Name	MSCI ESG Rating 2023	MSCI ESG Rating 2024	CO2 Intensity ¹⁾ (T/USDm Sales) 2023	CO2 Intensity ¹⁾ (T/USDm Sales) 2024	Portfolio weight as at 31.12.2024
Argenx SE	A	AA	44.6	0.45	13.7%
Ionis Pharmaceuticals	BB	BB	5.7	5.7	10.3%
Neurocrine Biosciences	A	A	53	68.16	9.4%
Intra-Cellular Therapies	BBB	BBB	52.9	62.1	7.6%
Revolution Medicines	BB	BB	37.2	49.7	7.2%
Vertex Pharmaceuticals	A	AA	2.6	2.24	7.2%
Alnylam Pharmaceuticals	A	A	15.4	15.4	6.7%
Incyte	A	AA	2.5	4.3	5.6%
Agios Pharmaceuticals	BBB	BB	33.43	62.1	4.4%
Crispr Therapeutics	BBB	BBB	37.2	37.2	
Scholar Rock	A	A	37.2	49.7	4.1%
Biohaven	AA	AA	–	49.7	2.9%
Essa Pharma	BBB	BBB	33.43	33.43	
Exelixis	BB	BB	53	53	
Celldex Therapeutics	A	A	37	49.6	2.9%
Generation Bio Co.	n.a.	n.a.	33.43	33.43	
Moderna	BBB	AA	0.9	3.3	2.5%
Wave Life Sciences	n.a.	BBB	52.9	49.9	1.9%
Arvinas	AA	BBB	52.9	62.1	1.7%
Rivus Pharmaceuticals	n.a.	n.a.	–	–	1.6%
Beam Therapeutics	BBB	BBB	37.2	49.7	1.4%
Edgewise Therapeutics	n.a.	BBB		62.1	1.4%
Molecular Templates	n.a.	n.a.	37.2	37.2	
Immunocore	n.a.	n.a.	–	–	1.3%
Macrogenics	BBB	BB	37.2	49.7	1.2%
Relay Therapeutics	BBB	BBB	37	50	1.1%
Annexon	n.a.	n.a.		49.7	1.0%
Sage Therapeutics	B	B	33.3	49.7	0.9%
Esperion Therapeutics	n.a.	n.a.	53	62.1	0.8%
Black Diamond Therapeutics	n.a.	n.a.	33.43	33.43	0.7%
Fate Therapeutics	BBB	BB	37.2	49.7	0.3%
Portfolio of BB Biotech	BBB	BBB	27.8	31.9	100.0%

¹ Scope 1+2, based on 100% portfolio exposure

The MSCI ESG rating of the average weighted portfolio positions remained constant at a BBB rating. Select core positions such as Argenx, Vertex and Incyte improved their ratings by one notch each, whereas other holdings including Agios Pharmaceuticals, Arvinas, Macrogenics and Fate Therapeutics saw a downgrading by MSCI ESG. During the period under review MSCI ESG initiated coverage for Wave Life Sciences and Edgewise Therapeutics both with a solid BBB rating.

Carbon intensity is measured at the portfolio level at least on a quarterly basis. With a carbon risk of 31.9 tons of CO₂ per million USD revenues BB Biotech's overall carbon intensity remains at the low end and is slightly higher versus the previous year (27.8 tons). For a low carbon industry such as biotechnology, carbon reduction is not the predominant objective with regards to long-term sustainability goals, which is also reflected in the MSCI ESG rating for the biotechnology sector where the weights for the individual categories are distributed as follows: Environment (10%), Social (55%), Governance (35%).

CO₂-intensity (T CO₂E/USD mn Revenue)



Source: MSCI ESG Research, Bellevue Asset Management, Data as of December 31, 2024

Stewardship through engagement and active voting

a) Engagement

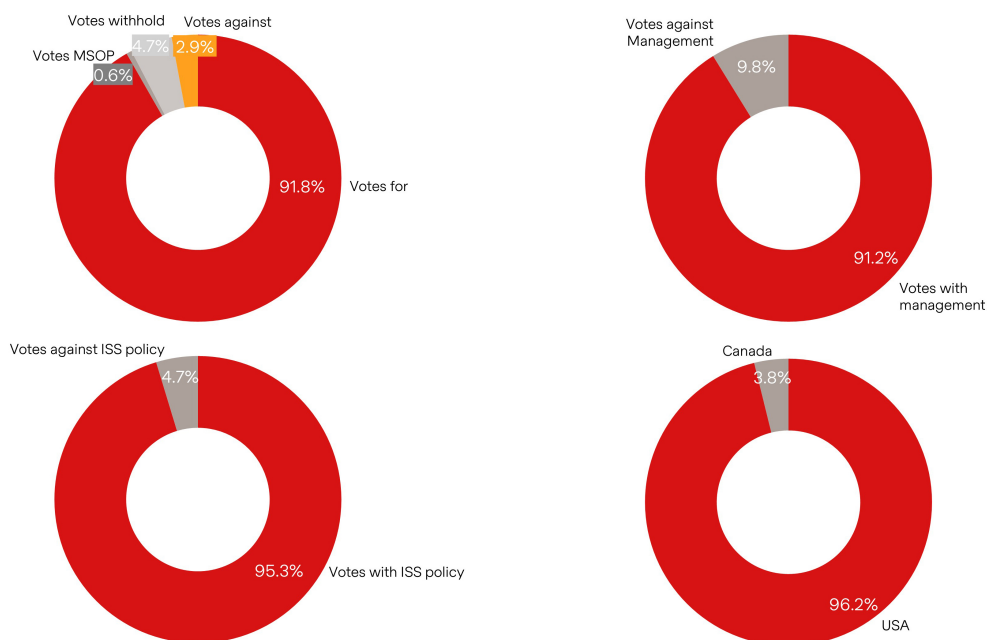
Our stewardship duties encompass an active and constructive dialogue with our portfolio companies on environmental, social and governance issues. In case of indications of substantial controversies in the area of ESG, these are raised constructively within the framework of the corporate dialogue and progress (e.g. strategy and process adjustments, improvement of ESG rating) is documented over time. Engagement activities must also be placed in the context of materiality and proportionality. Engagement activities can take place to varying degrees depending on the size of the investment strategies involved, the capitalization of the company, the stage of development of the company, and other factors. Accordingly, in addition to our regular interactions with company executives and other stakeholders, we focused on three formal ESG engagements in 2024, of which two engagements were newly initiated during the reporting period. Two engagements concern corporate governance issues («G») and one is focused on access to healthcare («S»).

b) Proxy voting

The second stewardship element concerns our actively exercising our voting rights at AGM's through proxy voting. In order to extract long-term investor value added through active portfolio management we keep a constant dialogue also on sustainability matters with companies senior management which is eventually reflected in our voting decisions. Bellevue Asset Management's and BB Biotech AG's Board of Directors take our voting obligations very seriously and respective structures are in place to ensure that we vote in all shareholder meetings.

Material voting items on the AGM agenda such as board composition, compensation or incentive schemes are evaluated on a case-by-case-basis, supported by research data of Institutional Shareholder Services group (ISS). The Investment Management Team receives voting recommendations and research material from ISS. ISS brings more than 30 years of experience and global resources to serve approximately 1 500 institutional clients globally. ISS makes sure to maintain market leading stewardship practices. Should we vote against a proposed agenda item, we would usually have a prior discussion and elaboration of our rationale and understanding with members of the company management or the Board of Directors.

During 2024 we voted at 26 of 27 votable meetings covering 171 resolutions (vs. 30 votable meetings and 239 resolutions in 2023). In 156 cases we thereby voted in line with management recommendations (vs. 202 votes in 2023) and for 15 resolutions voted against management recommendation (vs. 37 votes in 2023).



Source: Bellevue Asset Management

Proportion of ESG investments

Referring to the EU SFDR 2019/2088 Regulatory Product Disclosures (Art. 10)/Commission Delegated Regulation (EU) 2021/1253 to MiFID II, Bellevue distinguishes investments with «sustainable characteristics» and, as a subset of which, «sustainable investments».

a) Share of investments with sustainable characteristics

In accordance with EU SFDR 2019/2088, Bellevue Asset Management introduced the following set of ESG criteria that must be met by a minimum portfolio proportion of 50% for BB Biotech:

- Compliance with global norms – i.e. no severe violations against standards and principles of the UN Global Compact, the UN Guiding Principles for Business and Human Rights, and Conventions 1 and 2 of the International Labour Organization (ILO).
- Investments in ethically or morally controversial business areas are limited by considering predefined revenue thresholds (in practice not relevant for the biotech industry, those thresholds are nevertheless formally monitored).
- Minimum ESG Rating of BB or higher to assure adequate level of «Good governance» on E, S and G
- Stewardship through constructive corporate dialogue (engagement) and the exercise of voting rights (proxy voting)

In principle, we aim to invest all assets of BB Biotech in investments with «Sustainable characteristics» but there is not always a sufficient amount of ESG-data available in any market cap segment, particularly in the field of small and mid-cap companies. Additionally, some companies may not have an ESG rating yet or the current rating does not correspond with our view on the most relevant sustainability aspects.

b) Share of sustainable investments

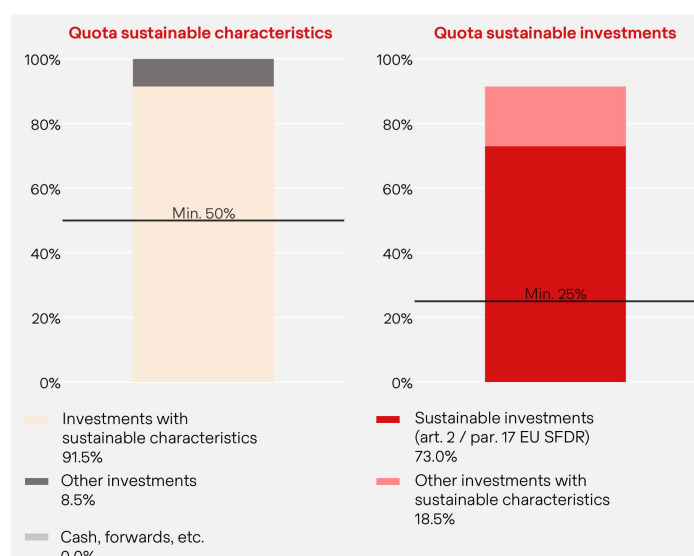
The concept of «Sustainable investments» imposes more stringent restrictions on above ESG characteristics by introducing a positive contribution to an environmental and/or a social objective while do not significant harm any of these objectives («DNSH»). Furthermore, the invested portfolio companies must apply practices of good corporate governance. For an investment to qualify as a «sustainable investment», the Investment Manager applies the 17 UN Sustainable Development Goals (SDGs). These sustainable development goals are general, universal goals for all UN member states, which were adopted in September 2015 as the successor to the Millennium Goals. The entire world population should be able to live in a fairer, more prosperous and more peaceful society by 2030.

As already elaborated above (chapter UN SDG) ESG research provider MSCI ESG measures the degree of alignment with each of the SDGs. A positive contribution to an environmental or social objective hence requires a company to exhibit a positive alignment with at least one of the 17 UN SDGs while not affecting any other SDG negatively.

Investments are assigned to the «sustainable investment» proportion if, on the one hand, they exhibit a positive target contribution as described above and, on the other hand, they meet the criteria for «investments with sustainable characteristics» described above, which also ensures that good governance practices are applied. In addition, the most important adverse sustainability impact indicators (PAI) are explicitly or implicitly considered in this process. In the case of explicit consideration, thresholds are determined for each PAI criterion (where possible), which define the point at which a particular PAI criterion has a «material adverse impact» on a sustainability factor. If a «material adverse impact» is measured for an issuer, the issuer concerned cannot be classified as a sustainable investment, regardless of whether the issuer makes positive contributions to one of the 17 UN sustainability goals or not. The threshold values are derived empirically from empirical values and formally approved by the Bellevue ESG Working Group. In the case of implicit consideration, characteristics of the relevant PAI criteria are included in the MSCI ESG rating process and thus lead to indirect consideration by determining minimum ratings, which are used to calculate the minimum quotas.

In accordance with European MiFID regulation, a corresponding minimum proportion of sustainable investments has been defined and set at 25% for BB Biotech AG.

The overall regulatory ESG breakdown for the BB Biotech portfolio as at December 31, 2024, is summarized below:



Source: Bellevue Asset Management, MSCI ESG Inc.

Annex

GRI content index with reference

GRI content index		
Statement of use	BB Biotech AG has reported the information cited in this GRI content index for the period 01.01.2024 – 31.12.2024 with reference to the GRI Standards.	
GRI used	GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location in Annual Report
GRI 2: General Disclosures 2021	2-1 Organizational details	About us
	2-2 Entities included in the organization's sustainability reporting	Sustainability Governance
	2-3 Reporting period, frequency and contact point	About us: Corporate calendar / Contact
	2-6 Activities, value chain and other business relationships	About us
	2-7 Employees	Social Practices
	2-9 Governance structure and composition	Corporate Governance
	2-10 Nomination and selection of the highest governance body	Corporate Governance: Board of Directors
	2-11 Chair of the highest governance body	Corporate Governance: Board of Directors
	2-19 Remuneration policies	Remuneration Report: Remuneration of the members of the Board of Directors
	2-20 Process to determine remuneration	Remuneration Report: Remuneration of the members of the Board of Directors
	2-22 Statement on sustainable development strategy	Sustainability Strategy
	2-25 Processes to remediate negative impacts	Environmental practices
	2-26 Mechanisms for seeking advice and raising concerns	Social Practices: Diversity and Inclusion
	2-28 Membership associations	Environmental practices: Key climate-relevant memberships
2-29 Approach to stakeholder engagement	Stakeholder Engagement and Material ESG Topics	
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Engagement and Material ESG Topics
	3-2 List of material topics	Stakeholder Engagement and Material ESG Topics: Material ESG topics identified
	3-3 Management of material topics	Stakeholder Engagement and Material ESG Topics: Material ESG topics identified
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Financial report
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Practices: Energy consumption

GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Practices: Measurement of environmental indicators
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Practices: Measurement of environmental indicators
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Practices: Measurement of environmental indicators
	305-4 GHG emissions intensity	Environmental Practices: Total emissions at a glance
	305-5 Reduction of GHG emissions	Environmental Practices: CO2 emissions
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environmental Practices: Waste management and recycling
	306-2 Management of significant waste-related impacts	Environmental Practices: Waste management and recycling
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Practices
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Practices: Employee development and retention
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Board of Director level: Diversity and inclusion; Social Practices: Diversity and inclusion