

Evotec SE
**Sustainability
Report 2022**

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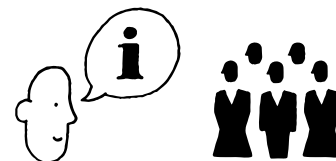
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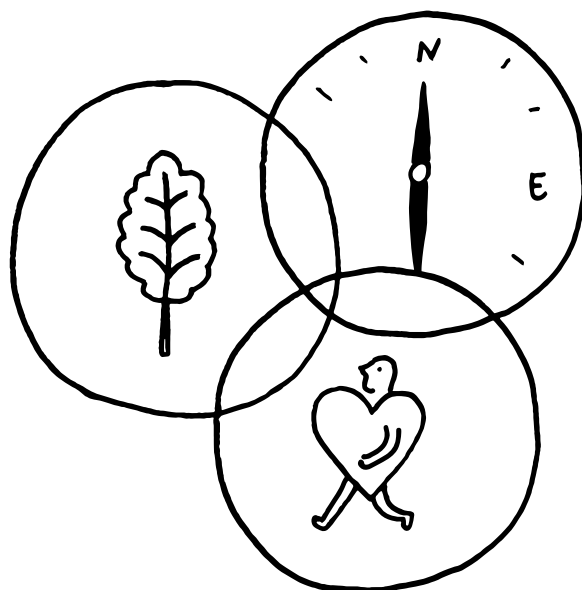
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Throughout this Sustainability Report, whenever words denoting gender are used, they are intended to apply equally to all genders, unless otherwise stated.

This Sustainability Report relates to the Evotec Group (Group Sustainability Report). For reasons of simplicity, we use the term Evotec when referring to the whole Evotec Group. Unless otherwise stated, the key figures refer to the entire Evotec Group. Information that relates solely to specific sites is marked as such. The reporting period covers the period from 1 January 2022 to 31 December 2022.


1. About this report



This is Evotec's third annual Sustainability Report. It addresses those Environmental, Social, and Governance (ESG) topics and related parameters having a material impact on the company. The report aims to offer our stakeholders a detailed insight into our sustainability activities and associated key figures.

As in the former reporting period, we align the contents of our Sustainability Report with the disclosure requirements according to sections 315b and 315c, in conjunction with sections 289b to 289e, of the German Commercial Code (HGB). Primarily, we are required to disclose non-financial information when the information is essential for understanding our business performance and results, as well as our financial situation. In addition, disclosure of non-financial information is necessary if the information is required to understand how the company's business activities affect non-financial aspects.

In a comprehensive sustainability assessment in November/December 2020, we determined the ESG topics relevant to Evotec and its stakeholders. The findings were reviewed and validated by experts from our business sectors and relevant Group functions. We report on the following material topics in accordance with the German Commercial Code (HGB) and the Corporate Social Responsibility Directive Implementation Act (CSR-RUG): employee matters, human rights, anti-corruption, and environmental and

social matters according to CSR-RUG. Topics relevant for the non-financial report under CSR-RUG are marked with the following symbol: .

In 2021, we prepared our Sustainability Report not only in accordance with the legal requirements of CSR-RUG but with reference to material aspects of the Global Reporting Initiative (GRI) criteria. GRI standards are among of the most widely used sustainability reporting standards across the globe. In our view, they provide a comprehensive overview of our activities to improve all aspects of ESG. Additionally, we referred to other industry standards such as the Sustainability Accounting Standards Board (SASB) to take account of our international stakeholders' petitions.

During 2022, we moved a step forward and decided to audit on a limited assurance engagement a selection of our non-financial topics with reference to the GRIs and in accordance with the Greenhouse Gas (GHG) Protocol. This decision was taken to continue increasing trust among our stakeholders and to facilitate our transition to a fully audited report in the upcoming years. In addition, this measure will offer some advanced preparation for the Corporate Social Responsibility Directive (CSRD) coming into effect for Evotec in the 2024 fiscal year.

Audited sections of this report can be identified by their [blue text](#). The following topics are subject to audit: Employment, Anti-corruption,

Bioethics, Animal welfare, Supply chain, and IT security¹. Additionally, within the GHG emissions section, data on Scope 1 and 2 emissions, science based targets and the renewable electricity target have also been verified.

This report includes the change from GRI Standards 2016 to GRI Standards 2021. Additionally, our emissions reporting underwent a change in methodology to comply with the requirements laid out by the Science Based Targets initiative (SBTi), in which the Greenhouse Gas Protocol Corporate Standard is used as the criteria for inventory coverage. Based on this approach, emissions relating to 2021 have been adjusted for the sake of consistency and deviate from data disclosed in our 2021 Sustainability Report. Historic data will be replaced for current and future reporting cycles by an inventory in accordance with the GHG Protocol.

Other events that have had an impact on the structure of this report were the acquisitions of two new sites during 2022. In May, we acquired Rigerand Srl. in Medolla, near Modena (Italy), thereby adding Good Manufacturing Practice (GMP) in the area of cell therapy to our portfolio. This site now operates under the name of Evotec (Modena) Srl. In November, we expanded our API manufacturing capacities with the acquisition of Central Glass Germany in Halle (Westphalia), now operating under the name Evotec DS.

Other restatements are covered in their relevant topic sections and are recorded as such.

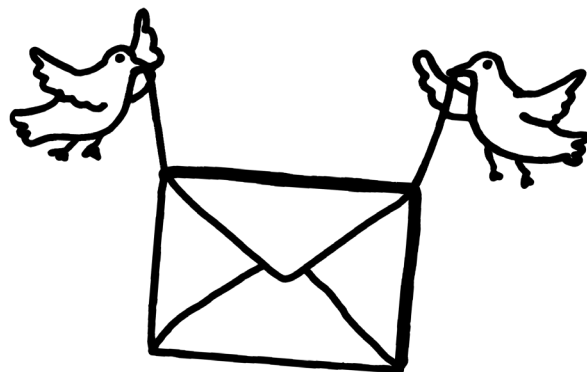
Where appropriate, the information provided even goes beyond the German Commercial Code requirements to provide a more comprehensive overview of Evotec's sustainability strategy and its links to ESG. A dedicated section of our website, in which we provide metrics for each of the three sustainability dimensions Environment, Social, and Governance is available at the following link: <https://www.evotec.com/en/investor-relations/ESG>

This Sustainability Report is published closely after our Annual Report to support our investors' assessment process with an expanded set of non-financial performance metrics. The reporting period corresponds to Evotec's 2022 fiscal year from 1 January 2022 to 31 December 2022. This report pertains to the entire Evotec Group, including our 17 sites in six countries. Any information that deviates from these parameters is identified accordingly.

The Supervisory Board fulfilled its obligation to review the content according to the German Commercial Code on 5 May 2023. Subsequently, Management Board of Evotec SE reviewed this report on 15 May 2023. The report was adopted on 16 May 2023.

¹ Please refer to **Subsequent events**, located at the end of the **Outlook** section, to learn about events that took place after the end of the reporting period.

Dear Stakeholders and Friends of Evotec,



Resilience and sustainability are, more than ever, cornerstones of a successful corporate strategy. After learning how to navigate a pandemic, 2022 brought new challenges, affecting the safety and economic stability of individuals throughout the world. In addition, the probability of risks related to global climate change has further increased. Climate science published in the latest report by the Intergovernmental Panel on Climate Change (IPCC) in 2022 described the current situation as a “code red for humanity”.

Since its foundation in 1993, serving humanity has always been Evotec’s *raison d’être*. This is based on the idea that the adoption of evolutionary technologies, which are at the origin of the name Evotec, results in the most efficient scientific progress. Already 30 years ago, our co-founder Manfred Eigen declared that “the goal of evolution is not one single human, it is mankind”.

Our unceasing efforts, in cooperation with our partners, to discover, develop and manufacture disease mechanisms, potential therapeutics and drug candidates, thereby positively impacting patients’ lives with cures and access to new therapies, is our greatest contribution to the stabilisation of societies, economies, and healthcare systems around the world. The claim *#researchneverstops* therefore expresses our ambition to act sustainably in every aspect of our activities to fulfil this purpose. To emphasise this, we have further strengthened governance and our approach to sustainable corporate management with the implementation of an ESG Committee within our Supervisory Board in 2022.

The second focus of our sustainability strategy is our contribution to limiting effects related to climate change. As a science driven company, we committed to setting science-based net-zero emission targets in line with the Paris Agreement at the beginning of 2021. In Q3 2022, we completed our greenhouse gas inventory in time to set the reference point for our climate targets, which were approved by our Supervisory Board on 8 December 2022. We submitted our targets with the Science Based Target initiative

(SBTi) on 2 January 2023. As collaboration is one of our core values, we will also encourage our stakeholders to join us in aligning their emission reduction targets with ours in the coming years.

Our ambitions would be hollow if our people were not such a fantastic driving force behind Evotec. Creating and maintaining an environment of physical and psychological safety is key to ensuring that our most important stakeholder group thrives. We have launched the **EVO**academy and trained our leaders to develop their teams in the best possible way in recent years. 2023 and the subsequent year, however, will be the years of listening, based on a comprehensive engagement initiative and on translating our people’s feedback into action. Another initiative aims to encourage our people to assume greater responsibility for sustainability topics, with the creation of sustainability champions at all sites and in all functions within Evotec.

TOGETHER, we will further shape a resilient and sustainable organisation that is ready to master current and future challenges and to make a positive contribution to a wide range of activities. I would like to invite you to continue supporting us on our journey to a sustainable future. We more than welcome any feedback that you may have.

With best regards on behalf of the Management Team,

Werner Lanthaler
Chief Executive Officer

1.2. OUR SUSTAINABILITY REPORT AT A GLANCE*

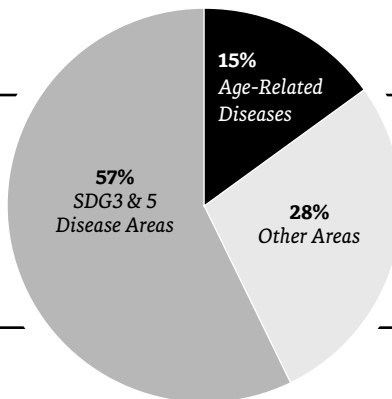
TOGETHER FOR MEDICINES THAT MATTER

4,952 Employees worldwide

1,565 New employees

54% Women

88% Employees received yearly feedback



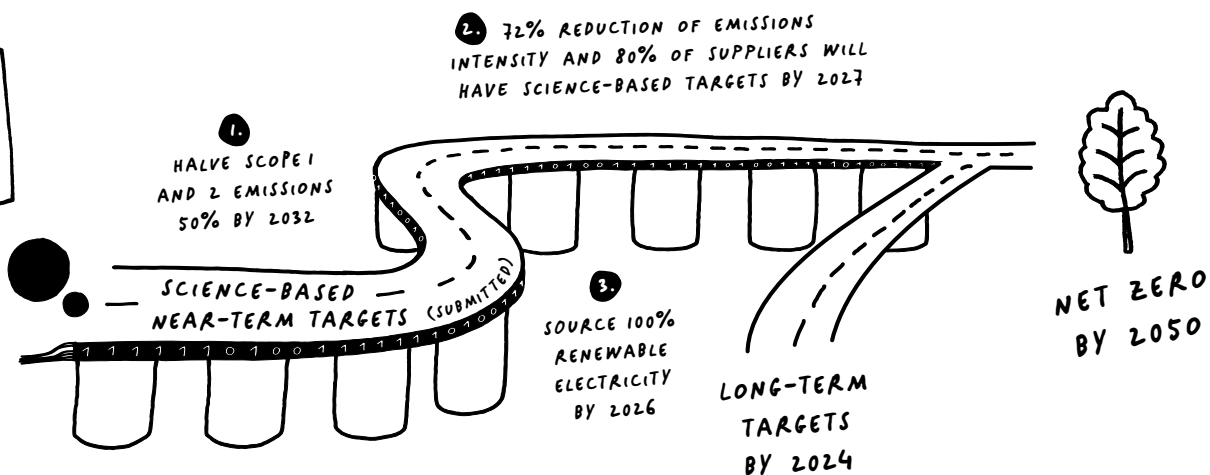
82% Employees with academic qualification

31% Of senior management are women

38.2 Average age of employees

91 Nationalities

GHG INVENTORY OF 2022
243,444 tCO_{2e}



GUIDED GOVERNANCE

- ▶ Code of Conduct
- ▶ EVOwhistle
- ▶ Global policies
- ▶ Compliance training
- ▶ Supplier Code of Conduct
- ▶ Human Sample Policy

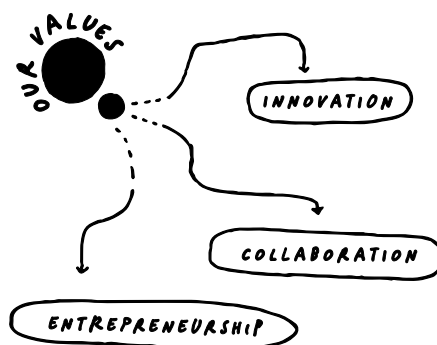


>2,600

suppliers being assessed for ESG criteria

86%

completion rate compliance training



*Details relating to information presented here is available in the relevant chapters of this report.

2. About our organisation

2.1. WHO WE ARE AND HOW WE PURSUE OUR MISSION

We are an industry-leading drug discovery and development partner for the pharmaceutical and biotechnology industry. Our long-term aspiration is to develop disease-modifying therapies and potential cures; for as long as even a single disease remains untreated, the claim *#researchneverstops* will remain relevant. Our mission is to discover and develop medicines that matter in efficient collaborations with our partners, where we focus on data-driven disease understanding, precision medicine, and early disease relevance to bring our probabilities of success up (“PoS up”). Our team aspires to impact patient’s lives in four main areas in particular:

- ▶ **PanOmics**-driven drug discovery for deep disease understanding and effective therapies
- ▶ **iPSCs**: “off-the-shelf” cell therapy based on induced-pluripotent stem cells
- ▶ **Just – Evotec Biologics**: Artificial Intelligence (“A.I.”) and continuous manufacturing for better access to antibodies
- ▶ **End-to-End Shared R&D**: integrated business-to-business platform for increased probability of success from target to the clinic

Recent scientific and technological advancements have significantly eased approaches to understanding diseases at a molecular level, either by investigating the entire complement of a specific type of biomolecule or the totality of a molecular process, or by signalling cascades within an organism. When it comes to our vision of deep human disease understanding and designing highly effective therapies, we subsume several -omics fields and cross-omics insight generation under the term **PanOmics**.

Our PanOmics platform generates genomics, transcriptomics, proteomics, and metabolomics data of the highest quality on an industrial scale. This enables us to profile and select promising new drug candidates derived from comprehensive cell biological profiles from molecular patient databases – Evotec’s Molecular Patient Databases (“**E.MPD**”).

The results often lead to the stratification of sub-populations within a broader group of patients and eventually the development of personalised therapies. This change in paradigm has increased the need for new artificial intelligence / machine learning (“A.I./M.L.”) based platforms, tools, and methods to better understand, interpret, and translate the vast amounts of information and data that is being generated, with the aim of improving our understanding of molecular biology, cell regulation, and the pathogenesis of individual diseases. **PanHunter**, our integrated data analytics platform, makes the -omics data available in a user-friendly manner at enterprise level.

Our A.I./M.L. and precision medicine platforms are complemented by our high-volume/high-quality and proprietary induced Pluripotent Stem Cell (**iPSC**) technology platform, which utilises patient-derived cell-based assays for disease modelling. iPSC cell assays are crucial to accurately model diseases based on the use of human tissue and therefore represent an alternative to animal models for profiling drug candidates in the pre-clinical stage.

Induced pluripotent stem cells are not only used to model diseases in culture. They are also the basis for next-generation allogeneic cell-based regenerative medicine addressing several non-communicable diseases that represent a large burden for patients and healthcare systems worldwide. Our iPSC platform focuses on developing off-the-shelf cell therapies with long-lasting efficacy, such as immune cells in oncology (e.g., NK, T cells and others), beta cells for diabetes, cardiomyocytes in heart repair, retina cells in ophthalmology, as well as iPSC-derived exosomes.

Just – Evotec Biologics applies its machine learning and integrated technology platform J.DESIGN to add further value to its partnerships by designing, developing, and manufacturing biologics in a cost-effective and efficient manner. We expect the significant cost reduction to result in much broader access to therapies in parts of society and regions that have so far not been able to benefit from biologics therapeutics. Although we do not distribute drugs, we are significantly increasing the chances of patients around the globe obtaining access to better and more affordable

medicine. The focus on patient relevance, access, and affordability should help to reduce inequalities and eventually also to increase prosperity around the world.

We have built a **“shared economy” in R&D**, designed to result in a large royalty pool. Our network of alliances includes leading pharmaceutical partners, small and large biotechnology companies, academic institutions, patient advocacy groups, venture capitalists, as well as foundations and not-for-profit organisations. Together we dedicate our work to the whole spectrum of diseases with an unmet medical need, including indications affecting many patients in large parts of the world with little or no access to sufficient care. To this end, we have built a comprehensive and often paradigm-shifting suite of fully integrated technology platforms, which we believe will transform the way new drugs are discovered, developed, and manufactured.

2.2. HOW WE ARE ORGANIZED

Evotec was founded in 1993 as Evotec BioSystems GmbH, led by Nobel prize winner Manfred Eigen. It is a publicly listed stock cooperation operating under the German law. Evotec was renamed Evotec SE in 2019, based on a decision at the Annual General Meeting in 2018. Since 2009, Evotec has been listed on the TecDAX, and was included in the MDAX in 2018. It was excluded after the end of the 2022 reporting period due to a delayed publication of the Annual Report in May 2023 triggered by a cyber-attack. After publication of the annual report on May 12, the resumption Evotec SE has been listed on NASDAQ since November 2021.

We operate globally with 4,952 highly qualified people at 17 sites in six countries across Europe and the US. We have operating sites in Hamburg (headquarters), Cologne, Göttingen, Halle and Munich (Germany), Lyon and Toulouse (France), Abingdon and Alderley Park (United Kingdom), Verona and Medolla (Italy), Orth an der Donau (Austria), as well as in Branford, Princeton, Seattle, Redmond, and Watertown (US). The group has been successful in creating both operational and technological synergies between sites and geographical regions, by way of organic growth and strategic acquisitions.

2.3. OUR BUSINESS MODEL

Our business model is based on sharing solutions with our partners that enable significant improvements in the approval likelihood of new drugs. At the same time, we are accelerating the drug discovery process and reducing the high cost of attrition often associated with traditional drug discovery processes. We do this by leveraging the advanced capabilities of our integrated platforms.

In order to address demand for faster, cheaper, and better outcomes of early-stage drug discovery processes, we deliver fully integrated drug discovery and development programmes to our partners. We also provide comprehensive expertise in deep learning and computational approaches, and the integration of such knowledge across the full value chain of research, drug discovery and development.

Our revenue generation varies by type of contract with our partners, often linked to ownership of intellectual property (IP):

In collaborations where ownership of IP is with the partner, we provide stand-alone or fully integrated drug discovery and development solutions to our partners. The company’s solutions cover all modalities and range from early target identification to the manufacture of compounds and commercial products. Well-defined work packages and integrated research programmes are typically provided and compensated using a “Fee-for-service” and Full Time Equivalent (FTE)-based funding model, and they are distinct in scope and nature. This model applies as long as none of Evotec’s intellectual property is involved, or no essential proprietary technology platforms are used.

We leverage our proprietary technology platforms and related IP to develop new drug discovery projects, assets, and platforms, both internally and through collaborations, with leading pharmaceutical and biotechnology companies, as well as academic institutions. These collaborations are typically based on agreements with partners, involving a combination of upfront payments, ongoing research payments (based on FTE rates), and a significant financial upside via milestones and royalties. These collaborations enable the sharing of cost and risk, as our partners typically absorb the costs of clinical development and commercialisation.

In another way to leverage ownership of IP, we conduct equity investments in products, technology platforms and companies, through which we obtain early access to innovation. We facilitate the acceleration of innovation by providing capital as well as access to our technology platforms, expertise, and network. We see significant potential for value creation from these new partnerships, future clinical successes, and positive commercial developments of portfolio companies. We expect to realise returns on investments both from successful exits from our portfolio companies (e.g., trade sales, mergers and acquisitions or Initial Public Offerings) and fee-for-service and FTE rate-based revenues with our portfolio companies. As of 31 December 2022, we had 33 equity engagements, including academic bridges, with 120 active projects in our pipeline.

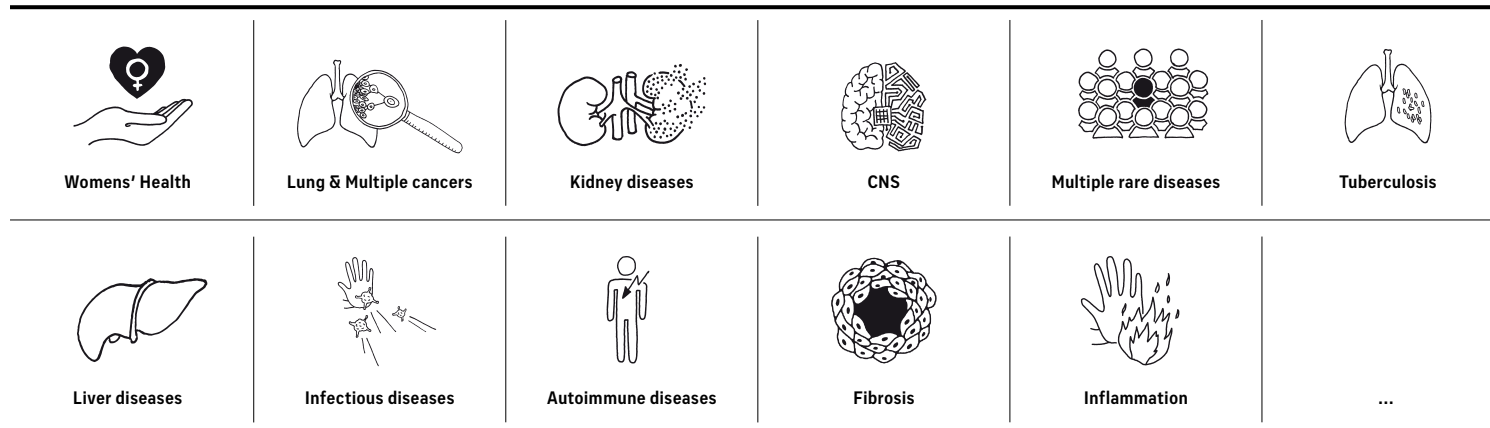
Please refer to the Annual Report and/or Item 4.B. “Business Overview” in our 20-F filed with the SEC for further details of our business model.

2.3.1. PATIENT FOCUS

Our business model is focused on patient-specific disease mechanisms. In keeping with our mission, we aim to find cures for a wide range of non-communicable and communicable diseases, of both an endemic and pandemic nature. In our research activities, we help to fight not only the symptoms of diseases, but also their causes. Our focus on patient data and personalised medicine results, in most cases, in well-defined patient groups.

FIGURE 1: OUR CORE THERAPEUTIC AREAS

MAIN INDICATION AREAS PARTNERED AND UNPARTNERED R&D

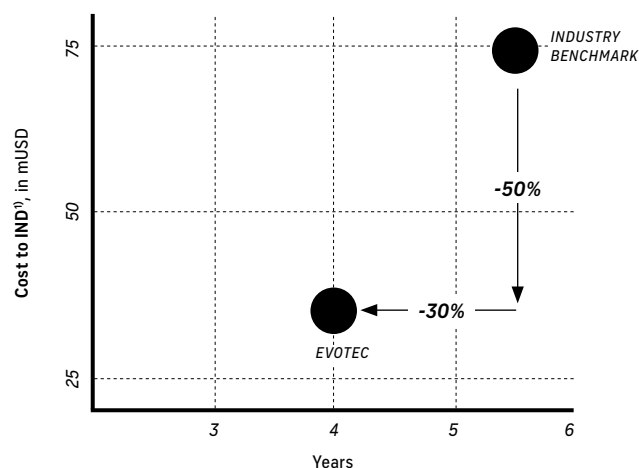


2.3.2. SUSTAINABLY EFFICIENT

Our business model is characterised particularly by high efficiency. We seek to advance drug discovery and development to make today's healthcare systems more sustainable. More than 90% of drugs work in only 50% (or less) of patients. This is not only economic waste and a misallocation of funding- it is also not in the interest of patients and humanity. Our aim is to counteract this by showing disease relevance at the very beginning of the drug discovery cascade, rather than in later clinical trials. This will enhance probabilities of success in drug discovery and development processes. Patient relevance is the guiding principle of every experiment we conduct.

Our integrated drug discovery offering is based on sharing innovative technologies with our partners and granting them access to fast learning platforms. We thereby make efficient use of resources and reach inflection points faster, at lower costs and with better quality than conventional in-house discovery efforts in the industry. While savings from avoiding redundant infrastructures are not necessarily recognised in our own accounts, the sustainable benefits for the industry are obvious. Compared to conventional in-house processes, external innovation efficiency helps to reduce time (by 30%) and costs (by 50%) as showed in figure 2.

FIGURE 2: FASTER AND BETTER IDENTIFICATION OF DISEASE RELEVANCE



¹ Including costs of failed trials.

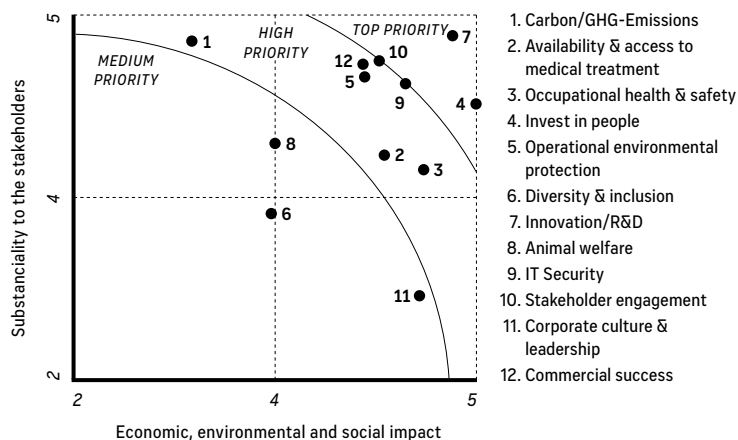
3. Our sustainability management

3.1. STAKEHOLDER & MATERIALITY ANALYSIS

The basis for our sustainability management and reporting is our materiality analysis. Materiality analysis is a process designed to identify the sustainability topics that are most important, i.e. material, to our organisation.

When preparing the initial Sustainability Report in 2020, we defined the parties and allocated respective stakeholder groups based on their interest in the sustainable performance and development of Evotec and their power to influence it. Our material topics were subsequently determined in a two-stage procedure comprising more than 20 individual interviews with **EVO** leaders and prioritised in a materiality workshop. Key factors in the assessment were the dialogue with and the feedback provided by employees, partners, and investors, as our three focus groups, while additionally addressing the requirements of the remaining stakeholders. Our material topics are in line with those required under the CSR-RUG and, in some respects extend well beyond them. The results of our materiality assessment with regard to our top priorities can be viewed in figure 3.

FIGURE 3: MATERIALITY MATRIX



Our stakeholders and their interest in Evotec’s sustainability performance can be seen in figure 4. This assessment was made in our 2020 materiality analysis.

FIGURE 4: OUR STAKEHOLDERS

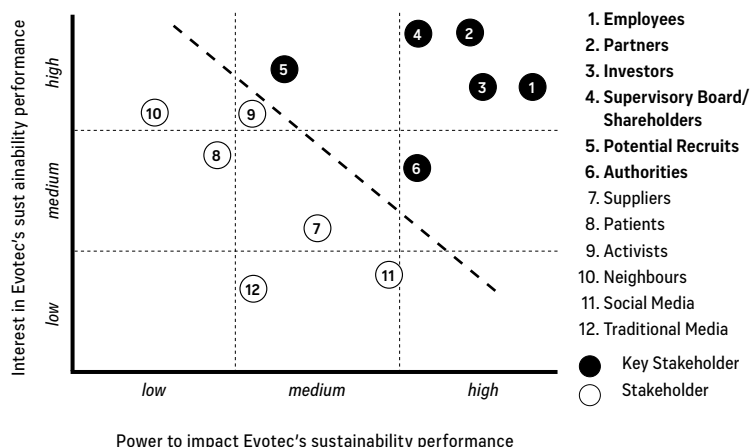
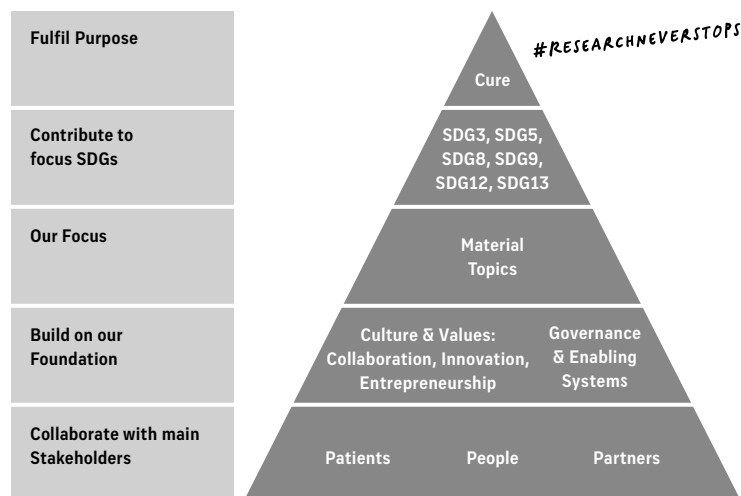


Figure 5 below shows the embedding of our main stakeholders and material topics within our company. Based on our main stakeholders’ interests and our foundation, we determined our material topics. These also served as a baseline for our focus SDGs.

FIGURE 5: ROOTS OF OUR SUSTAINABILITY STRATEGY



In 2021 and 2022, we reviewed our material topics. We did this by engaging with material topic owners to reassess the internal and external relevance of the topic and to account for changes. The materiality analysis review showed that the analysis from 2020 is still valid. **EVO**leaders, in their roles as so called "Topic owners" at Evotec are responsible for managing and developing our material topics.

A full re-assessment of our material topics in collaboration with our stakeholders is planned for 2023, which will be aligned with the upcoming Corporate Social Responsibility Directive (CSRD) of the EU (European Union). Discussions about a regular full revision cycle are ongoing. The topics most likely to impact Evotec's ESG strategy are dynamic and are reviewed annually to verify validity and relevance over time.

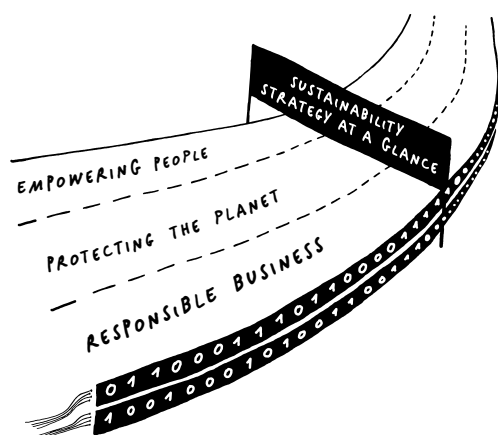
We encourage our stakeholders, especially our employees, to contribute ideas to ensure that the material topics continue to progress.

3.2. OUR ESG APPROACH TO IMPLEMENT SUSTAINABILITY

We structure our sustainability management according to the three principal ESG fields - Environment, Social and Governance area. We call these areas "Empowering (our) People" (Social), "Responsible Business" (Governance) and "Protecting the planet" (Environment).

The three aspects within ESG also provide the framework for our sustainability strategy, whose aim is to create a positive impact in these three areas simultaneously, without compromising any of them. You can see a visual representation of our strategy in the figure below.

FIGURE 6: OUR SUSTAINABILITY STRATEGY



3.2.1. DIVING INTO THE E, S AND G OF OUR STRATEGY

In the following section, we describe our approach to the different E, S and G fields in our sustainability strategy in more detail.

Empowering People

- ▶ We strive to discover and develop highly effective therapeutics that will be globally available for patients.
- ▶ We invest in our people by focusing on developing and managing their skills.
- ▶ We aim to ensure a safe work environment by strengthening our occupational health and safety approach.
- ▶ We leverage diversity, equity, and inclusion, by means of respect, openness, and care for all, to create an environment of psychological safety.

Protecting the Planet

- ▶ We aim to contribute to protecting the planet to help building a healthier environment for future generations.
- ▶ We plan to reduce Scope 1 & 2 emissions by at least 50% by 2032 and to achieve net-zero emissions by 2050 at the latest.
- ▶ We aim to manage of water and resources in a responsible manner to reduce biodiversity loss and the spread of diseases.

Responsible Business

- ▶ We conduct our business with high governance standards.
- ▶ We aim for a transparent and effective governance structure.
- ▶ We involve a broad range of stakeholders to make responsible decisions and grow our business sustainably.

Social aspects are the most important ESG factor for Evotec. We focus on two areas: firstly, our impact on patients around the world; and secondly, our employees.

First and foremost, our mission is to find innovative approaches to drug discovery and development so as to create better medicine for everyone everywhere. Thus, addressing the causes of a disease on a molecular level, rather than only treating its symptoms, therefore drive our daily actions. For more details, please refer to sections **3.3. Our contribution to SDG3** as well as **4.1. Communicable diseases** in this report.

As our employees' knowledge and expertise is the foundation of our business model, we need to create an atmosphere in which they can thrive, if we are to achieve our goal of discovering as many new therapies as possible. Our Human Resources (HR) and Environmental Health & Safety (EHS) departments implement measures to safeguard the health and safety and overall welfare of all employees, as well as encourage their personal and professional development. They do so in a that reflect the diversity of our people and our society. We commit to providing and maintaining harmonious, secure, inclusive, and equal working conditions, to supplying proper equipment, and to increasing our implementation of management systems for all our employees. To this end, information, training, and supervision are provided where necessary. We recognise that full compliance with all aspects of national and regional legislation relating to non-discrimination, health, and safety is essential. For this reason, we maintain a regular dialogue with our people. For further details, please refer to **4.2. Employment**, **4.3. Training and education**, **4.4. Diversity, equity, and inclusion** and **4.5. Occupational health and safety**.

We recognise climate change and its consequences, and are therefore committed to Protecting the planet and promoting a healthy environment for all. If we want a healthy society, we need healthy ecosystems, in which there is enough space for all living species to act as a buffer against diseases. Consequently, protecting nature increases our resilience to diseases as well

as having a beneficial effect on people’s mental health and welfare. This implies that all our employees are committed to contributing to these by using resources in a responsible manner, including but not limited to energy and water. They are focused on managing waste efficiently, by using, whenever possible, the zero-waste hierarchy approach. We are committed to the SBTi initiative to contribute to the Paris Agreement target to limit global warming to 1.5° C above preindustrial levels. A resolution relating to specific science-based climate targets for Evotec was adopted in December 2022. We submitted our targets to the Science Based Target initiative (SBTi) in January 2023, and are prepared to enter into dialogue with the SBTi during the review process later in 2023. We are determined to become net zero by 2050 at the latest. We have set our reduction targets and will dynamically adjust our implementation goals accordingly. We strive to contribute to the overall protection of the climate. For all details, please refer to sections **5.1. GHG emissions** and **5.2. Resource management**.

The actions of Evotec’s management and oversight bodies are determined by the principles of **responsible business**. Good corporate governance ensures that our company is managed with the objective of sustainable value creation. With our commitment to complying with high corporate governance standards, we demonstrate our dedication to well-balanced and transparent rules for market participants and emphasise internally the importance of our responsibilities. In view of our governance structure is in constant evolution as we are steadily growing, and new needs to shape the business emerge to keep it resilient and agile. Our Supervisory Board plays a major part in monitoring and evolving our governance structure. The legal team sets a basic framework for Evotec’s governance through compliance and anti-corruption policies and monitoring. The teams that manage the topics IT security, the handling of human tissue samples, animal welfare, and supply chain develop effective and sustainable structures and controls for their respective areas, which are aligned with the ESG team and management. Detailed information on our sustainability management governance structure can be found in the following chapter. As a result of our shares’ dual listing on the Frankfurt Stock Exchange and NASDAQ, and in view of our international stakeholder base, we recognise both German and international corporate governance standards. For details on our governance management, please read **6.1. Compliance**, **6.2. Anti-corruption**, **6.3. Bioethics**, **6.4. Animal welfare**, **6.5. Supply chain**, **6.6. IT-Security**, **6.7. EU taxonomy**.

3.2.2. INTEGRATION OF THE SUSTAINABILITY STRATEGY

Our sustainability strategy is closely linked to the overall company strategy that guides our operational business. A key element of our company vision is to **discover medicines that matter** for diseases that currently have no cure. We also aim to create a resilient and sustainable organisation that is ready to master upcoming challenges, to benefit from long-term trends and to make a positive contribution with the large spectrum of our activities. We focus on sustainability-related KPIs to track our performance in achieving our goals. Our work is based on the application of innovative technologies, our corporate culture and values, proactive environmental engagement as well as responsible corporate governance.

The sustainability strategy is based on our materiality analysis (refer to **3.1. Stakeholder & materiality analysis**). Topic owners define the development of these topics, which at the same time are contributing

positively to some of the UN Sustainable Development Goals (SDGs). You can find out more about our contribution to the SDGs in chapter **3.3**.

3.2.3. HOW WE FULFIL OUR STRATEGY IN THE LONG-TERM

Our purpose statement *#researchneverstops* implies that we pursue a strategy of long-term, sustainable growth. As we believe in the advantage of sharing knowledge, and capacities, we pursue a model based on strong, long-lasting partnerships and the co-ownership of pipeline programmes with pharmaceutical and biotechnology companies, mission-driven foundations, as well as academic institutions and government organisations.

An important factor contributing to the stable development of our business is the maintenance of relationships with these partners and institutions. Contract extensions and expansions as well as retention as outlined in the table below are therefore a relevant indicator for the long-term success of our business model.

TABLE 1: CUSTOMER RETENTION

	2020	2021	2022
Number of customers	829	842	819
Number of customers > € 1 m revenues	86	97	118
Repeat business (in %)	90%	91%	92%
New customers during the year	315	337	325

We believe that our retention rate (“Repeat business”) indicates integrity and quality. We will keep these values high on our priority list, as an integral part of our corporate culture, a source of recurring revenues and a strong basis for sustainable growth.

3.2.4. SUSTAINABILITY MANAGEMENT GOVERNANCE STRUCTURE

At Evotec, the responsibility for the implementation of sustainability across the group lies with the Management Team, led by our Chief Executive Officer (CEO). Achieving ESG related goals is part of our short- and long-term incentive plans. While commitment and sponsorship by the management is key, success will depend on anchoring sustainability in our corporate culture and establishing responsibilities within the organisation. Our so-called EVOleaders, as the next layer below Management in the organisation, are encouraged to implement ESG goals in their teams’ reward schemes.

The structural integration of our sustainability management has made visible progress. We created the department of Global ESG and its supervising function Head of Global IR & ESG in 2020. This position reports directly to the CEO and has strong backing from the Supervisory Board. The former is responsible for ESG oversight and addresses ESG topics regularly in its meetings.

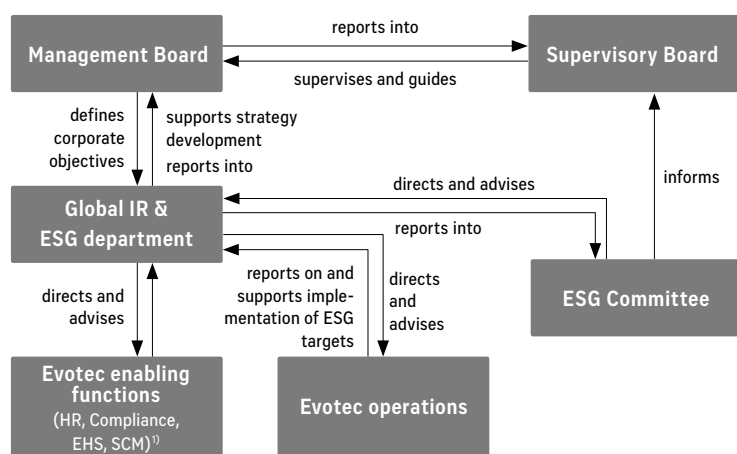
The Supervisory Board approves the ESG strategy, as well as its milestones defined by the Management Board. It also defines relevant ESG targets as the basis for variable compensation with a weighting of 20% in the short-

term incentive plan (STI) as part of the Management Board remuneration. To further improve our sustainability governance, the Supervisory Board implemented a dedicated sub-committee for ESG topics in June 2022. This committee is composed of three Supervisory Board members, and is led by its Chairperson Constanze Ulmer-Eilfort, who has a strong background in governance. In addition, the CEO, the Global Head of HR and the Head of Global ESG at Evotec are regular participants in the committee’s meeting, which are held every two months. The Chairperson and the Head of Global IR & ESG are in regular contact between meetings.

To ensure that further evolving governance tasks are handled adequately, the Supervisory Board regularly evaluates its skills and expertise requirements. The most recent self-assessment took place in December 2022. All relevant skills and expertise are represented in the Supervisory Board. Evotec’s aspiration to a “diversity of thoughts” is ensured by the composition of a Board with international experience. All members have an extensive international professional background as a result of working in numerous international companies. Three nationalities are represented (German, British, and Canadian) and 67% are female members.

The Head of Global Investor Relations & ESG is supported in their function by a team of ESG Coordinators. In 2022, two additional ESG coordinators joined the team. The ESG department is in direct contact with both Management and the Supervisory Board. It is entitled to direct, advise and support functional areas on questions of target setting and KPI definition relating to material ESG topics. It also maintains direct contact with Evotec’s Operations, the departments that are ultimately responsible for implementation. These operations include, for example, Facility Management, which enabled and co-led the implementation of the SBTi project. In the graph below, our governance structure is illustrated in more detail.

FIGURE 7: KEY FUNCTIONS INVOLVED



¹⁾ Human Resources, Compliance, Environment, Health & Safety, Supply Chain Management.

We also plan to further improve Evotec’s sustainability governance on a de-centralised operational level by appointing voluntary sustainability champions to support and oversee the implementation of sustainability measures at all of Evotec’s sites in 2023.

3.2.5. OUR CORPORATE SUSTAINABILITY GOALS

The following table shows our corporate sustainability goal for 2022 and related measures that were developed and reported in the previous year, as well as their current status. More details can be found in the sections related to the measures.

TABLE 2: OUR CORPORATE GOALS IN 2022

2022 GOAL	MEASURE	SCOPE	STATUS
Building best of governance and sustainability	Assessment of “ESG readiness” and analysis of what is material to us	Evotec Group	Continuously
	Assessment of “ESG readiness” and analysis of what is material to us	Evotec Group	In progress
	Definition and implementation of DEI strategy	Evotec Group	In progress
	Definition and communication of science-based targets	Evotec Group	Done
	Dialogue with rating agencies and ESG specialists on the buy-side	External Stakeholders	Continuously
	Establishment of ESG goals and purpose as core values of the entire organisation and as an integral part of the Action Plan 2025	Evotec Group	Done

In 2023, we are pursuing additional actions relating to ESG aspects, as seen in table 3. All measures were approved by our Supervisory Board and, in some cases, linked to our Management Board’s remuneration scheme, which is described in the next paragraphs.

TABLE 3: OUR CORPORATE GOALS 2023

2023 GOALS	MEASURE	SCOPE	MILESTONES (TIMELINE)
Building people, the company and best of governance	E Approve and implement the SBTi initiative action plan	Evotec Group	2023
	E Invest 1% of 2022 revenue to achieve SBTi targets	Evotec Group	2023
	E 100% Renewable Electricity	Evotec Group	2026
	E Develop biodiversity and circular economy strategy	Evotec Group	2024
	S Conduct a stakeholder engagement survey	Evotec Group	2023–2024
	S Define and communicate a DEI strategy	Evotec Group	2024–2025
G	G Engage sustainability champions at each site	Evotec Group	2023
	G Conduct Materiality and Impact Assessment	Evotec Group	2023

3.2.6. ESG TARGETS AFFECTING COMPENSATION OF MANAGEMENT

To strengthen the governance of a sustainable business, a number of ESG measures are part of our Management Board’s short-term incentive plans (STI). While targets have changed versus 2022, total weighting of these criteria amounts to 20% in 2023 as in the previous year. The ESG topics are split into three components:

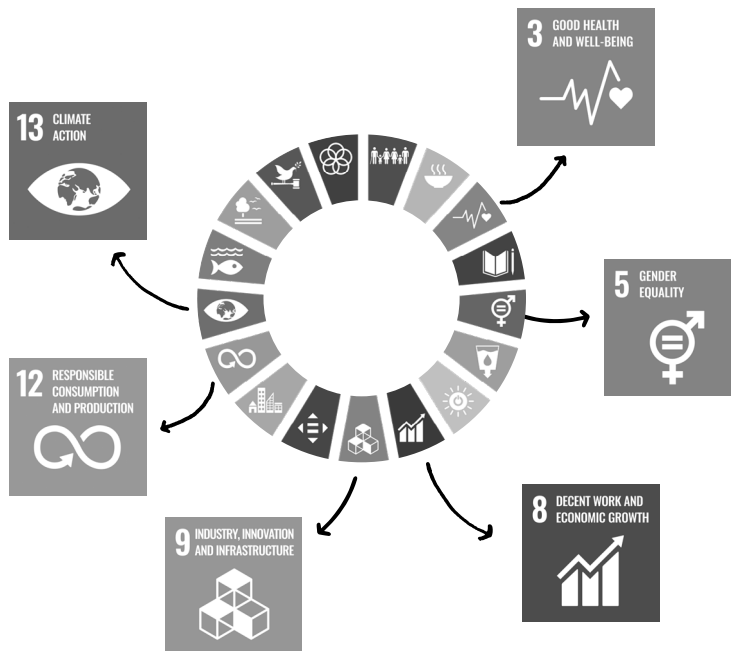
- ▶ Environmental topics (5%): Approve and implement the SBTi initiative action plan at all sites and invest 1% of revenues to achieve SBTi targets.
- ▶ Governance topics (5%): Engage sustainability champions at each site to create governance structures fostering environmental and social goals as well as site-specific sustainability projects.
- ▶ Social topics (10%): Conduct engagement survey between 2023 and 2024. Define and communicate a plan afterwards based on results.

A so-called ESG modifier has also been implemented in the Management’s long-term incentive plan (LTI). It covers a 4-year time horizon in the LTI plan 2023 and is linked to the goal of sourcing 100% renewable electricity by 2026 (versus 25%² as a share of total electricity in 2021). The implied reduction of carbon dioxide equivalent³ (CO_{2e}) emissions versus the base year 2021 would amount to approx. 19,500 tonnes CO_{2e}, representing about 50% of our combined Scope 1 & 2 emissions. If the goal were not to be achieved, the ESG modifier would result in a 10% cut in our management’s LTI.

3.3. OUR CONTRIBUTION TO THE SDGS

Our sustainability strategy is aligned with the overarching framework of the UN’s Sustainable Development Goals (SDGs). These goals are designed to ensure sustainable development on an economic, social, and environmental level worldwide. As our business model is designed to positively impact the chance of as many individuals as possible across the planet living long, healthy lives, it almost goes without saying that we want to make a global contribution to a more sustainable world, wherever it is within the scope of our abilities. In a 2021 assessment of our material topics, we determined that Evotec makes the greatest contribution to SDG 3 “Good Health and Well-being”. Additionally, we have an impact on SDG 5 “Gender Equality”, We also make a significant contribution to SDG 8 “Decent Work and Economic Growth”, SDG 9 “Industry, Innovation and Infrastructure”, SDG 12 “Responsible Consumption and Production” as well as SDG 13 “Climate Change”. We have highlighted the aforementioned SDGs in the figure below.

FIGURE 8: FOCUS ON OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

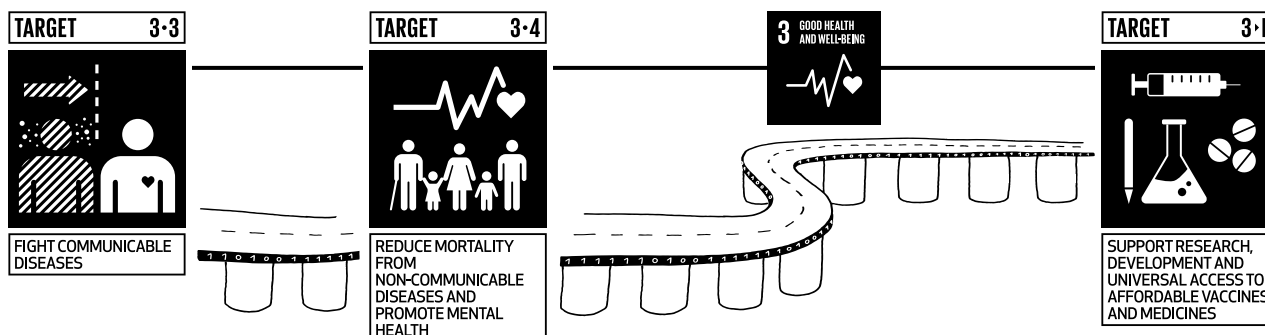


We aim to contribute to a sustainable world through our business activities. We will develop a roadmap on how to increase our contribution to each of the goals, with specific sub-targets this year.

3.4.1. OUR CONTRIBUTION TO SDG3: ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

Our main purpose – the quest for therapies for uncured diseases – is a material social matter of the highest relevance to SDG 3. Our contribution to the UN SDG 3 is related in particular to the targets 3.3, 3.4 and 3-B as outlined below, by conducting cutting-edge research to fight communicable and non-communicable diseases and designing medicines that matter in efficient collaborations. We strive to discover more precise therapies and to apply disruptive manufacturing processes to bring lower costs and provide affordable access to antibodies around the globe.

FIGURE 9: OUR CONTRIBUTION TO SDG 3 TARGETS



²From our 2022 GHG inventory assessment, the proportion of renewable electricity was corrected from 25% to 24% in base year. The target of achieving 100% renewable electricity by 2026 will be updated to SBTi accordingly.

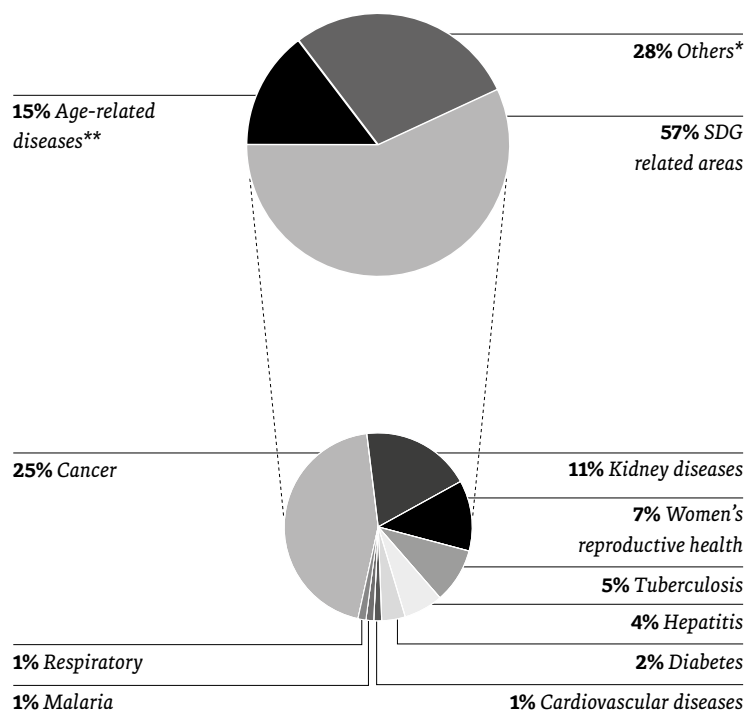
³Standard unit used to compare and account for emissions from various GHGs based on their global warming potential.

In the field of communicable diseases, we have three focus areas: infectious diseases, anti-microbial resistances, and Global Health (with a focus on tuberculosis and Hepatitis B). Our most advanced project in infectious disease is the development of a therapy following infection with the Chikungunya virus. A phase I clinical trial is ongoing. An antibody-based therapy for the treatment of HBV is also at the phase I stage.

The versatility of our platform was demonstrated at the beginning of the Covid-19 pandemic. From the beginning, Evotec was a member of the Accelerating COVID-19 Therapeutic Interventions and Vaccines (ACTIV) consortium, a public-private partnership to speed up COVID-19 vaccines and treatment options. At the peak of the pandemic, Evotec provided the platform to coordinate repurposing assessments for the COVID R&D crowdsourcing initiative.

At the same time, we have not lost focus and have continued to progress all projects from the seven core treatment areas we are working on. In total, 57% of the projects in our pipeline target diseases addressed under SDG3, for example, diabetes and related diseases such as chronic kidney failure, cardio-vascular diseases, respiratory diseases, and cancer, as well as the communicable diseases mentioned above; figure 10 presents the disease areas as a share of our contribution to SDGs. We also contribute to improving access to modern family planning tools as outlined under target 3.7, which is also among the targets in the next paragraph relating to SDG 5 (Target 5.6). A significant part of our work is devoted to age-related diseases such as Central Nervous System diseases (CNS) or eye diseases that are not explicitly defined as targets under SDG 3. We do, however, also regard these activities as a valuable contribution to an ageing society in industrialised countries.

FIGURE 10: DISEASE AREAS CONTRIBUTING TO THE SDGS



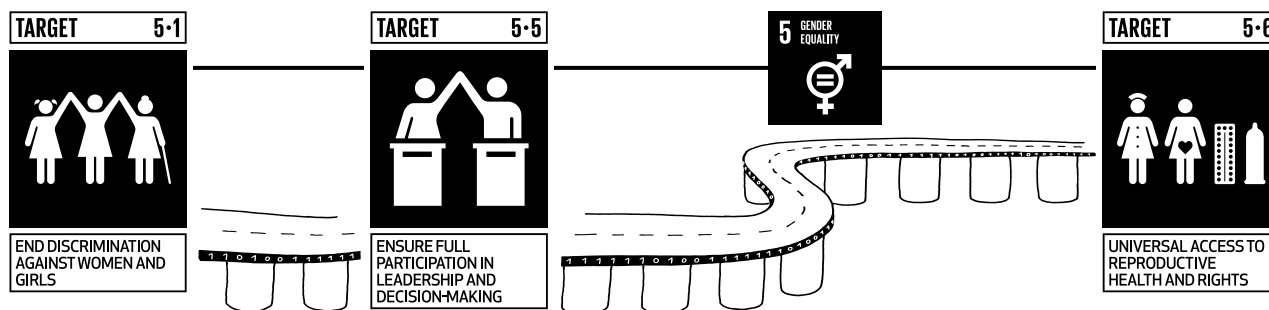
*Inflammation, rare diseases, pain, among others.

**Central nervous system diseases (CNS) and ophthalmology.

3.4.2. OUR CONTRIBUTION TO SDG5: ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

Our quest to empower women is not only linked to providing them with access to reproductive health care therapies but also to empowering them with equal access to employment by a strict intolerance of any form of discrimination. We provide women with equal access to leadership positions and decision-making opportunities. Furthermore, at Evotec, any kind of discrimination, whether by sex or gender, is strictly forbidden as we consciously aim to contribute to sub-targets 5.1, 5.5 and 5.6 of SDG 5.

FIGURE 11: OUR CONTRIBUTION TO SDG 5 TARGETS



Our support of gender equality comes from our core. Our business is run based on a strict policy against gender discrimination in any aspect of our working environment: from selection and recruitment to remuneration, training, and promotion - at any stage in the employment cycle. To ensure non-discrimination in employment, as well as participation in leadership and decision-making, we have been committed to the German “Charta der Vielfalt” (“Diversity Charter”) since 2020. Visible evidence of this is provided by our celebration of diversity every year in May since 2020, followed by our support for Pride in June. In 2022, we became a member of the Proud Science Alliance, an LGBTQ+ network in the healthcare and life sciences sector, striving for LGBTQ+ inclusiveness in organisations involve in the sector. Diversity, equity & inclusion goals will be further developed in 2023.

To ensure the participation of women in leadership and decision-making situations, we have set the target of employing women in 31% of senior management positions below the board, a goal that was reached for the first time in 2021 and established in 2022. Given that women account for more than 50% of our total workforce, the pool of talent able to take on responsibility in the future is large. A proportionate share of promotions should lead to an increasing share of women in leadership roles over time.

Our contribution to target 5.6 is derived from our mission **Together for Medicines that Matter** that encompasses expertise and a focus on women’s health. To pursue our mission to deliver safe and effective medicines for women, we are developing a teratogenicity platform using relevant iPSC-based differentiation model systems to detect compounds teratogenic to humans, as part of our grant from the Bill and Melinda Gates Foundation. Our integrated drug discovery and development project has now progressed to a collaboration for developing a first-in-class, non-hormonal form of contraception. In addition, we are in the middle of a five-year, multi-target alliance to translate first-in-class science and drug discovery into new drugs for polycystic ovary syndrome (PCOS).

3.4.3. OUR CONTRIBUTION TO SDG8 AND SDG9:

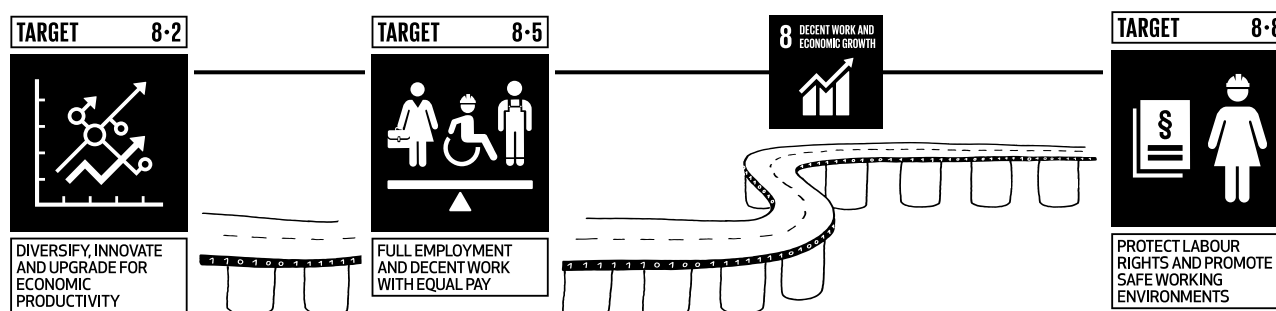
SDG8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; SDG9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

We contribute to SDG 8 as it is inherent to the Evotec business model, which focuses on running a first-class, efficient, and innovative enterprise. To accomplish our mission of reducing the number of incurable diseases, we must remain a sustainable business, with continuous development of our strategy and processes as well as constant innovation that supports significant, long-term productivity improvements in our industry. For this reason, our company has positioned itself to contribute unceasingly to this goal by integrating targets 8.2, 8.5, and 8.8 in its business growth strategy.

At Evotec, we have established a strong foundation upon which we can enhance our current offering of full, decent and productive for all employees. This is at the core of our Global Talent Acquisition & Employer Branding which aims to provide fair employment for all to attract qualified scientist and candidates for our activities.

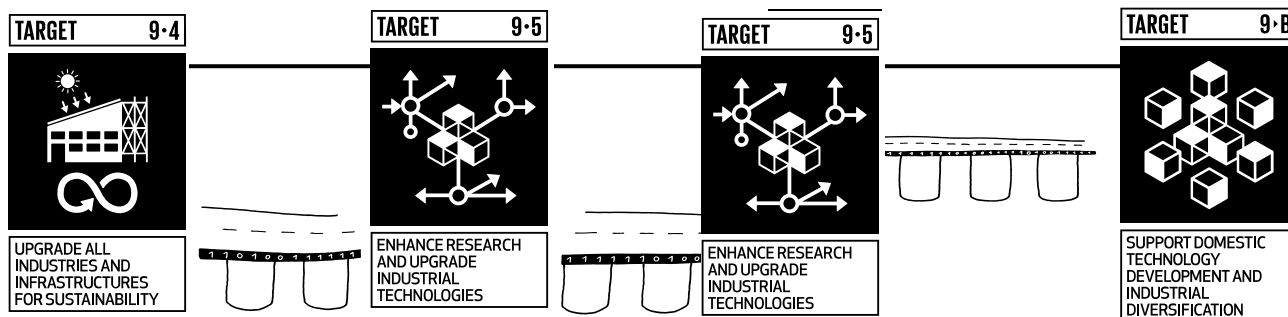
We uphold the principle of “equal pay for work of equal value”. The remuneration system at Evotec is structured according to “**EVOgrades**” and is defined in the works agreement subject to the laws of every country. The **EVOgrade** is a salary level determined by qualification, roles and responsibilities. To maintain the principle of equal pay for equal work, the Works Council has a “co-determination right” in the principles and methods of remuneration at Evotec. This autonomous body of employees has the responsibility to ensure the protection of employees’ rights, as well as promote a safe and secure working environment for all people at Evotec, irrespective of their backgrounds, beliefs, ethnicity, gender, or any other diversity dimension they identify with. This is how we understand our approach to contributing to full employment and decent work for all.

FIGURE 12: OUR CONTRIBUTION TO SDG 8 TARGETS



Additionally, we are contributing to SDG 9, by building resilient research infrastructure that promotes innovative and sustainable biomedical R&D to enhance human well-being. As shown in Figure 13, we are therefore making specific contributions to targets 9.4, 9.5 and 9.b.

FIGURE 13: OUR CONTRIBUTION TO SDG 9 TARGETS



At Evotec, we are setting the pace by enhancing scientific research through End-to-End Shared R&D. This is an integrated, business-to-business (B2B) platform, offering an increased probability of success and greater precision for drugs that are truly relevant for both diseases and patients.

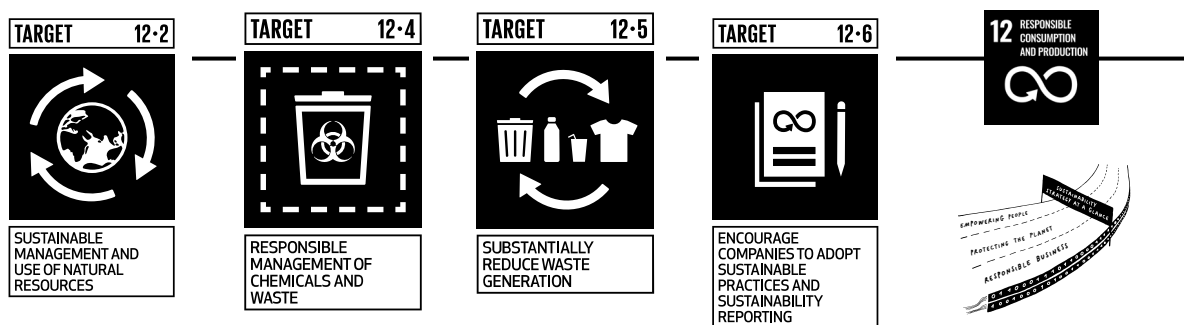
could constitute the starting point for a global network of J.PODs®. Overall, Evotec’s aim is to provide better access to biologics, currently out of reach for over six billion people.

Moreover, our integrated drug discovery and development process provides high potential for added value and increases global access to biotherapeutics. This testifies to our ability to shift the paradigm of traditional biologics production to fully continuous manufacturing with high quality, less cost, and at a reduced environmental impact with lower footprint facilities. Our Just – Evotec Biologics manufacturing J.POD®-facilities in the US and France lead the drive towards diversification, with the agility and flexibility that

3.4.4. OUR CONTRIBUTION TO SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

We aim to contribute to the targets 12.2, 12.4, 12.5 and 12.6 to achieve sustainable management and an efficient use of natural resources by 2030. Improving process efficiency is part of our corporate DNA, which is why SDG 12 resonates particularly strongly with us.

FIGURE 14: OUR CONTRIBUTION TO SDG 12 TARGETS

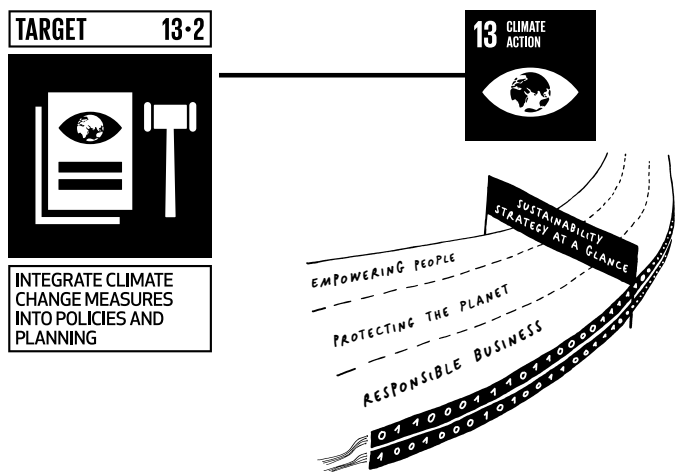


We are planning for a resource management strategy that builds on numerous initiatives driven by our people at all sites to better manage our waste and energy use. We aim to achieve 0% landfill waste disposal at all Evotec sites by 2025. At the end of 2022, most of our operating sites have 0% of landfill waste, and about half of all the waste generated by Evotec is recycled. We have developed a database to aid the collection of data and monitoring of our waste generation to enable strategic reduction and management.

3.4.5. OUR CONTRIBUTION TO SDG13: TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Together with our partners, we understand that for Evotec to maintain its growth and achieve its long term objectives, our business activities should not adversely affect the environment. In those areas where they do have a negative impact, we have committed to taking measures to mitigate it. To attain sub-target 13.2 of this goal, we are focused on reducing and mitigating the adverse impacts of greenhouse gas emissions, as demonstrated by our commitment to adhere to the goals of the Science Based Targets Initiative.

FIGURE 15: OUR CONTRIBUTION TO SDG 13 TARGETS



Since committing to set targets for the SBTi, we have worked on improving our environmental data collection system to ensure that our emissions reduction targets are accurately designed. We have conducted a greenhouse gas inventory to measure our Scope 1, 2 and 3 emissions and have set science based targets in 2022. After the approval of the targets by Management and the Supervisory Board in December 2022, we submitted our near-term targets with the SBTi for evaluation on 2 January 2023. In parallel, we designed an emission reduction programme. With these measures in place, we are developing and implementing an action plan to achieve a realistic carbon reduction target of net-zero by 2050 at the latest.

We are constantly improving our energy efficiency to reduce our carbon footprint by decarbonising our operations and are currently consuming only renewable energy at all our sites in Germany. We aim to have 100% renewable electricity in place at all sites by 2026. Furthermore, we are strategically investing 1% of our revenue every year in the transition towards long-term zero emissions at all Evotec sites.

In addition, we have developed a company-wide approach to implementing the EU Taxonomy regulation, even though our core activities are not eligible. We aim to ensure that our activities contribute to the objectives of the EU Taxonomy regulation to promote a safe environment for the well-being of humanity and our business.

4. Social – empowering our people



The social section of this report covers both our material topics and topics that are required by CSR-RUG when it comes to social aspects within ESG.

We start with our approach to **Communicable diseases**, where we describe our management of the topic and, the areas of greatest interest to patients, who often (but not only) live in developing countries with insufficient access to effective and affordable therapies. The Communicable Diseases approach is handled by the Innovation R&D part of our business and partially covers our material topic of availability and access to medical treatment.

The next section continues with matters relating to our employees that are managed by our HR function. It comprises both how the function operates and how it guarantees the successful management of employee matters, including topics that are related to our employees' success and fulfilment within the company, such as **Employment, Training and education, and Diversity, equity, and inclusion**. These sections are connected to our material topics of *Invest in people* and *Diversity and Inclusion*.

We close our social section by describing our approach to our employees' **Operational health and safety**, which directly impacts their well-being, and is governed by our Environment, Health & Safety (EHS) function.

4.1. COMMUNICABLE DISEASES

Our mission is to positively impact patients' lives and to promote well-being throughout the world. Our goal is the discovery and development of first- or best-in-class medicines that, are accessible and affordable to the global community. We are spending a significant amount of our research and development budget on diseases that are prioritised targets according to the UN SDG 3, with the objective of contributing to a better quality of life for patients suffering from communicable as well as non-communicable diseases. In our fight against communicable diseases, our most advanced infectious diseases programme is currently focusing on the treatment of an acute Chikungunya virus infection. In addition, tuberculosis (TB) projects, and a Hepatitis B Virus (HBV) project have advanced to the late preclinical/early clinical stage.

Since 2004, outbreaks of Chikungunya virus infections have become more frequent and widespread, caused partly by viral adaptations allowing

the virus to be spread more easily by *Aedes albopictus* mosquitoes. The Chikungunya virus has now been identified in over 110 countries in Asia, Africa, Europe, and the Americas. According to the WHO TB report in 2022, this disease is on the rise again. An estimated 10.6 m people became ill with tuberculosis in 2021, compared with 10.1 m in 2020. 1.6 m people died from tuberculosis in 2021 (including 187 000 individuals living with HIV), compared with 1.5 m in 2020 (including 214 000 individuals living with HIV). In addition, the incidence rate of tuberculosis increased by 3.6% in 2021 relative to 2020, suggesting a reversal from the trend of nearly 2% decrease per year during the past two decades. When it comes to HBV, the WHO estimates that 296 m people were living with a chronic hepatitis B infection in 2019, with 1.5 m new infections each year. In 2019, hepatitis B resulted in an estimated 820,000 deaths, mostly from cirrhosis and hepatocellular carcinoma (primary liver cancer). Our projects in the area of antimicrobial resistance (AMR) are addressing World Health Organisation (WHO) priority pathogens affecting both high income countries and developing countries. Drug-resistant bacterial infections (in particular due to Gram-negative bacteria) already contribute to a significant number of deaths worldwide and are predicted to increase to 10 m by 2050. A project aiming to improve pandemic preparedness rounds off our contribution to the fight against communicable diseases.

We acquired our site in Lyon from Sanofi in 2018. This has enabled us to add a critical mass of projects, as well as scientific expertise in the field of communicable diseases, to help us make a real impact in this field. Our approach is to focus on disease relevance and the discovery and development of precise drug candidates. We are modality agnostic, and also agnostic to disease areas as long as we have sufficient proprietary expertise – as in the case of our Lyon infrastructure. Our business-to-business R&D model always allows us to be open to entering new fields. This evolution of our platforms is essential for running a sustainable business. Market analysis is regularly performed to ensure that we make efficient use of evolving new technologies when needed. In addition, we are connected to an extended network of top universities to integrate their knowledge into our collaborative drug discovery platform, with a view to achieving innovative treatment solutions that positively impact patients' lives around the globe.

Given the early stage in the R&D value chain, we generate highly innovative ideas and projects at well-managed costs. Attrition at this early stage is high and the prioritisation of the more promising projects at an early stage is a necessity. As this results in a lower, though more promising

number of assets, we see chances to leverage our capacities and expertise even better in the future by making our platform accessible to partners. These collaborations could differ in their contractual structure, ranging from “fee-for-service” to “co-ownership” to accelerate the discovery and development of therapies for a large number of diseases threatening the majority of the global population. An overview of allocated capacity and the number of projects targeting communicable diseases is presented in the following table.

TABLE 4: SUMMARY OF PROPRIETARY PROJECTS AND ALLOCATED HEADCOUNT IN THE FIELD OF INFECTIOUS DISEASES

	2020	2021	2022
Global Health	9	8	4
Virology	8	8	7
AMR	12	12	8
Total	29	28	19
<i>Allocated FTE¹⁾</i>	<i>35%</i>	<i>29%</i>	<i>19%</i>

¹⁾ Full-time-equivalent in % of total Innovate R&D.

Today, we have the following advanced programmes in the fields of infectious diseases, AMR and Global Health:

For our phase I trial of the **Chikungunya programme**, which is currently ongoing and continues to be sponsored by the National Institute of Allergy and Infectious Diseases (NIAID), we are still recruiting patients. This promising first-in-class anti-viral therapeutic agent also has the potential for a prophylactic solution for people at risk during Chikungunya outbreaks.

In the field of tuberculosis (TB), we are a member of several global collaborations and consortia. Those consortia work together to accelerate the discovery and development of novel TB drugs and regimens that will provide more effective, shorter, and safer treatment options for TB patients. Our strategy here is to share and provide access to knowledge that enables development to progress as fast as possible. In addition, we are continuing to progress a diverse portfolio of anti-tuberculosis drug discovery programmes, that have the potential to replenish the **TB drug pipeline**. These programmes are actively supported by funding from the Bill and Melinda Gates Foundation (BMGF), which prolonged the collaboration by awarding us a second grant in December 2022. As another avenue to making significant contributions to TB, we are exploring biomarkers as a response to treatment to enhance clinical trial efficiencies and to determine customised treatment regimens for individual patients.

In our search for Gram-negative antibacterials, we are leading a European consortium, known as **GNA NOW**. All projects hosted so far within this consortium are featuring novel classes of antibiotics from natural products through novel mechanisms of action. We are contributing in-kind to this multi-year effort by bringing our antibacterial R&D expertise and platforms to the different consortium programmes.

In addition, with the support of the Combating Antibiotic Resistant Bacteria Biopharmaceutical Accelerator (**CARB-X**), a major funder in the AMR field, we have conducted a programme aiming at optimising a novel class of antibacterials over the last two years, with the potential to cover all key WHO high priority pathogens and to tackle multiple indications and severe infections. We have currently identified a pre-clinical development candidate and are looking for a partner to continue the development of this compound.

Our contribution to the fight against COVID-19 has two layers. Firstly, Just – Evotec Biologics has played an active role in the development of an antibody for treating severely affected patients for our partner SK Bioscience in South Korea. In the meantime, the antibody has been approved and is distributed in the Korean market under the name **SKYCovione**. It is administered to hospitalised patients suffering from a severe deterioration in their health following a COVID-19 infection. Secondly, our COVID-19 research is supported by an active grant from the German Federal Ministry of Education and Research (BMBF) to accelerate the clinical development of a novel therapeutic candidate against COVID-19. This highly potent immunomodulatory molecule holds the potential to reduce the risk of difficult disease progression and hospitalisation.

For future pandemics, our contribution to improved preparedness is to apply our platforms more proactively across a broad spectrum of infectious diseases. We consider this to be highly relevant as projections related to climate effects also suggest rising probabilities that infectious diseases that have so far been endemic in southern hemispheres have the potential to reach regions in Europe and North America. For this reason, we have launched a pandemic preparedness and rapid response network initiative (**PRROTECT**) in June 2021, which incorporates three lines of preparedness:

- ▶ Preparedness against viral threats, i.e. the pre-development of a multimodality pipeline of therapeutic candidates against the most threatening viruses as defined by the World Health Organisation
- ▶ Rapid response technologies to accelerate de novo R&D timelines of highly effective neutralising antibodies using A.I./M.L. platforms
- ▶ A flexible manufacturing network with highly intensified production facilities to provide therapeutic antibodies quickly wherever needed

We are also progressing a bispecific immunomodulatory protein with potent activity against Hepatitis B. HBV still represents a global threat, in particular for chronically infected patients without curative treatment. We are continuing to explore the best solutions to progress this promising molecule, currently in late-stage pre-clinical development.

In table 5, we disclose an overview of five of our core areas, where targets and measures are expected in for the 2023–2025 period.

TABLE 5: GOALS IN GLOBAL HEALTH

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Chikungunya EVT894 single injection monoclonal antibody for therapy and prophylaxis	Read out of Phase I single ascending dose trial in healthy volunteers	Evotec Group	2024	In progress
Tuberculosis Delivery of novel drug candidates and regimens	TB Drug Accelerator Consortium	Evotec Group		In progress
	PAN-TB Consortium	Evotec Group		In progress
	ERA4TB Consortium	Evotec Group	2025	In progress
Antimicrobial resistance Delivery of novel drug candidates to fight AMR	Preclinical Development Candidate (PDC) nomination for the TriBE Lead Optimisation (LO) programme	Evotec Group	2023	In progress
	PDC nomination for the Cystobactamid LO programme	Evotec Group/ Helmholtz Centre for Infection Research (HZI)	2024	In progress
	At least, one anti-Gram (-) clinical candidate delivered by the GNA NOW Consortium	Evotec Group / Biotech Companies / Academic Institutions	Mid-2025	In progress
	Tools and biomarkers delivered by the ESPRI-OAC Consortium in connection with bone and joint infections	Evotec Group / Academic Institutions	Mid-2023	In progress
	SARS-CoV-2 EVT075: Read out of Phase I trial results in healthy volunteers	Evotec Group	2023	In progress
HBV infections	Host targeting approach with EVT075: Read out of phase I single ascending dose trial in healthy volunteers	Evotec Group	2023	In progress

4.2. EMPLOYMENT

The Management Board, together with the Innovate Therapeutic Area Heads or Platform leaders, and the Head of Business Development, lead and evaluate the Innovate R&D progress. Innovate Strategy meetings are held quarterly to discuss relevant updates and significant changes, which might have an impact on business plans and our strategy. Management decisions are taken to react to potential impacts.

A “Science Day” is organised regularly, to inform our Supervisory Board about new key Innovate R&D initiatives or changes in strategic directions. Business activities of fundamental importance require the approval of all Board members. In addition, the Executive Board monitors the research activities and results of the Innovate portfolio to identify projects that have the potential for partnering.

We have generated and released a specific Quality Management Policy on the management of Innovate R&D projects, which is also applicable for evaluation and monitoring of the management approach.

Our stakeholders are regularly informed about our recent developments and strategic collaborations through press releases. Additionally, we communicate in our quarterly company reports via our Corporate Communications and Investor Relations Department.

Our employees’ well-being, engagement and expertise are very important to the fulfilment of our mission and therefore crucial to the success of Evotec. Global Human Resources, as one of Evotec’s global enabling functions, is assuming a central role in developing and implementing a People strategy and in ensuring a global alignment within Evotec. The overall objectives of our Human Resources (HR) strategy have been aligned with the goal to attract skilled talents, improve their expertise and experience with us as an employer of choice and further ensure that all their skills and knowledge are shared to meet the needs of our partners. To achieve these objectives, we have implemented a global model of combining specialised Centres of Expertise (CoE), Global Strategic HR Business Partnering, and Global HR Operations. Our People Strategy is reviewed by our Management and Supervisory Boards on an annual basis to ensure that our priorities are connected with the Evotec company strategy and adjusted to external changes. Based upon our priorities, we formulate tangible action plans and revisit them throughout the year.

Evotec aims to further align all HR processes from a global perspective, make them more efficient and deliver a high quality of service, as part of our general HR transformation strategy. Based on this effort, different new operating models will be implemented in 2023. These operating models will focus on improving team capabilities to be specialised and more efficient.

We have summarised the overall goals for the Global Human Resources function in table 6.

TABLE 6: GOALS & MEASURES OF HUMAN RESOURCES

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Reduce attrition rate – Attrition as of 31/12/2022 should be below attrition rate as of 31/12/2021.	<ul style="list-style-type: none"> ▶ Performance-based annual salary increases (Merit) ▶ Additional structural salary increases ▶ Increase of STI packages (annual bonus target percentages) for everyone ▶ EVOlead – Global leadership learning journey roll-out ▶ EVOsuccession – Global succession plans and talent management pilot 	Evotec Group	2022	Attrition remained unchanged
Improve employee retention – Increase the conversion of temporary employees to permanent employees.	<ul style="list-style-type: none"> ▶ Strategic direction to look internally first prior to going externally to fill roles ▶ Put in place EVOsuccession and talent management ▶ Increase retention of temporary workers 	Evotec Group	2023	In progress

Given the lead-times of measures taken to reduce attrition, a visible effect has not been recognisable, yet. However, we will continue to execute on these measures and also anticipate the engagement initiative to positively influence employee retention in the future. For more details, please refer to our **Outlook** section.

4.2.1. DIGITALISING OUR HUMAN RESOURCES

As a constantly growing global organisation, it is key that we utilise technology, that gives us the flexibility to adapt to organisational changes in a sustainable manner, while maintaining stability and a consistent experience for all of Evotec’s employees. We have deployed a full set of HR modules within our global Human Resources Information System (HRIS).

Global alignment allows us to make large-scale changes in our HRIS at short notice to improve overall governance. This means that acquisitions can be carried out swiftly and adjustments resulting from new legal requirements can be enacted quickly. Over the course of 2022, our internal HRIS processes and procedures have been adapted to SOX standards both within and outside of our system. A particularly important milestone was the integration of payroll in our HRIS in 2022, reducing the quantity of manual input for our HR teams. This initiative led to an increase in data quality from the first input, avoiding additional controls and corrections later.

In 2022, significant progress has been made to in HR reporting, with the first wave of Standard Reports being released internally to our HR colleagues. This greatly simplifies and streamlines reporting in our HR system, so that we have global oversight whilst catering to the individual requirements of each country. This data supports the day-to-day activities of HR, allowing them to make quicker, data-driven decisions. To obtain data high in reliability and validity, a framework of regularly reviewed standard operating procedures (SOPs) and policies have been put in place as quality assurance measures. These provide concise and clear guidelines for data handling and practices inside and outside of our HR system to reduce the chance of errors and ensure the timely input of information.

This is further enhanced by clearly documented roles and responsibilities to ensure that the visibility of data is tightly controlled and monitored.

Following full deployment in the first half of 2022, the focus for the remainder of the year shifted to making improvements to our current offering, such as a fully digitalised recruitment process applied the same way across the whole organisation. We have also implemented additional functionalities such as dashboards, to enhance transparency and the efficiency of our system and processes.

The dashboards mentioned above display a variety of metrics, KPIs and trending data that helps to monitor the efficiency of the recruiting process for our Global Talent Acquisition Team. They also allow our Global HR Business Partners to present facts and figures to support discussions with our leaders.

Our communication measures consist of reports made available to our HR community. Additionally, we provide standard reports for other functions within Evotec that are relevant for their own internal activities.

4.2.2. INCREASING EFFICIENCY IN RECRUITMENT WITH GLOBAL TALENT ACQUISITION AND EMPLOYER BRANDING

As we are operating within a highly skilled and competitive talent market; it is essential to engage, attract, hire, and retain the right talents for Evotec’s global operations. The current global market environment, recent changes to our ways of working (e.g., hybrid working options), and demographic shifts increasing the risk of shortages of skilled workers worldwide, challenge us as an organisation to keep well connected to our talent market and ensure the appropriate positioning as an employer of choice.

Hiring processes have changed and will continue to do so. In an environment in which future talents have much more variety to choose from, our Global Talent Acquisition centre of expertise is taking over a central task within the Group by searching, selecting, and attracting suitable candidates to fill open positions in a timely manner. We can only continue to pursue our growth

targets with the right talents in place. With the building of a strong Global Employer Brand that is strategic to recruitment and retention, we strive to promote Evotec as an attractive employer.

To have sustained success, we regard a strong Global Employer Brand as a crucial competitive element to attract the right future talents in a long-term strategic process and not only at short notice when we need them. We specifically target employees and candidates who are driven by curiosity and scientific excellence. As our entire business model is based on shared economy principles by trying to achieve best possible outcomes in collaborations, we aim to recruit talents who are great team players.

Proactively building a forward-looking Talent Acquisition portfolio, which includes a variety of recruitment activities that are specific to each target group, forms the basis for the identification and selection process. The Talent Acquisition and Employer Branding strategies are both designed to ensure a

good candidate experience at all touch points right from the start.

We aim to optimise the recruitment process globally as part of our Global HR transformation journey. Based on this, a new Global Talent Acquisition Operating Model was developed in 2022 to be implemented in 2023. This operating model is based on a new organisational structure and will focus on increasing and improving team capabilities to have a skills-based recruitment approach to hiring talents globally as opposed to searching locally.

The HRIS puts us in the position to track and report on recruitment efficiency in the future. This will further help us to improve our quality of hiring and to reduce the time-to-hire, an important KPI going forward.

A list of future goals and measures in talent acquisition is presented in table 7.

TABLE 7: TARGETED FUTURE IMPROVEMENTS IN RECRUITMENT

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Achieve recruitment targets according to headcount planning	Change the delivery model of recruiting to become more efficient and increase quality	Evotec Group	2023	In progress
Set a standard for quality of hire	Definition of actions in 2023	Evotec Group	2024	In progress
Reduce time-to-hire	Reduction of time from job requisition opening vs. actual start date due to the implementation of new standards in the HR system	Evotec Group	2023	In progress

With an increased efficiency in our recruitment process, we are able to fill capability gaps and should be able to meet the headcount planning for 2023. We will constantly evaluate our talent acquisition process for further improvements and by implementing fit-for-purpose metrics. Moreover, we will be able to report on our time-to-hire metric in 2023, when it will become a core KPI for evaluating our recruitment process.

The relevant information on the new Global Talent Acquisition Operating Model is made available to all leaders, employees, and candidates via dedicated training. They are invited to give feedback and can actively help to shape our new brand as an attractive employer.

4.2.3. GROWTH IN NUMBERS

Across all countries and functions, both in Europe and the US, new people were hired to further increase our capacity for innovation and to deliver services in time to our partners and clients, as presented in table 8.

TABLE 8: HEADS* AS OF 31 DECEMBER

HEADS* AS OF 31 DECEMBER	2020	2021	2022
Austria	29	42	43
France	766	903	1,035
Germany	862	1,054	1,292
Italy	703	785	940
UK	839	935	1,087
USA	373	479	555
Total Evotec Group	3,572	4,198	4,952
Execute	2,874	3,346	3,724
Innovate	209	310	461
Sales & Enabling functions	489	542	767
Total Evotec Group	3,572	4,198	4,952

*Heads: it includes permanent, fixed-term contracts, apprenticeships, students, paid interns, employees on leave (maternity, parental, sabbatical, etc.) and not time pro-rated.

In 2022, we had an average of 4,576 employees with an overall growth in headcount of 18%. This translates to a net increase in our workforce of 674 people, excluding acquisitions. From the total workforce, 26% of the employees are located in the country of our headquarters (Germany).

New hires are also tracked in relation to their contract condition for the purpose of this report, which can be found in figure 16. This is followed by figure 17 which represents the 2022 status with regards to the permanent and non-permanent workforce.

The following table 9 presents the evolution of our workforce in terms of FTE. This comprises permanent, fixed-term contracts and time pro-rated employees, and excludes employees on leave (maternity, parental, sabbatical, etc).

FIGURE 16: RECRUITMENT BY CONTRACT CONDITION

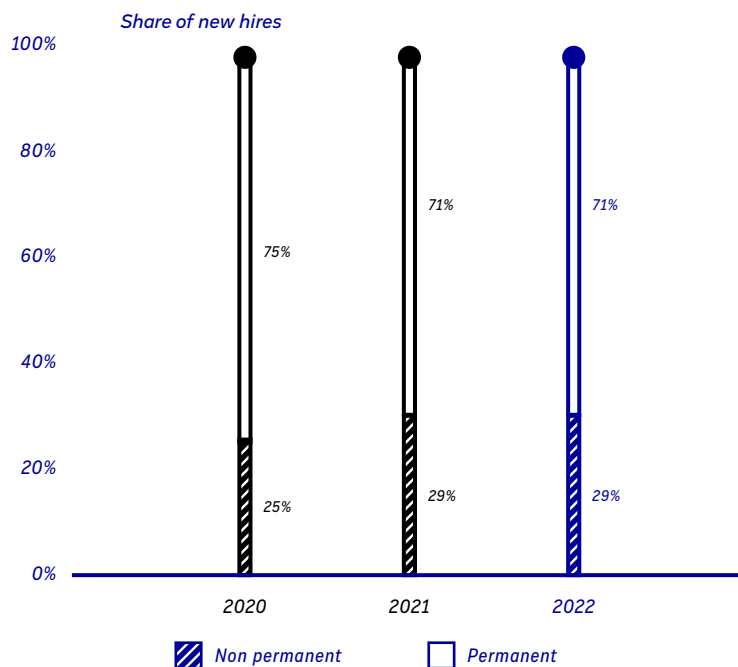


TABLE 9: FULL-TIME EQUIVALENTS

FTES	2020	2021	2022	GROWTH IN %
Average	3,120.7	3,696.4	4,337.3	17%
Year end	3,375.8	3,945.4	4,700.3	19%

An important KPI for us as an employer, is the attrition rate of our workforce, previously referred to as turnover. Figure 18, presents the evolution of the KPI for overall and permanent staff.

FIGURE 18: WORKFORCE ATTRITION RATE

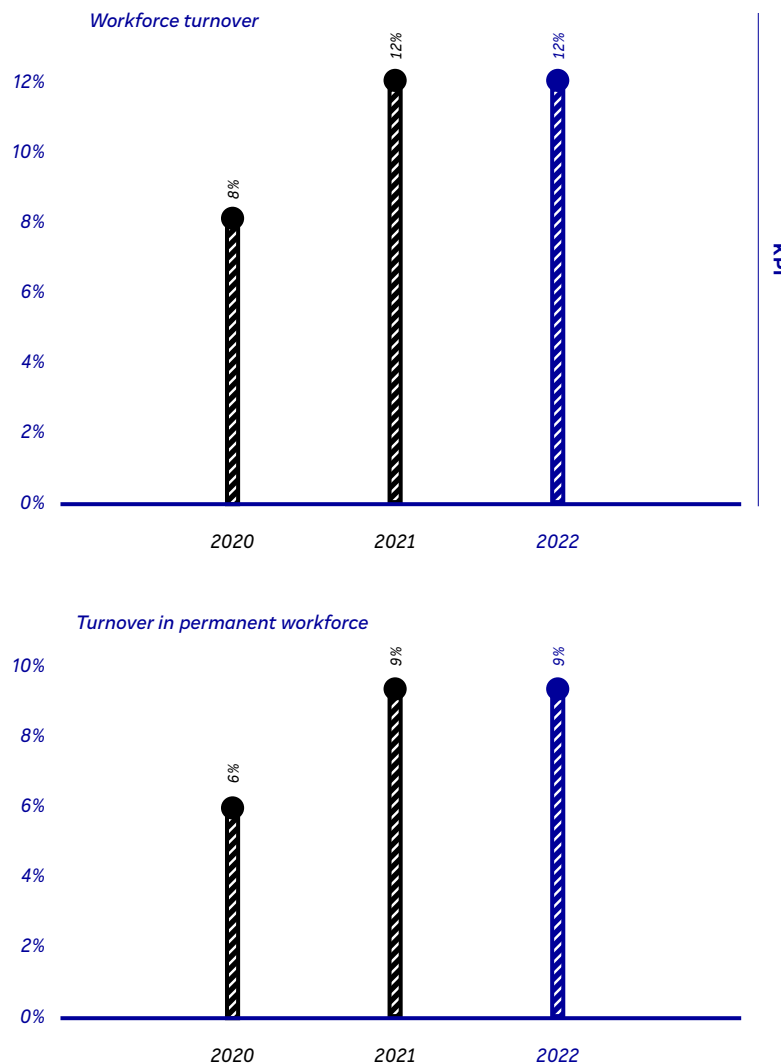
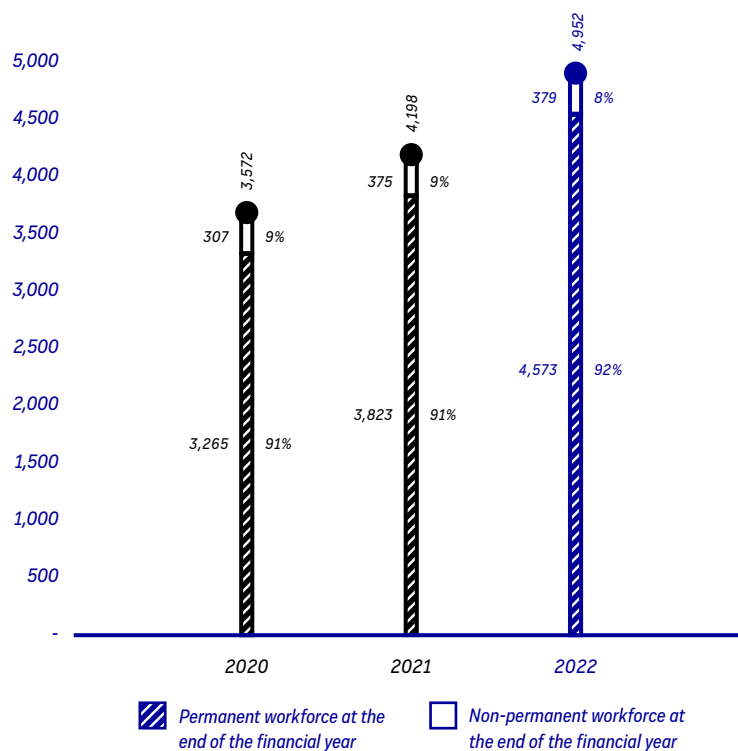


FIGURE 17: TOTAL WORKFORCE BY TYPE OF CONTRACT



In terms of working conditions, benefits provided to employees can be found in figure 19. Our benefit offer also entitles all employees to parental leave⁴ (refer to figure 20 for employees who took parental leave in 2022 by gender).

By the end of 2022, 67% of our employees - in Austria, France, Germany, and Italy - were operating under a collective bargaining agreement.

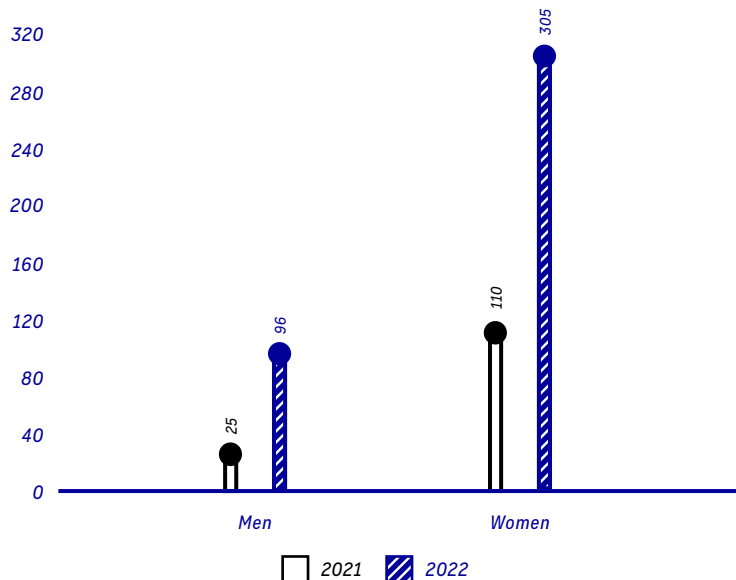
FIGURE 19: BENEFITS PROVIDED TO FULL-TIME EMPLOYEES*



*Other benefits for full time employees are available depending on country of location, including life insurance and health care that is not legally required under the country's laws and regulations.

**Disability coverage is provided as per local regulations or as a benefit beyond legal requirements in some countries.

FIGURE 20: EMPLOYEES WHO TOOK PARENTAL LEAVE BY GENDER



⁴ For reporting purposes, parental leave at Evotec covers any type of leave involving the birth of a child for mothers (maternal leave), fathers (paternal leave), and includes adoption.

4.3. TRAINING AND EDUCATION

At Evotec, training and education is handled by our Global People Development team. The People Development function designs products and processes that support employees in their personal and professional development during their career at Evotec. Only with the right people in the right place at the right time, can we continue to reach our ambitious growth targets. We therefore support our employees to be qualified to meet future tasks and goals.

At Evotec, we believe the success of the company depends on the expertise and skills of our people. With our Global People Development strategy and activities, we ensure that people have everything they need to fulfil their jobs in the best possible way and develop the right skills for the future. We therefore continue to invest in training to up- and re-skill where needed and to foster a culture of continuous learning. Our training and development portfolio includes a variety of skills-based trainings programmes. These can be specific to certain jobs or roles, such as scientific training courses or our **EVOlead** leadership development journeys. At the same time, we invest in our Global Coaching Process and in Evotec's global succession planning approach.

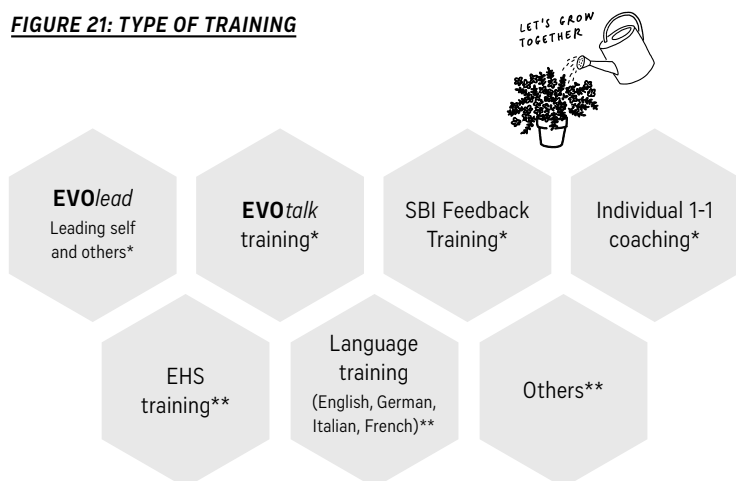
By investing in our people, we aim to drive greater employee engagement and satisfaction, thereby decreasing the risk of attrition for the company.

Within the Global HR Community, the Global People Development CoE provides global solutions in organisational and People Development areas. Our learning culture encourages employees to take ownership of their individual personal and professional development. In addition, we pay specific attention to increasing leadership capabilities at all levels: accountable leaders who give clear direction, communicate transparently, and develop their people, are the basis of our success. As part of our global leadership development approach, three Global People Development journeys were implemented in 2021 for middle and senior managers. The journeys enable an **EVOlead** community based on global networking, inspiration, and mutual support.

In March 2022, we also introduced our learning module **EVOacademy**, based on our HRIS Learning Module, which provides a centralised place for all our learning opportunities. **EVOacademy** enables us to launch global training campaigns for both mandatory and voluntary development learning journeys. Learning business champions receive in-depth guidance on how to create their own training courses and can add them to the platform. This has also improved our overall onboarding processes, as our new joiners are automatically enrolled in the training they need to get started at Evotec.

We provide a variety of training to all employees as seen in figure 21. The content of this offering and the possibility to enrol are available for the most part in our **EVOacademy**.

FIGURE 21: TYPE OF TRAINING



*Offered globally.

**It depends on country of location, local laws and regulations, and local agreements.

It includes but is not limited to individual on-demand training, anti-harassment training, leadership and managerial training, support on further education, etc.

Furthermore, our learning platform contains a wide range of technical training offerings targeting our colleagues in different areas of operations, including drug discovery, biology, medical chemistry, and more.

The goals in the table below are intended to further improve our approach.

TABLE 10: OUR NEXT STEPS IN TRAINING & EDUCATION

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Increase career development opportunities	<ul style="list-style-type: none"> ▶ Establish global succession planning process ▶ Increase internal hiring rate by making all job postings transparent in the organisation 	Evotec Group	2023	In progress
Continue to improve the training of our leaders	<ul style="list-style-type: none"> ▶ Conduct impact survey for all existing leadership programmes to ensure their quality ▶ Review programmes regularly 	Evotec Group	1: 2022 2: Continuously	In progress
Establish ONE global learning platform EVOacademy	Expand range of learning opportunities for our staff	Evotec Group	2024	In progress

We constantly evaluate the quality of our leaders' journeys by conducting mid-term and end-term evaluations. Additionally, an impact survey has been sent out in 2022 to all former participants of the **EVOlead** programme to measure learning satisfaction and impact. Moreover, we track the participation rate of eligible leaders in our leadership programmes. In the following table, participation rates and retention rates are displayed for the **EVOleaders** journeys.

TABLE 11: PERFORMANCE OF LEADERSHIP PROGRAMMES IN 2022

	LEADING SELF AND OTHERS (LSAO)	LEADING LEADERS (LL)	LEADING GLOBALLY (LG)
Retention rate*	95.70%	94.37%	95.83%
Completion rate	78.53%	87.65%	100.00%

*Number of employees who completed the journey vs. total number of employees who started the journey.

With the launch of the **EVOacademy**, we are also able to manage learning initiatives more effectively and report on them. In the future, we will be able to report back globally on training delivered and on training budget spent.

As we strive to ensure the best quality possible, we constantly evaluate our different learning solutions based on participation rates, quality of training, fit for specific roles, etc.

As we are continuously striving to create a true learning culture, our **EVOacademy** is taking on a central role within our organisation. Due to the fact that it forms part of our HRIS, we can publish, manage and display our course offer transparently to all employees. In addition, we communicate the whole portfolio through our internal channels (e.g., in our intranet "**EVOzone**" and e-mails) to notify all our employees of available learning opportunities.

4.3.1. FEEDBACK CULTURE & EVOTALKS

We regard feedback as a vital part of continuous development. We encourage exchange in all directions, using our easy-to-understand approach to give and receive meaningful and on-going feedback. An open dialogue between line managers and their direct reports at least four times a year (**EVOtalks**)

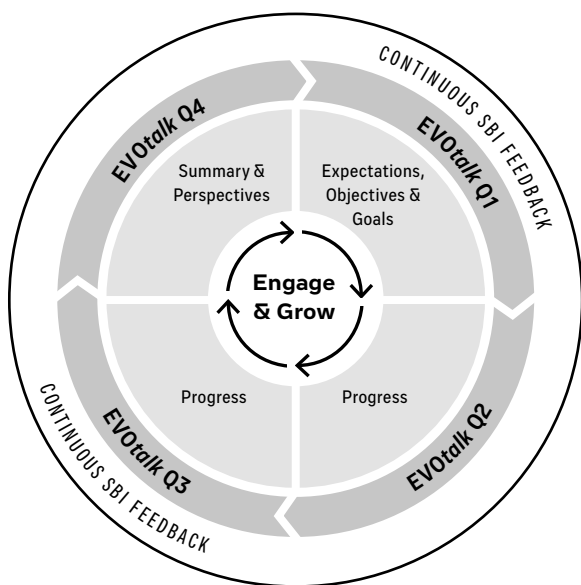
covers specific expectations, individual objectives, and development goals, thereby supporting our feedback culture and driving our performance. All Evotec employees around the globe follow this process and use our HRIS to document the outcome of these conversations at least once a quarter.

During their onboarding period, all new line managers and new employees receive specifically targeted training on **EVOtalks**.

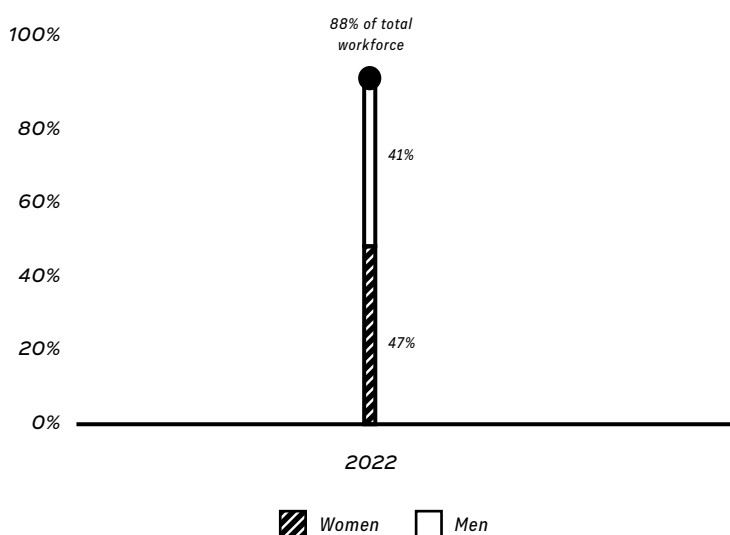
Our feedback culture and **EVOtalks** are based on the SBI approach, which refers to Situation, Behaviour and Impact. Any feedback meeting should relate to a specific situation, describe the behaviour observed for the feedback that is needed and the impact related to the behaviour in question.

We track the completion of **EVOtalks** and remind employees to submit their assessment through our HRIS. In figure 22, you can find more details on the SBI approach and employees receiving regular performance and career development reviews.

FIGURE 22: FEEDBACK APPROACH AND EMPLOYEES RECEIVING PERFORMANCE REVIEWS IN 2022*



EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS



*Disclosure has been updated to show gender split against total workforce, whereas previous disclosure gender segments were displayed against total number of women or total number of men in workforce.

4.4. DIVERSITY, EQUITY AND INCLUSION

DEI – Diversity, equity and inclusion is based on our Diversity of Thought philosophy at Evotec. As a scientific organisation striving for uniqueness and excellence, Diversity of Thought is essential to nurture innovation and creativity. It is therefore embedded in our ONE Evotec culture and is recognised as a key element in our attempt to embrace our culture. We want each of our employees to share their perspectives, which are enriched by the variety of their experiences, skills, background, orientation, and identity, to enable Evotec’s excellence and success.

We believe that the impact of promoting diversity has both a direct and indirect influence on various aspects of our day-to-day operations and long-term objectives, such as employee retention, collaboration, engagement, compliance and reputation. It should also have a positive effect on promoting innovation and creativity and make our business both successful and sustainable.

Our aim is for our partners, people, and potential hires to be positively impacted by our approach to diversity, equity, and inclusion. Firstly, our

partners value the fact that we provide a productive, effective, and safe work environment, in which all people are treated fairly and have the same rights. Secondly, our employees require a company where they can feel they belong, and that they are fairly treated, irrespective of their backgrounds, beliefs, ethnicity, gender, or any other diversity dimension they identify with. Both employees and candidates are looking for an employer of equal opportunities, with a strong appreciation of a diversified and inclusive work environment.

We are committed to being a diverse, equal, and inclusive employer striving to reflect the diversity within our workforce.

We have been a signatory of the German “Charta der Vielfalt” (“Diversity Charter”) since 2020 and have regularly contributed to its initiatives. For the past two years, we have celebrated Diversity Day in May, followed by Pride Month in June.

In 2022, we became a member of the Proud Science Alliance, an LGBTQ+ network in the healthcare and life sciences industry striving for LGBTQ+ inclusiveness in organisations belonging to the sector.

We have expanded the duration and range of activities for both Diversity Day and Pride Month. Our focus was to raise awareness, tackle bias and strengthen allyship. We have collaborated with employees globally to learn about their experiences and enhance openness.

We also support the creation of local diversity councils, where people interested in the topic meet on a regular basis to discuss ideas on how to further improve diversity within Evotec. These initiatives are driven by our people and not steered by management. Our various sites are therefore at different stages, with Just – Evotec Biologics and our site in Abingdon having already established diversity councils.

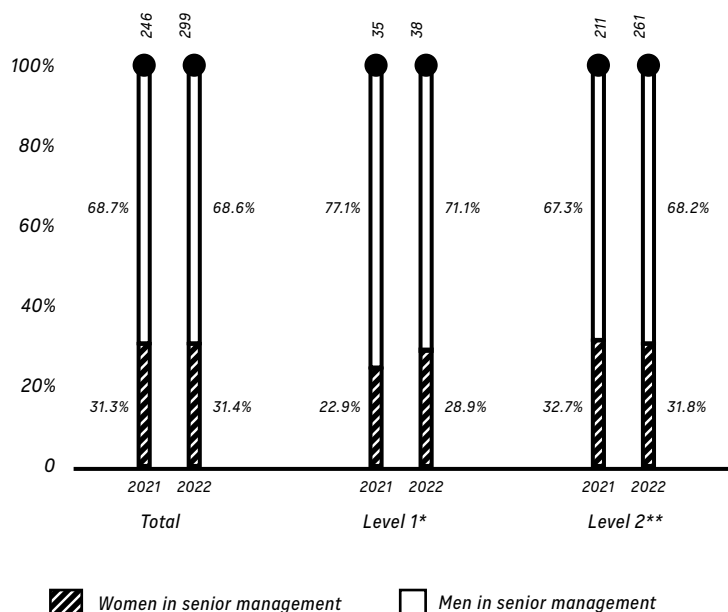
Our Code of Conduct outlines our practices with regards to our employees' work environment, covering the topics of diversity, equal opportunities, discrimination and harassment. Any misconduct can be reported and any related questions can be raised via the whistleblower platform (see section 6.1. Compliance). As in 2021, no complaint related to discrimination was reported in 2022.

We encourage a working environment of respect, cooperation, openness, and flexibility in the way we think and act. Whether in acquiring talents, people development, promotion or pay, we practise equality of opportunities, regardless of gender, ethnic origin, sexual orientation, health, or age at Evotec.

We aim to be a fair employer and provide equal pay. We achieve this thanks to our grading system with salary bands linked to each grade, known as **EVOgrades**. Each employee is assigned to a grade according to their skills and responsibilities.

Moreover, we continue to strive to introduce more diversity into our leadership team by seeking to appoint women to 30% of the roles in each of our senior manager levels 1 and 2. While we achieved this goal already last year for the entire leadership team and in level 2, we have also made visible progress with level 1 in 2022. Our current status is presented in figure 23.

FIGURE 23: DETAILED SENIOR MANAGEMENT BY LEVEL AND GENDER



*Executive Vice President (EVP) and Global Heads.

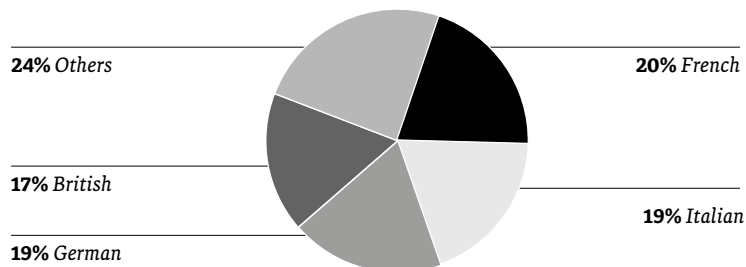
** Vice President (VP) and Senior Vice Presidents (SVP).

We are, in many respects, a diverse company. There are 91 nationalities (2021: 81) within our workforce group wide, excluding information from the US for legal reasons. The average age of our employees is 38.2 years (2021: 38.5). In the meantime, 1.7% of our employees have a recognised disability in comparison to 1.6% in 2021.

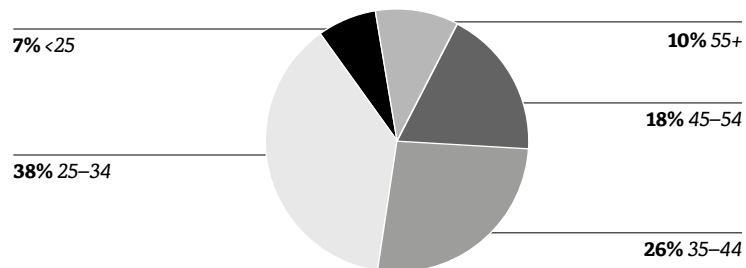
To better understand the composition of our employees in terms of origins and age, refer to figure 24.

FIGURE 24: NATIONALITY SPLIT AND AGE GROUPS IN 2022

NATIONALITY SPLIT*



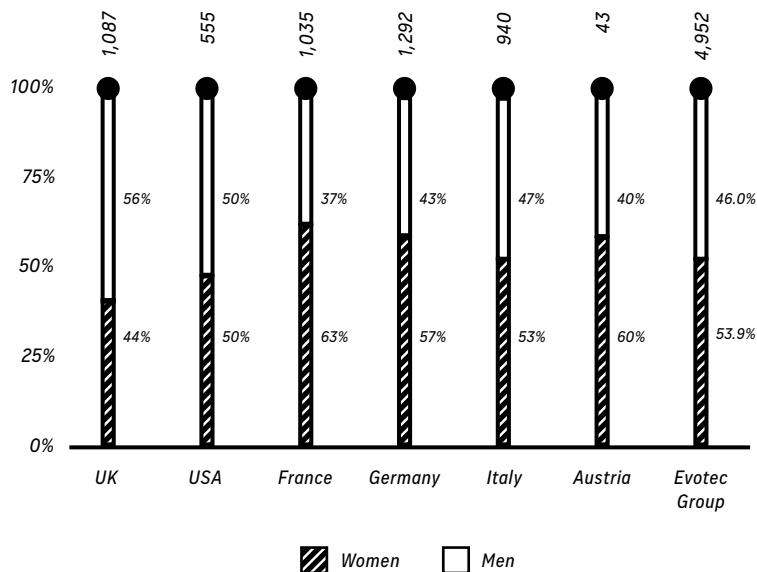
AGE GROUPS*



*The charts exclude the USA for legal reasons.

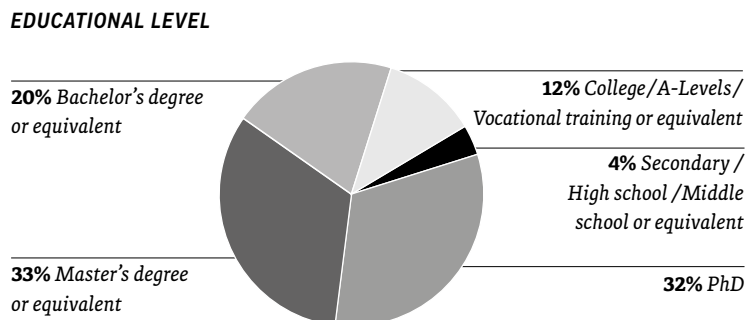
In 2022, we recorded that 54% of our employees were women, a similar proportion to 2021. Per country we operate, the split might differ as displayed in figure 25. For historical reasons, we observe that countries with a focus on biology-related scientific operations have a greater proportion of women. Similarly, countries with a focus on chemistry and chemical manufacturing operations have a greater proportion of men.

FIGURE 25: DETAILED GENDER SPLIT BY COUNTRY



As our business requires highly qualified people, we continuously collect information on educational background from those who provide this information⁵. Figure 26 presents the split of educational levels among the workforce.

FIGURE 26: GROUP-WIDE EDUCATIONAL LEVEL



As we continue to embrace and understand diversity, equity, and inclusion at Evotec, we highlight the 2023 milestones in table 12.

TABLE 12: OUR GOALS AND MEASURES IN DEI

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Further increase the number of women in senior positions	30/70 split men and women in Senior Management positions	Evotec Group	2023	In progress
Measure employee sentiment	Run engagement survey	Evotec Group	2023-2024	In progress
Develop DEI strategy	Given the results of the engagement survey, we will develop an action plan for diversity, equity, and inclusion	Evotec Group	2024-2025	Not started

Our aim is to keep both our employees and external stakeholders well informed on our measures and initiatives taken throughout the year. Internally, we use our communication platforms (incl. **EVOzone** and all-staff e-mails) to engage with employees in activities and resources available year-round, and to update them on new developments related to diversity and inclusion.

Via our platforms, we also receive feedback and suggestions from employees to improve our actions, from frameworks relevant to their locations, to both corporate and employee initiatives.

The ESG Committee within our Supervisory Board guides us on topics that should be integrated and prioritised in our general strategy, including measures related to diversity, equity, and inclusion.

4.5. OCCUPATIONAL HEALTH AND SAFETY

Health and safety at work is a basic human right and, as a global employer, we have a duty of care in keeping our colleagues safe and free of harm while they perform their work. This also applies to any guest, partner, or other persons on our sites. To keep people safe, we need to maintain a high level of focus on eliminating fatalities and life-changing injuries associated with our operations.

We recognise the current shifts in Global Health & Safety: successful safety programmes are no longer measured simply by the absence of accidents. In our view, safety also implies resilience and controls when it comes to managing risk in changing situations. It implies that safety is enacted by assuming leadership responsibility towards our colleagues and not focus just on paperwork and compliance. Even with prevention measures in place, accidents may still happen due to ongoing uncertainties and operational changes. Our view on safety is that the operations can only be deemed successful if safety is maintained. Efforts to strengthen our resilience to unwanted safety outcomes typically also improve the quality of the operation itself, leading to a greater understanding of how to maintain successful operations.

⁵ Percentages are based on the information provided by 2,937 employees.

In 2023, the Global EHS team has started to develop a new multi-year Health & Safety strategy aligned to Evotec’s mission. Our aim in 2025 is to transform our national and site-based teams into a leading harmonised global function with a shared vision. We have planned to:

1. Navigate fatal or life-changing occupational risks, through minimising complexity in our systems and operations;
2. Integrate human factors into our health & safety systems;
3. Adopt an ethical approach to EHS, empowering and enabling our colleagues to enjoy healthy, happy, safe, and successful days at work.

From the above areas, we have defined specific measures that will be implemented in 2023. Further actions will be communicated, in accordance with our multi-year Health & Safety strategy, in the following reporting cycles. Our key goals and measures are also to be found in table 13: Goals in EHS.

TABLE 13: GOALS IN EHS

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Identify and improve resilience to fatal and life changing risks	<ul style="list-style-type: none"> ► Build a company risk-register for high-risk activities where there is a risk of fatal or life-changing outcomes ► Harmonise safe work systems associated with high-risk activities 	Evotec Group	2023	In progress
Clarify and cascade organisational responsibilities	Establish a central team. Learn organisational drivers for either proactive activities or reaction to adverse events	Evotec Group	2023	In progress

At Evotec, each territory and site is currently managed by operating systems that have been optimised for their local operational and legal environments, with an associated training matrix and tracking of completions. In addition, safety committees are in place for each territory, comprising employees, supervisors, and safety specialists that meet periodically to discuss events and/or risks.

As we continue, however, to enhance global oversight, we will develop new health & safety targets. In 2023, we will establish global governance teams to appraise our performance and steer our roadmap. Specifically, we will start to standardise our global interdependent practices and risks of working with extremely hazardous chemicals.

Additionally, we will focus on the centralisation of information relating to any unplanned event or proactive activities that enable the whole of Evotec to learn about high-risk activities in 2023. Evotec will continue to collect data related to lost-time injuries as defined in each territory.

For the year reported, each territory and site undertook local campaigns associated with their operational environments and cultural needs. Flu vaccinations were offered to all employees globally and some countries also offered COVID vaccines. Our mental well-being ‘app’ (Headspace), which is available for all employees, was renewed for another 3 years following positive feedback. Local campaigns included employee ‘drop-in’ health checks in some territories.

New health & safety targets will be developed in 2023 to reflect the deeper focus on in learning where our fatal and life-changing risks lie and understanding our resilience to these outcomes. Our priority is shifting to a primary focus on lifesaving and avoiding life-changing injuries when working for Evotec. This shift of emphasis will enhance the data we disclose. We will, however,

continue to report on accidents related to lost-time injuries. Table 14 shows the total injuries we recorded that prevented employees from returning to work the following day, lost time injuries (LTI), in 2022.

TABLE 14: ACCIDENTS REPORTING

	2021	2022
Lost time accidents	27	24
Ways to work	13	18
Within workplace	15	6
Lost working days	353	330
Ways to work	204	99
Within workplace	149	231

We constantly strive to engage with our stakeholders, especially our employees, about issues relating to health and safety, via various means of communication. Internally, we interact with our employees via emails and our intranet platform (**EVOzone**) to inform them about urgent and relevant health and safety issues. These channels enable us to receive feedback which we intend to integrate in our management approach and policies. This will be possible once we have established a governance structure across territories to collect and process feedback. Externally, we do this through our Sustainability Report to inform our stakeholders about how we are managing our employees’ health and safety.

5. Environment – protecting the planet



At Evotec, we believe that human well-being and the sustainable success of our business depend on a resilient and safe environment. Protecting the planet is therefore important to us. In this section, we report on the material environmental topics. First, we report on our approach to reducing **GHG emissions**, where we describe our activities' carbon footprint, our management approach, and commitment to the Science Based Target initiative to achieve net-zero emissions. We then continue with the **Resource management** section, which covers our approach to our material topic of operational environmental protection and describes our approach to using resources, including energy, water, and waste. The Scope 1 and 2 components of our GHG emissions, SBTi targets and Renewable Energy targets in this section have been audited.

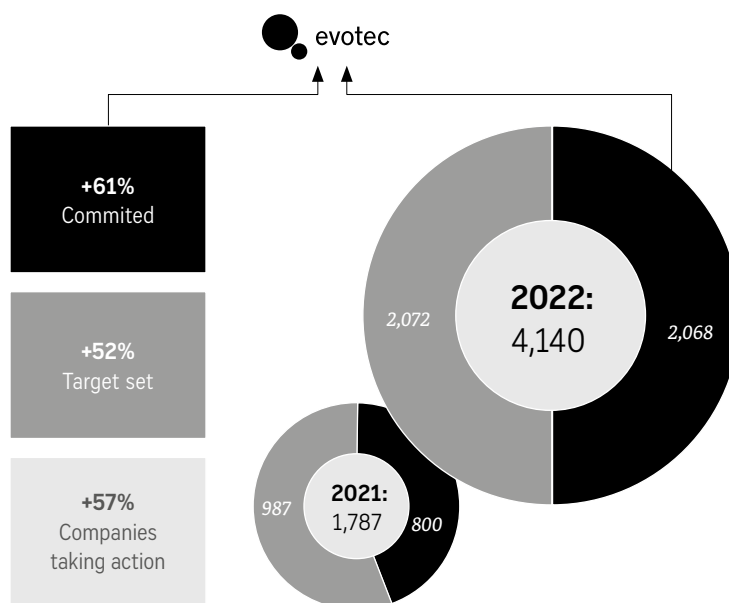
On the other hand, taking appropriate measures to combat climate change provides many opportunities to positively impact the environment and our business. These range from innovative initiatives from employees for more sustainability in research (e.g., green chemistry⁷), to more positive and stronger engagement from clients and partners (e.g., recognition of our sustainability efforts⁸). Every day, an increasing number of companies commit or submit reduction targets to the SBTi. Figure 27 shows the evolution of companies pledging to the initiative.

5.1 GHG EMISSIONS

As human health and well-being form the focus of our activities, we also take the negative consequences of climate change into consideration. This topic is relevant for each of us individually, but also for companies of all sizes and from all industries, as well as for society in general. It is therefore essential that we can contribute the fight against climate change, in collaboration with our partners, and in line with international organisations and governments. To do so, we are committed to taking measures by setting near- and long-term science-based targets aligned with the Paris Agreement⁶ pledge to limit global warming to 1.5°C degrees. This topic is therefore of great importance to us, as our business activities have an impact on the environment via our carbon footprint.

GHG emissions and the resulting climate change affect our business activities, the communities surrounding us, our employees, patients, and all living organisms. Extreme weather events can increase the risk of higher energy costs, supply chain disruptions, and restricted commuting for our employees, all of which could cause delays in fulfilling our commitments with partners. Not addressing our impact on climate change can also result in a loss of trust on the part of our stakeholders. Failing to comply with environmental laws and regulations, as well as requirements set by our partners, could hinder our business activities.

FIGURE 27: COMPANIES TAKING ACTION IN LINE WITH THE SCIENCE BASED TARGETS INITIATIVE*



Source: Science Based Targets initiative
 *As of 31 January 2023, SBTi's new commitment compliance policy came into effect. There are therefore data changes when compared with the previous report. Refer to the SBTi website for more information.

⁶ Legally binding international treaty on climate change. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

⁷ Green chemistry aims to design chemical products and processes that reduce or eliminate the use or generation of hazardous substances.

⁸ Evotec was awarded the "We Excel in Sustainability" award by Chiesi during its Vendor Day on 16 November 2022.

After the Science Based Targets initiative accepted our commitment in 2021, we started to develop and implement a plan to achieve our near-term emissions reduction goals. During 2023, we plan to develop a way forward to establish long-term goals. At the beginning of 2022, we initiated the assessment of all our Scope 1, 2 and 3 emissions⁹ inventory and determined our baseline year. The aim was to define our science based targets and develop our roadmap towards halving our emissions by 2032. The targets were submitted to the initiative for approval in January 2023.

To calculate our Greenhouse Gas (GHG) emissions inventory, we received external support from an advisory firm to collect data and calculate our Scopes 1, 2, and 3 emissions. The baseline year was determined to be 2021, and it resulted in a total amount of 206,391¹⁰ tonnes of CO₂e. Based on this outcome and the roadmap developed, we have submitted – still pending an SBTi review and approval – the following near-term targets to reduce our emissions:

1. To reduce absolute Scope 1 and 2 GHG emissions by 50% until 2032 from a 2021 base year, which is consistent with 1.5°C emissions scenarios.
2. To increase the annual sourcing of renewable electricity from 25% in the base year to 100% by 2026.
3. To reduce Scope 3 GHG emissions from purchased goods and services as well as capital goods by 72% per revenue over the same period. We also commit that 80% of our suppliers of purchased goods and services and capital goods will have science based emissions targets by 2027.

We have put in place governance structures to responsibly manage and reduce our Scope 1, 2 and 3 emissions during this process.

For Scope 1 and Scope 2, our Facility Management team oversees the implementation of a catalogue of measures for existing infrastructure and growth projects. To successfully execute them, they are tasked with setting up an energy management team and defining guidelines to establish a detailed energy reduction plan, defining criteria for energy efficiency and sources at new sites. They will, review growth scenarios to decouple revenue growth from physical growth and refine the action plan with site-level details and updated growth forecasts. They are also encouraged to carry out audits in the top six¹¹ emissions sites.

The current catalogue of actions includes the reduction of energy intensity in the top six sites by addressing equipment and systems in both the operational and the research parts of the business, the transition from a heating system of natural gas to renewable heat¹², and the transition to low Global Warming Potential (GWP) refrigerants. To learn more about Scope 2 related measures, please refer to section 5.2. **Resource management.**

For Scope 3, our Procurement Team has been asked to develop a supplier engagement strategy. Additionally, they will need to carry out further modelling to identify the number of suppliers covered by 80% of emissions and their current emissions and reduction targets. This modelling needs to take account of our business growth and increased purchases.

Table 15 provides a brief overview of our recent and future steps relating to emissions.

TABLE 15: OUR PATH TOWARDS NET-ZERO GOALS AND MEASURES

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Become net zero by 2050 at the latest	Set near-term targets	Evotec Group	Q1 2023	Done*
	Set long-term targets	Evotec Group	Q1 2024	Not started
	Define measures to neutralise residual emissions	Evotec Group	Not defined	Not started

*Targets were submitted after the end of the reporting period and are pending review and approval by the SBTi.

In 2022, we defined our science based targets and baseline year (2021). We will use our yearly emissions total (GHG inventory) as the KPI to monitor our performance versus our targets. We will compare our results against the

current baseline year. In figure 28, a summary of our emissions is presented. Emissions under our direct control, i.e. Scope 1 and 2 emissions combined, have declined by two percent, while revenue growth reached 22% in 2022.

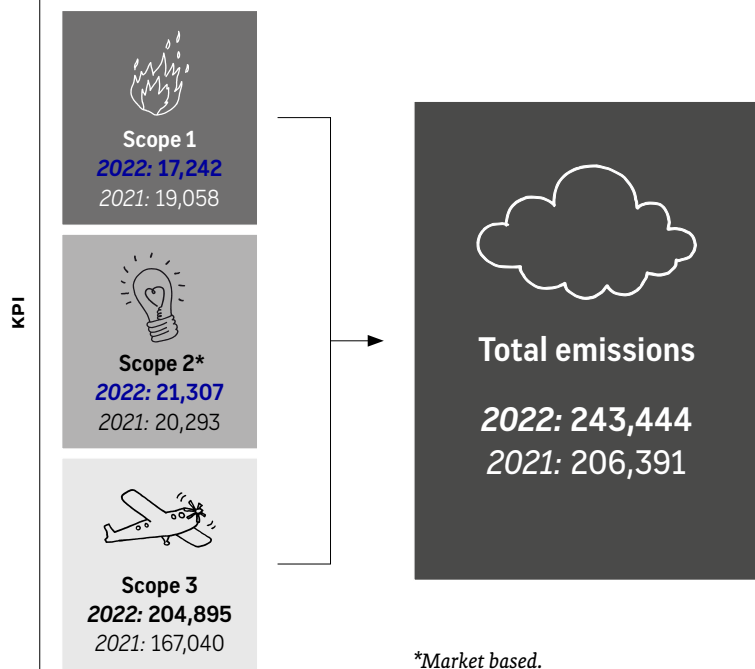
⁹ Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

¹⁰ As a result of our detailed data analysis for SBTi setting, we have restated our 2021 emissions. Changes include the inclusion of two new sites purchased during 2022, the estimation of missing data and the calculation of Scope 2 emissions using the market-based accounting method. In addition, we calculated our Scope 3 emissions for the first time, as reported here.

¹¹ From our 2022 assessment, it was concluded that the sites of Verona, Toulouse, Halle, Abingdon (Aptuit), Redmond and Alderley Park account for 87% of the Group Scope 1 and 2 emissions.

¹² Only applicable for Toulouse, see Evotec’s news release: <https://www.evotec.com/en/investor-relations/news/corporate-news/p/evotec-substantially-reduces-carbon-emissions-by-joining-renewable-energy-heating-network-6239>

FIGURE 28: GHG INVENTORY IN tCO₂e^{13,14}



Scope 1 emissions decreased by 10%, driven by a reduction in gas consumption by our biggest emissions contributors, the Verona and Toulouse sites. The latter transitioned its consumption to the district heating grid in Q4 2022. Warmer weather and high gas prices could also have contributed to the reduction in consumption.

Increases in electricity consumption, accounting for 94% of Scope 2 emissions, were influenced by the operation of our Redmond site for the entire 2022 year, in comparison with only a half-year in 2021. Additionally, our Verona site also saw an increase in electricity consumption during the year due to the opening of the new warehouse in March 2022.

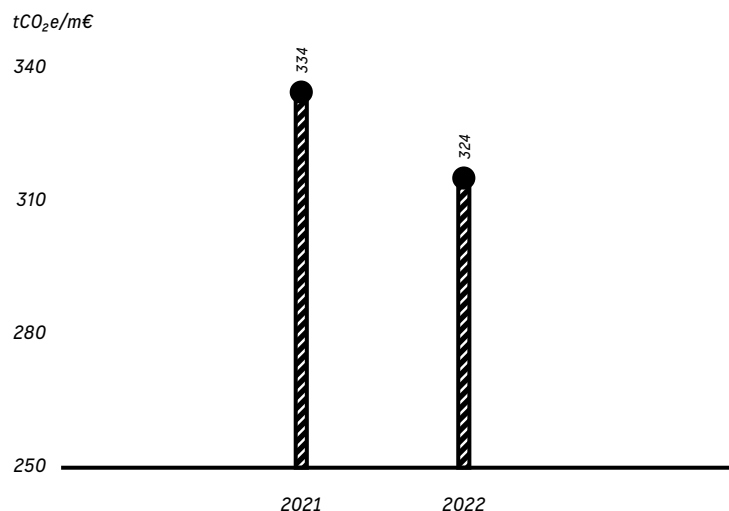
Another factor contributing to the higher Scope 2 emissions on market-based terms is that the residual mix factor for Germany and the UK has increased, resulting in an overall increase in emissions.

Scope 2 emissions saw an increase of only 1% in terms of our location-based emissions, following the change to a greener electricity grid.

The main driver of the overall increase in our carbon footprint in 2022 was Scope 3 emissions. This was caused by a higher spend in both purchased goods and services, as well as capital expenditure related to mainly construction, the transition to new facilities and the increase in capabilities for certain operational areas.

From an intensity perspective, total emissions when related to revenue saw a reduction of three percent. This was caused by a decrease in intensity of Scope 1 and 2 emissions versus revenues. The comparison of Scope 3 emissions, in particular purchased goods and services and capital expenditure, versus total revenues results in an insignificant increase in emissions intensity of less than one percent. The following diagram presents the emission intensity results, when set against revenue.

FIGURE 29: EMISSIONS INTENSITY¹⁵



We will track, report, and confirm our targets and KPIs related to our science based targets annually, including those of our suppliers, according to the data available to us.

The following measures are designed to improve our evaluation and reporting; establishing an overall governance of the data collection process and appropriate documentation, providing training on the data collection platform when needed, and giving guidance to our teams on data needs, processes, and documentation to validate our GHG inventory.

Our employees are highly motivated to provide feedback, suggestions, and innovative ideas to enhance energy-saving initiatives and to tackle other sources of emissions such as waste. Such initiatives are driven by both Operations and individual employee actions. We communicate the measures and achievements related to our SBTi commitment externally through press releases and our Sustainability Report. Additionally, we communicate our achieved milestones, project kick-offs and results to our colleagues via our internal communication channels (e.g. all-staff emails and **EVOzone** posts). We use our quarterly local meetings to highlight global and site-specific efforts on emission-related issues that are being addressed, and projects and employee initiatives towards combating climate change.

For the next reporting period, we will also directly engage with our suppliers to encourage them to act and commit to set science-based targets by themselves.

5.2. RESOURCE MANAGEMENT

At Evotec, environmental protection encompasses various aspects and is regarded as an integrated topic. Our planet's well-being forms the basis of our existence. It is a shared value with our partners and people, and therefore plays a vital role in preserving our ability to do business. As a result, we are committed to making our contribution to environmental protection. Our major topics related to operational environmental protection are energy, water, and waste management.

¹³ Refer to appendix "a" for more information.

¹⁴ Refer to our Greenhouse Gas Inventory Methodology available at <https://www.evotec.com/en/investor-relations/esg-performance-reporting>

¹⁵ Refer to appendix "a" for more information.

As a biotechnology company, we operate laboratories and facilities for the discovery, development, and production of active pharmaceutical ingredients (API), biologics and cell & gene-therapy. We therefore require the use of different resources to develop our activities; for example, the cooling or heating of materials might require the use of energy and water. 2022 has reminded all of us that energy costs and energy supply can deeply impact our cost structure and that energy resilience is essential for our business continuity. We are therefore actively working on increasing our energy resilience. Furthermore, we are committed to improving the efficiency of our systems to reduce our sites' energy intensity.

In 2022, we launched many local initiatives at our different sites to increase our energy efficiency, optimising our systems and supporting the creation of a more sensitive mindset when it comes to energy consumption. These actions include but are not limited to installing an air-sourced heat pump system in Abingdon, starting the transition to LED lighting at all sites, optimising our air treatment systems and chemical hoods, and installing motion sensors for our lighting system. Other operational measures include changing to the temperature ranges in our offices.

A milestone towards reducing our energy emissions, was the connection of the Toulouse site to Toulouse Energie Durable (TED), a renewable energy heating network. The energy from the network comes from locally produced renewable and recovered sources and covers 70% of total heat energy systems. By joining the distribution system, we will be able to reduce more than 2,000 tonnes of CO₂e emissions per year. Our future J.POD® facilities will also be independent of other heating sources.

At Evotec, we constantly raise people's awareness through our internal communication (e.g. all-staff e-mails), local and team meetings, and training materials to ensure that our employees understand the need to consume energy responsibly at Evotec.

For 2023, we have already defined a list of investment projects that will allow us to pursue an increase in our energy efficiency. These include additional lighting upgrades, changes to HVAC systems (heating, ventilation, and air conditioning), and the acquisition of energy efficient fume hoods as well as upgrades to existing ones. Our Management Board decided to invest 1% of our 2022 revenues in energy-related projects in 2023.

Once the full 2023 energy intensity investment programme has been implemented, we expect to reduce our overall energy intensity by almost 3% against our base year (2021). All these initiatives and projects are directly related to our SBTi roadmap. We are monitoring the achievement of each goal base against our SBTi roadmap targets on a yearly basis.

At Evotec, we use water mainly for sanitary purposes and to produce steam for our production processes. We are committed to minimising the use of water globally. All our sites are complying with local regulations on the use of water.

Our activities generate both solid and liquid waste. We are consciously managing our waste through segregation into either hazardous or non-hazardous types enabling recycling where possible.

In addition to the local management of waste and energy, employee initiatives are conducted at different sites with a view to finding new ways of reducing waste generation and reusing materials as much as possible. These include the participation in the Freezer Challenge¹⁶ and the "Handys für Hummel, Biene und Co." initiative¹⁷, the implementation of campaigns for the efficient use of fume hoods, the transition to less wasteful packaging for shipment options, and the substitution of single use plastics, to name but a few. In addition, employees are continuously adapting to methods and approaches related to green chemistry activities and initiatives.

In 2023, we will develop a comprehensive environmental strategy at global, country and site level. Table 16 gives an outlook from 2023 onwards regarding our overall intention and corporate way of contributing to environmental protection.

TABLE 16: OUTLOOK OF ENERGY REDUCTION TARGETS AND MEASURES

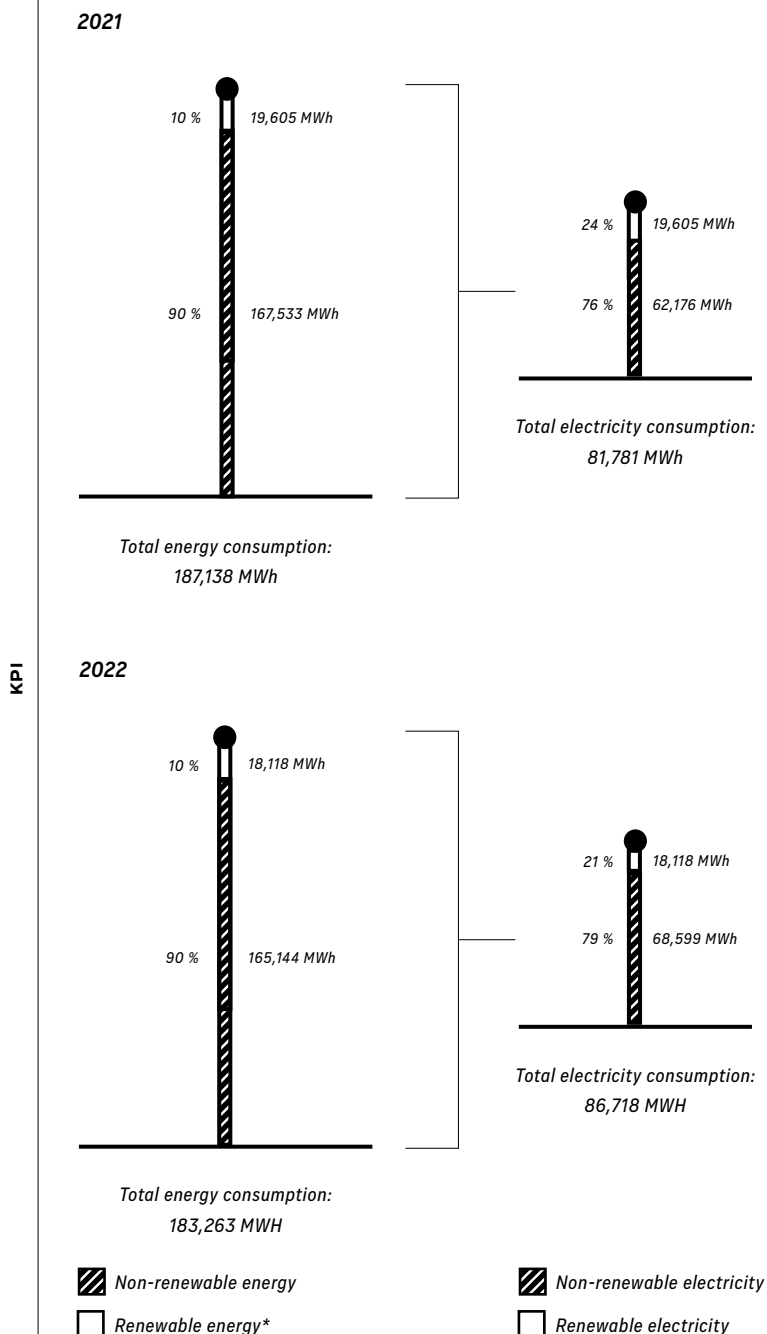
GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Reduce energy intensity	<ul style="list-style-type: none"> ▶ Transition natural gas consumption for heating to a renewable electricity source on existing and new sites. ▶ Launch initiatives targeting equipment and systems with high energy consumption: fume hoods, ventilation, ULT-freezers, space heating control, lighting, steam systems, new equipment, refrigeration systems, among others 	Priority Sites: Verona, Toulouse, Halle, Abingdon (Aptuit), Redmond and Alderley Park	2023–2032	In progress
Reduce electricity intensity in new buildings	Plan for greater efficiency in labs and inclusion of efficiency criteria for building acquisition in procurement processes	Evotec Group	2025	In progress
Achieve 100% renewable electricity	Increase annual sourcing of renewable electricity from 25% in base year to 100% in 2026	Evotec Group	2026	In progress

¹⁶ Annual competition to promote best practices in cold storage management in laboratories worldwide.

¹⁷ German initiative to promote recycling and recovering materials from mobile phones, smartphones and tablets. Funds collected are directed to insect protection programmes run by the Nature and Biodiversity Conservation Union (NABU).

We are monitoring Evotec's energy consumption at all sites to check the results of the initiatives that have been implemented on a yearly basis. The energy consumption data are collected directly on site. Each location has a specific set of energy consumption meters that can provide a higher level of detail about how energy is used locally. This data is used to identify specific improvement initiatives and energy efficiency projects. A summary of our energy consumption is presented in figure 30.

FIGURE 30: ENERGY CONSUMPTION¹⁸



*Including renewable energy generated.

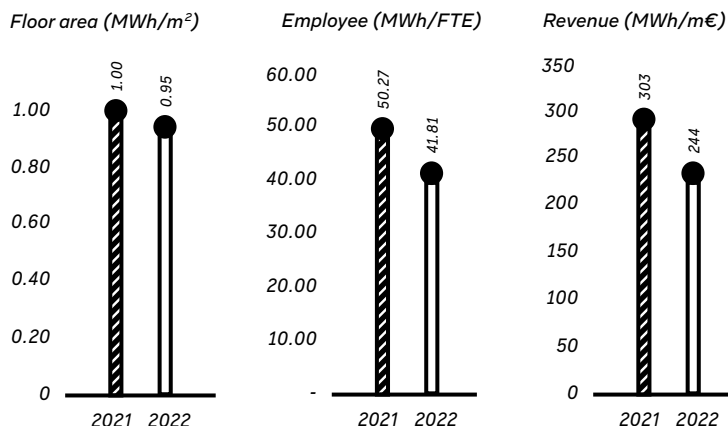
Overall, energy consumption was reduced as a result of a lower consumption of non-renewable energy sources. Nonetheless, electricity consumption was higher. This was caused by the Redmond site being operational during the entire year, which was not the case in 2021. Additionally, the Verona site saw an increase in consumption caused by the opening of an additional warehouse in 2022.

In terms of our renewable electricity consumption, the proportion of renewable electricity was reduced versus that of non-renewable electricity. This was due to higher consumption by sites still depending on non-renewable electricity and lower consumption by the German and UK sites, which account for the highest proportion of green tariff electricity. A key goal for 2023 is to visibly increase the share of renewable electricity for the entire group.

Energy intensities, based on megawatt-hour (MWh) as the numerator, generally decreased in comparison with revenues, floor area and FTEs, as seen in figure 31.

FIGURE 31: ENERGY INTENSITY¹⁹

Energy Intensity by Category



We are working on progressively upgrading and improving our local metering systems to improve the data granularity and availability. This has the potential to increase our ability to identify energy efficiency opportunities.

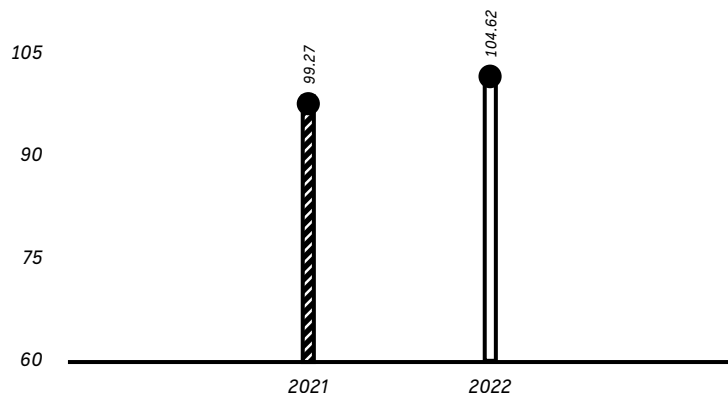
Furthermore, we are monitoring water usage by each site on an annual base. For this reporting cycle, data for water withdrawal is displayed in figure 32. Increases in water withdrawal occurred due to higher consumption in Toulouse and Redmond; the Toulouse site, in particular, recorded an increase due to construction activities. Other differences in results may be attributed to restrictions in data availability. This situation will be improved, once a comprehensive resource management approach has been developed. Currently, results presented in this reporting period include both actual and estimated data.

¹⁸ Refer to appendix "a" for more information.

¹⁹ Refer to appendix "a" for more information.

FIGURE 32: WATER WITHDRAWAL

Third-party water (megalitres)



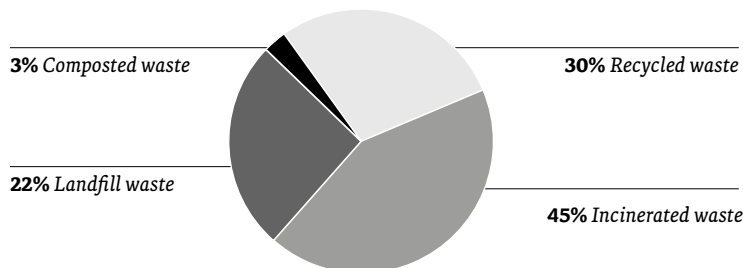
The availability of data, appointment of responsibilities, and changes in data collection methodology are factors that we account for with regard to significant deviations in a year-on-year comparison. Our data collection process in relation to waste is still under development, and is showing improvement. In coming reporting periods, a group-wide management approach will also be introduced.

Every year, we provide information on our resource management to our external stakeholders and the public via the Sustainability Report. We also communicate internally via e-mail and our platform (**EVOzone**) on an ongoing basis. For example, we share the initiatives we are implementing and the results of our energy intensity reduction measures within the organisation. Clear and transparent communication supports our staff’s engagement. The contribution of every one of us is important and contributes to achieving our energy efficiency targets.

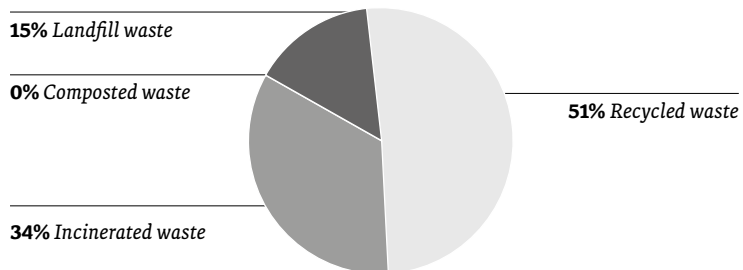
For the first time, we are also providing an overview of waste generated in table 33.

FIGURE 33: WASTE GENERATION AND DISPOSAL

2021



2022



WASTE GENERATED (IN TONNES)	2021	2022
Recycled waste	1,447	1,844
Incinerated waste	2,149	1,224
Landfill waste	1,055	530
Composted waste	134	10
Total	4,786	3,607

6. Governance –

responsible business

This section covers our material topics when it comes to governance. We introduced the governance structure at Evotec and improvements we made in 2022 in section 3.2.4. Here, we explain how we implement measures and controls to achieve our aim of conducting a responsible business. We start by describing our approach to **Compliance**, followed by **Anti-corruption**, both of which are handled by our legal department. After that we continue with the topic of **Bioethics**, where we describe our conscientious approach to handling human bio samples. We then move on to **Animal welfare**, describing our approach to using animals in our research. In the **Supply chain** section, we explain how we pursue good cooperation with our suppliers as well as the reliable and diligent sourcing of materials. We then describe our approach to **IT security**, a topic of great importance to Evotec. Finally, we explain how we implement and comply with **EU Taxonomy**.

6.1. COMPLIANCE

Compliance is a key measure and component of our corporate governance approach. Consistent corporate governance is crucial to our long-term success, as we operate in highly regulated markets and depend on our partners' trust in our daily conduct of business.

Enforcing compliance helps us to prevent, detect, and respond to violations of rules and helps to shield us from fines and lawsuits, thereby protecting our business, employees, and our stakeholders. Investing in compliance tools significantly lowers real and opportunity costs, by reducing or avoiding fraud, abuse, discrimination, and other practices that could disrupt our operations or put our business at risk.

Compliance with laws, other rules and internal regulations is part of our corporate culture and is therefore integrated in our processes and policies. Non-compliance implies significant risks, due to the loss of credibility and a resulting loss of business opportunities, while severe penalties can also not be excluded. We have a dedicated compliance team that answers subject-specific requests to our staff and also monitors new legal requirements, with a view to implementing them appropriately in our processes.

We manage compliance through our compliance programme. Our Management Board holds the overall responsibility for this programme and regularly provides compliance reports to our Audit and Compliance Committee. Our compliance programme is monitored by our group compliance officer and the department reporting to the officer. It is an independent and objective function that reviews and assesses compliance matters within the group. The compliance programme is described in the following paragraphs and includes our Code of Conduct, policies, training,

a dedicated whistleblowing platform, a compliance management system, as well as a cross-functional compliance committee.

Code of Conduct

Our commitment to a compliance-oriented corporate culture is manifested in our Code of Conduct, which defines principles for the conduct of our business that apply equally to members of the Management and Supervisory Boards and to all employees. Our Code of Conduct is published in the IR & ESG section of our website (<https://www.evotec.com/de/investor-relations/governance>). It has been updated and rolled out with our US Nasdaq listing in November 2021.

Global Policies

In addition to the Code of Conduct, the global compliance department has established several policies that are mandatory for all employees, as well as members of the Management Board and Supervisory Board. All policies mentioned below are available for employees on our internal platform, **EVOzone**. These Policies are currently:

- ▶ The Anti-Bribery and Corruption Compliance Group Policy on Insider Information
- ▶ Global Whistleblowing and Case Handling Policy
- ▶ Personal Data Breach Policy

In August 2021, we implemented an alert process via our electronic HR system, which ensures that all employees are required to acknowledge electronically that they have read and understood our compliance policies. Such an acknowledgment is also mandatory, once new or updated policies have become available. The rate of acknowledgment is regularly monitored.

Compliance training

With the implementation of the **EVOacademy** in 2022, the mandatory electronic compliance training is now hosted there. This training is provided to all new employees and requires repetition on an annual basis. With the migration of the compliance training to **EVOacademy**, we also asked those employees who completed the training more than a year ago to refresh their knowledge. Mandatory for all members of the Management Board and all employees, it is supposed to be completed within the first 6 weeks after training enrolment. The aim of our training programme is to achieve awareness of compliance aspects, to ensure that every decision meets our compliance obligations and to minimise compliance risks and deviations.

Our global compliance department monitors participation in this training programme at regular intervals. In 2022, the compliance training completion

KPI rate of amounted to 86%. Due to its integration into the **EVOacademy** in 2022, there is no comparable number available for 2021.

Whistleblowing platform

Another important aspect of accountability and transparency is the opportunity for employees to express their misgivings responsibly and effectively. We are committed to creating a speak-up environment. Potential breaches of compliance obligations can be reported to the relevant manager, our group compliance officer, global compliance department, any manager of other departments or someone in a relevant function. In January 2020, we implemented a web-based whistleblowing platform, considered to be a secure way of speaking up, when it comes to confidentiality and data protection. Under the URL <https://evotecgroup.integrityline.org/>, we provide employees and external stakeholders with a channel to report compliance-related concerns such as suspected or observed misconduct, violations of our Code of Conduct or other legal violations. **EVOwhistle** is our dedicated and secure website hosted outside the company network. It aims to create a trusted system, with protection for both the whistleblower and the person who may be the subject of the concern being expressed.

During 2022, we received 9 notifications via the **EVOwhistle** platform (2021: eight). All whistleblowing incidents received through **EVOwhistle** are required to be handled in accordance with our Global Whistleblowing and Case Handling Policy, in order to ensure, if necessary, a timely, fair, and professional investigation, as well as the required follow-up or corrective measures. Whistleblowing plays an important role in identifying risk-related

issues, and a good-faith reporter is protected against retaliation even if the report is found to be unsubstantiated or a misconduct is not confirmed by subsequent investigation. We appreciate active engagement as a sign of a good corporate culture. Through **EVOwhistle**, anonymous reporting of incidents is possible as well. Even though the European Whistleblowing Directive has not yet been implemented in all Member States²⁰, we are monitoring legal developments to be prepared for any required adaption of our whistleblowing platform based on current drafts and the laws already implemented in the Member States.

Compliance Management System

As a starting point, we are establishing a Compliance Management System (CMS), which we have decided to implement according to the ISO standard ISO 37301:2021, at our headquarters in Hamburg. We started implementing it in 2021, and are planning to roll it out step by step throughout the group in 2023 and beyond.

Compliance Committee

We have set up a Compliance Committee comprised of functions representing the global compliance, global risk management and internal audit departments. Such a Compliance Committee is generally established to develop a common position on compliance-relevant topics, thereby ensuring cross-functional communication between global risk management, compliance, and internal audit. This committee meets at least four times a year.

Table 17 provides an overview of all compliance tools and the anticipated goals (in the afore mentioned order).

TABLE 17: COMPLIANCE GOALS

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Entire review and re-design of Code of Conduct	Perform benchmark analysis and rewrite Code of Conduct based on the results	Global	2023	Not started
Refreshment of compliance training	Refresh compliance training for employees who completed the training more than a year ago	Global	Continuously	In progress
Whistleblowing platform in compliance with the EU Whistleblowing Directive and local laws	Based on the Whistleblowing platform that has already been implemented, review and update the platform and our related processes to comply with the requirements of the EU Directive and local laws	Global	2023	In progress
Installation of an adequate Compliance Management System	Implement a Compliance Management System according to ISO 37301:2021	Hamburg, Germany for selected compliance topics	Q2 2023	In progress
Global Compliance Management System	Roll out CMS on a global level	Global	2023	Not started

We are providing all employees and external stakeholders with **EVOwhistle** as a channel to report compliance-related concerns such as suspected or observed misconduct, violations of our Code of Conduct and/or other legal violations²¹. We monitor training completion and policy acknowledgment.

When we started to implement our CMS in the last quarter of 2021, we also started defining KPIs to measure the effectiveness of the CMS and our compliance efforts. As part of the performance monitoring, the participation

rate in training is evaluated, as well as the level of acknowledgement of our policies.

We are using different communication channels to reach out to our staff (e.g., e-mails and **EVOzone**). If needed, internal stakeholders with certain topic expertise are asked for their input on relevant changes, such as those related to processes or policies.

²⁰ As of December 2022, the following EU members have not implemented the directive: Czech Republic, Estonia, Germany, Hungary, Italy, Luxemburg, Poland, Slovakia, Slovenia, Spain.

²¹ To the knowledge of the Compliance department there have been no significant fines or non-monetary sanctions.

6.2. ANTI-CORRUPTION

Anti-corruption is part of our Compliance Management System. We see the management of anti-corruption risks and opportunities as the task of identifying, analysing, and mitigating risks, including the initiation of countermeasures suitable to addressing potential developments within the company and in its operating environment. This includes material circumstances for us that form part of the statutory standards for non-financial reporting, with a particular focus on corruption risks.

As part of our compliance programme, anti-corruption requires special attention, as corruption leads to dysfunctionalities in a competitive market. We do not endorse any form of corruption and our policies include clear statements as does our Code of Conduct. Severe financial risks due to fines or lawsuits, as well as reputational risks, need to be prevented by all possible means to avoid endangering our business.

Trust is a crucial factor for our business model. Corruption of any kind can increase the risk of losing business opportunities and significantly harm relationships with clients, funding bodies or providers of essential materials for our research activities. Our compliance department is in touch with relevant internal stakeholders to ensure awareness and compliance within its processes. We believe the successful prevention of corruption strengthens our business relationships with clients and other business partners who continuously choose us as a reliable partner.

In November 2021, we established and rolled out a stand-alone Anti-Corruption and Bribery Compliance Policy (ABC Policy). It is mandatory for all employees, as well as all members of the Management and Supervisory Boards, to read and acknowledge this policy, which supplements our Code of Conduct and states our non-tolerance of bribery, kickbacks, or corruption of any kind. Our employees are not permitted to give or offer anything of value (including gifts, hospitality, or entertainment) to anyone for the purpose of improperly obtaining or retaining a business advantage. Similarly, employees may not solicit nor accept anything of value for an improper business purpose. The policy has been designed to mitigate the risk of bribery, to avoid the appearance of wrongdoing and to enable us to respond promptly and effectively to any inquiries about proper conduct. Employees who violate our policy may be subject to disciplinary action, up to and including termination.

The acknowledgement of our ABC Policy is regularly monitored. We foster understanding of its content by also addressing anti-corruption matters within our mandatory compliance training. The training has been hosted on our internal learning platform, **EVOacademy**, since the first quarter of 2022. Given that, in previous periods, compliance training was delivered through an external platform, all employees were required to repeat the training.

Even though we are already addressing anti-corruption topics in our training courses, policies, and Code of Conduct, we are dedicated to enhancing our efforts against corruption. Table 18 provides an overview of how we already combat corruption within Evotec and when we intend to use additional tools to fight corruption also in the future.

TABLE 18: HOW WE COMBAT CORRUPTION

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Prevention of corruption and bribery	ABC Policy	Global	Effective as of 3 November 2021 in its current version	Done
Staff awareness of corruption and bribery	Compliance training and monitoring of training completion	Global	Annually	In progress Ongoing task
Establishment of compliance controls with regard to ABC policy	As part of our Compliance Management System, further definition and documentation of processes and procedures for compliance controls relating to ABC policy	Not defined	2023	Not started

We are evaluating participation in our compliance training, which includes anti-corruption aspects of the ABC Policy, as one of our non-financial KPI's. Please refer to section **6.1. Compliance** of this report for more details on our mandatory compliance training. Due to the significant overall growth of our business and, in particular, the increasing number of employees, a meaningful infrastructure needs to evolve. Consequently, we may further develop or modify our performance indicators to establish a reliable and long-lasting validity in our reporting figures.

When it comes to corruption, we had not recorded any cases by the end of 2022.

Our communication on anti-corruption is embedded in our overall communication on compliance topics. To learn more, please refer to section **6.1. Compliance** in this report.

Internal stakeholders, a key requisite for the effective prevention of corruption, have been identified. We integrate and collaborate with them whenever we create and review processes or policies.

6.3. BIOETHICS

Our ability to perform R&D depends heavily on access to human biosamples. This requires high levels of responsibility when it comes to bioethics. This topic affects our entire society in a number of ways, for example, the conditions for acquisition and use of such human samples and the application of new technologies such as Next Generation Sequencing (NGS), stem cell research, or genetic modification via Clustered Regularly Interspaced Short Palindromic Repeats (CRISPR). Moreover, with the availability of modern techniques to reveal a person's identity by genetic sequencing, the trust accorded to us by donors cannot be overstated. It is therefore of great importance that we act according to the donor's consent and to all applicable laws and regulations in relation to bioethics and the General Data Protection Regulation (GDPR). Over the past few years, the awareness of bioethics has been increasing steadily, leading to a regular exchange with customers and suppliers, on our daily approach to addressing this topic.

Compliance with all applicable rules and regulations and receiving the donor's full consent is essential to us. Failure in either of these would result in a general loss of donor trust, fines for the company, and a loss of reputation. A loss of business and reputation could have a negative impact on the entire company. At Evotec, we have dedicated teams specialised in handling all aspects of biosamples from sourcing and acquisition to storage and handling. These teams (Human Sample Acquisition and Human Biosample, Strategy and Operations), together with our Legal & Compliance organisation, efficiently bundle our expertise and ensure compliance and high-quality standards for human sample management.

6.3.1. RESPONSIBLY MANAGING HUMAN BIOSAMPLES

Non-GxP Human Sample Management at Evotec follows our global policy (Evotec Policy on Use of Human Samples and Associated Data for Research) and subordinates global and local Standard Operating Procedures (SOPs). The policy was released in the third quarter of 2022, when all employees were required to read and acknowledge it via our HRIS platform.

The policy and SOPs, as well as the day-to-day handling of human samples, are safeguarded by two expert teams: Human Sample Acquisition (HSA) and Human Biosample Strategy and Operations (HBSO). These teams serve as a point of contact for all our employees regarding questions about human biosamples.

Together with Evotec's Legal & Compliance organisation, the teams act as an interface with our external suppliers to guarantee that sample collection and handling complies with all regulations and ethical standards. A milestone will be the currently ongoing replacement of local site-specific databases with an Evotec-wide sample management system, which complies with GDPR regulations and tracks all human biosamples at Evotec on a global level. Our Quality Management team is closely involved in ensuring sample quality during the entire process.

To keep up with current developments in the field of bioethics and best practices in human biosample handling, our teams undergo continuous internal and external trainings, including the participation in relevant conferences. We are also a member of the International Society for

Biological and Environmental Repositories (ISBER). The development of an internal educational training unit, available to all employees, will contribute to further dissemination of knowledge and raise awareness of the topic.

Many topics in bioethics go beyond the scope of current legislation. In 2022, we therefore committed to establishing an internal Evotec Human Sample Ethics and Compliance Advisory Board. This board will commence its work in Q1 2023. In addition, we also ask external experts for their advice.

6.3.2. HANDLING CLINICAL SAMPLES UNDER GXP

Our dedicated GxP accredited site in Verona, Italy operates according to guidelines established by the European Medicines Agency (EMA) and the United States Food and Drug Administration (FDA), with all analyses being performed in compliance with Good Laboratory Practices (GLP) or Good Clinical Practice (GCP) regulations. Moreover, our bioanalytical laboratories in Verona have received GxP accreditation from the Italian Ministry of Health and are authorised by the Italian Drug Agency (AIFA) to perform analysis supporting clinical trials. This includes the highest standards of human sample management.

6.3.3. DISEASE MODELLING WITH iPSC

We consider induced Pluripotent Stem Cells (iPSCs) to be a highly valuable resource, both for human disease modelling and regenerative medicine, thereby substantially increasing the possibility of discovering new drugs in screening formats and of treating life-threatening diseases through cell therapy-based strategies. If a patient agrees to sign the consent form, our partner will proceed and collect a tissue sample. From this point onwards, samples are handled under a unique sample ID number and no personal information is shared with us to protect patient rights. Should a patient decide to withdraw consent, they can contact the clinical site or partner. We will then destroy the respective samples and all derivatives thereof. iPSC reprogramming is performed at the partner's site or at Evotec according to standardised procedures. For rare diseases that affect a small percentage of the population, as well as specific mutations for which patients are hard to find, we use genetic engineering to introduce disease-specific mutations to iPSC lines. This methodology is applied when the overall patient population is too small for the patients to become pseudonymised.

Our recent achievements, as well as short-term goals for 2023 within the bioethics' area, are listed in table 19.

TABLE 19: GOALS FOR TOPICS RELATED TO BIOETHICS

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Procurement of globally used central database system for management of human biosamples	1. Purchase of database system (both for physical sample tracking and associated clinical data) 2. Implementation across Evotec	Evotec Group	1. 2022 2. 2023	1. Done 2. In progress
Global harmonisation of documents (directives, SOPs, work instructions) across Evotec sites and in line with the policy on human biosample use	Local SOPs/WI have been adapted to be in line with global documents	Evotec Group	2023	In progress
Evotec Human Sample Ethics and Compliance Advisory Board assumes work.	Inaugural Advisory Board meeting	Evotec Group	2023	In progress
Introduction of internal training on human biosample compliance	Employees to complete annual training	Evotec Group	2023	In progress

6.3.4. FURTHER DEVELOPING OUR BIOSAMPLES HANDLING STRUCTURES

Bioethics has continued to be an important topic for Evotec, to which we have directed a great deal of energy in recent years. Our actions to centralise our bioethics compliance activities, which we extended in 202, have enabled us to record some key achievements. Beyond the global implementation of our first policy on the use of human samples and their associated data for research, we have also invested in a global sample management database system and established workflow and IT systems for sample acquisition requests within Evotec, with a view to supporting and strengthening our organisational structures. To ensure compliance and the continued availability of ethically sourced samples, we have also implemented a standard material transfer agreement template language for human sample acquisition and use, and added new commercial suppliers of human samples to our vendor database of approved suppliers.

Once we have completed the implementation phase of our new internal human sample acquisition and management platform in Q4 2023, we will decide on selected KPIs. This will allow us to constantly monitor our performance in fulfilling bioethical standards as well as that of our role as an internal service infrastructure within the company.

We plan to evaluate the effectiveness of the newly implemented internal structures to streamline human biosample acquisition and, sample management. We also plan to resolve ethical issues, by feedback from internal stakeholders such as scientists, users of human samples and other departments like Legal/Compliance and Procurement. Internal referencing and citation of our policy is another indicator of successful implementation. We also started an ongoing evaluation of our approach to human sample management and its validity, by checking it against new developments in the field of bioethics. Many discussions are evolving around the use of human samples, especially in relation to new technologies. We aim to share our expertise in these discussions. Furthermore, we want to learn from experts in the field to ensure that we handle human samples in the best possible way. We evaluate our internal processes for robustness and effectiveness, and adapt them, when required. An example of this is

the introduction in 2022 of a global sample acquisition ticket system for managing requests made by Evotec researchers.

For internal communication we use different channels ranging from formal training and mandatory tasks to informal briefings and presentations on bioethics and human biosample best practice. We frequently interact with external stakeholders regarding our due diligence and take any feedback into consideration to further improve our internal processes.

6.4. ANIMAL WELFARE

Today, animal use is still a required part of drug discovery. We are, however, constantly working to identify scientifically robust methods to replace animal work. In cases where animal work is still required, we believe that it needs to be performed at the highest ethical standards. We have therefore positioned ourselves on a high rung on the animal welfare and scientific robustness ladder. At Evotec, we do not only focus on the research to deliver medical solutions for patients but also on the way our work is conducted, considering our colleagues' psychological safety when doing animal work and the ethical treatment of animals.

Animal welfare is a highly regulated topic in Europe, particularly in Germany. We therefore have to comply with a wide variety of regulatory requirements and subject our work to regular audits. This could potentially impact our activities if standards are not met. As a result of our high standards and continued efforts to ensure animal welfare, according to laws and regulations, we continue to strive to lower the numbers of animals used and achieve the best possible quality of results. Visits and audits that have been completed in recent years provide evidence of our work's compliance standards, as presented in table 20.

TABLE 20: AUDITS & VISITS OF IN-VIVO UNITS BY REGULATORY BODIES 2020-2022

	COUNTRY	SITE	DATE	AGENCY
2020	Austria	Orth an der Donau	5 November	AAALAC
	Germany	Göttingen	15 July	Veterinary pharmacy audit by LAVES
		Hamburg	3 June	Legal authorities animal welfare act §16 (Behörde für Gesundheit und Verbraucherschutz)
			9 November	Veterinary pharmacy audit by local authorities (Behörde für Justiz und Verbraucherschutz)
Italy	Verona	14 December	Italian Ministry of Health	
2021	Austria	Orth	20 October	Legal authorities unannounced audit (§32(2) TVG 2012)
	Germany	Hamburg	7 July	Legal authorities TierSchTrV
		Göttingen	18 October	Legal authorities unannounced audit TierSchVersV
	France	Toulouse	26, 28 and 29 October	AAALAC
	Italy	Verona	31 May and 1 June	AAALAC
19 October			Legal authorities unannounced visit	
2022	Austria	Orth an der Donau	14 July	Legal authorities unannounced audit (§32(2) TVG 2012)
			10 November	AAALAC
	Germany	Göttingen	21 and 22 April	Internal QM audit
			6 July	AAALAC
		Hamburg	7 April	Legal Authorities Animal Welfare Act §16 (Behörde für Justiz und Verbraucherschutz der Freien und Hansestadt Hamburg; Amt für Lebensmittelsicherheit und Veterinärwesen)
	17 October		Hamburg Board of Veterinarians (Tierärztekammer)	
UK	Alderley Park	4 and 18 November	AAALAC	

Our approach to animal testing at Evotec is based on the principles of the 3Rs, whereby animals are only used where no adequate non-animal alternatives exist (Replacement), the minimum possible number are used (Reduction), and the burden on the animal is minimised (Refinement).

Using this approach, we currently manage the topic of animal welfare through a multidisciplinary group of employees at Evotec, including a growing number of veterinarians; in 2022, the number of veterinarians increased to 22 in comparison to 20 in 2021.

An important aspect of our work is continuous education. To this end, we attend relevant conferences. Every person involved in animal work must keep a training record detailing further education in this field on an annual basis.

To increase the level of expertise, Evotec supports further education at a level that exceeds the required amount for veterinarians and scientists. A long-term goal is to educate all German veterinarians to become board-certified veterinary specialists for laboratory animal sciences; the time required to complete such studies is four to six years. This specialisation would enable us to significantly improve the quality of our animal work and welfare. Animal welfare is a central topic within this training programme, with teaching provided on methods to replace, reduce, and refine animal work.

You can find other goals and measures related to animal welfare in table 21.

TABLE 21: GOALS ON ANIMAL WELFARE MATTERS

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Right at First Time (RFT) > 95%	Evaluation of all studies towards RFT	Evotec Group	Quarterly review	In progress
Veterinary specialisation in Laboratory Animal Sciences	Education towards content of teaching plan from Veterinary Board	Evotec Germany	4–6 years after employee starts the programme – first graduation in 2026	In progress
Harmonisation of common procedures and evaluation guidelines	Identification and preparation of additional global quality documents for relevant topics	Evotec Group	Continuously	In progress

The number of animals that our business uses each year is based on many variables. The number of integrated drug discovery projects is, however, a key driver of animal usage, since each project typically uses animal testing for the assessment of pharmacokinetics, pharmacology, and toxicology.

Although the total number of animals used per annum may increase or decrease overall, depending on the number of Evotec projects and associated *in vivo* scientists, it is anticipated that the average number of animals used per project should in future decrease, based on five scientific developments in the industry and at Evotec, which are outline below:

Firstly, at Evotec we continue to invest significantly in human *in vitro* assays and cellular models (e.g. iPSCs, 3D liver models) that aim to identify the best molecules for further evaluation. Continuing scientific developments in these human *in vitro* systems should result in fewer and better molecules progressing to animal testing for assessment of pharmacokinetics, pharmacology and toxicology.

Secondly, our *in silico* R&D platform has the potential to predict the most suitable targets for a given disease, the best molecules for a given target and the expected biological activity of synthesised molecules. This *in silico* screening is further anticipated to reduce the requirement for animal testing.

Thirdly, our business's medicinal chemistry and molecular discovery artificial intelligence-driven platform aims to identify the best compound and candidate molecule in a shorter time, with fewer Design Make Test (DMT) cycles and a reduced overall number of molecules to reach the candidate. These advances in molecular design are also expected to reduce the number of animals used per project.

Fourthly, the readout methods are constantly being improved, so that less material is required to obtain scientifically sound data. A higher number of informative data can also now be derived from a single sample, which decreases the number of animals per project.

Finally, more sophisticated models with humanised organs or immune systems, disease tissues, proteins or genes have recently been developed, with the aim of enhancing translation and predictivity to the human setting.

Taken collectively, animal testing is therefore anticipated to be minimised to key scientific studies that aim to confirm the biological activity of high-quality candidate molecules rather than utilising *in vivo* testing for broad screening of large numbers of molecules.

Despite major investments and great progress at Evotec to pioneer human cellular systems and models, as illustrated in our **PanOmic**-based modelling of drug induced liver injury (DILI), the full replacement of *in vivo* testing is still at an early stage and the robust prediction of clinical outcomes for novel molecules has yet to be fully established in a complex disease environment. Nevertheless, Evotec is fully engaged in and committed to this ambition.

The topics and goals described above can be measured following the SMART²² approach. The goals are designed to continuously improve the overall performance in animal welfare and animal work. We have regular meetings to discuss any deviation in studies across all sites to learn from and improve our processes.

To avoid unnecessary animal testing, we monitor the Right at First Time (RFT) rate. At Evotec, we aim to keep it above 95%; it was at 95.6% on average in 2022.

In addition to the RFT, Evotec will commit to prospectively measuring and reporting the number of animals used versus a success-based integrated project KPI, i.e. the number of animals used to achieve a project candidate nomination. This KPI is important because it measures animal use against a successful drug discovery outcome rather than the overall size of the company or how many projects are operating in a given year. It would therefore be expected that Evotec's investment in the 3R's would result in a reduction in animal use relative to successful candidate drug nomination.

In the field of animal welfare, different stakeholders are involved. This includes but is not limited to experts from different disciplines, such as laboratory animal sciences veterinarians, scientists with a specialisation in various disease areas, *in vitro* scientists, and animal care specialists. We therefore also evaluate the level of harmonisation to include common topics when working with animals, so that we can be sure that in the most important areas, we are doing things the same way at all our sites. We want to ensure a good comparability. In one harmonisation improvement initiative, we are working on a guideline for RFT assessment and on a global SOP that describes the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) process. Furthermore, burden assessment is a topic that should be subject to the same rules at all sites.

We are currently finalising a proposal to communicate about animal work both internally on the **EVOzone** for all employees and externally on the website. The communication and transparency of animal welfare is a very important and highly sensitive topic that is usually addressed by our Senior Management.

²² Approach to set goals on a specific, measurable, achievable, realistic and time-bound basis.

6.5. SUPPLY CHAIN

Good cooperation with our business partners as well as the reliable and responsible sourcing of materials are crucial to Evotec’s corporate success. We are guided by the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. We therefore expect our current and future suppliers to fully comply with all applicable laws and to adhere to internationally recognised environmental, social, and corporate governance standards. Furthermore, it is important for us to prepare for the requirements of the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), which will take effect for all companies with at least 1,000 employees in Germany, including Evotec, on 1 January 2024.

At Evotec, Supply Chain Management includes the areas of Procurement, Logistics, Facility Management, and Engineering. On the one hand, we can have a positive impact on costs and the quality of goods and services, as well as on the performance of suppliers. We can also manage GHG emissions through our procurement activities. On the other hand, interruptions within the supply chain can affect our business operations significantly. The selection of the right suppliers and good supplier relationship management is important for ensuring undisrupted and sustainable business continuity.

One of the main requirements of the Due Diligence Act for Companies in Supply Chains (LkSG) is the establishment of a risk management system and the performance of a continuous risk analysis. A risk assessment matrix was therefore developed in 2021, which is mainly based on the results of a supplier risk web-based management platform that was implemented in 2020. The platform combines sustainability social media screening and ESG supplier assessments. Each supplier needs to upload certificates and

answer questionnaires related to the following categories: anti-bribery and anti-corruption, environmental protection, human rights and labour, carbon footprint, health & safety, and supply chain responsibility, among many others.

Since 2020, more than 3,800 of our 8,500 suppliers have been invited to register on the platform. These are all suppliers with whom Evotec has spent more than EUR 1,000 between 1 January 2020 and 31 December 2022. By the end of 2022, more than 2,600 suppliers had already completed their profiles on the platform. These suppliers represent roughly 62% of Evotec’s total spend, in comparison with 64%²³ by the end of 2021. The next step is to encourage suppliers that are not yet registered to complete their profiles, analyse supplier profiles that do not fully meet our requirements, and agree on corrective actions. In addition, our target for 2023 is to integrate supplier risk assessment into the supplier onboarding process to ensure their compliance before starting a business relationship. In the coming years, stronger engagement with suppliers will become more important, also in the context of achieving targets that have been set and submitted with the Science Based Target initiative.

In July 2022, we issued a Supplier Code of Conduct stating our ethical behaviour standards with a view to deploying them along the value chain; our Supplier Code of Conduct is available within the governance section of our external website in the following link: <https://www.evotec.com/en/investor-relations/governance#code-of-conduct>. We also published new Terms and Conditions of Purchase in September 2022, which states that our Supplier Code of Conduct is binding. Table 22 includes our upcoming plans and targets which should be fulfilled by the end of 2023.

TABLE 22: GOALS RELATED TO SUPPLY CHAIN

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Increase the transparency of our supply chain	<ul style="list-style-type: none"> ▶ Onboard suppliers to our risk management platform ▶ Agree on corrective actions with non-compliant suppliers 	Evotec Group	Continuously	In progress
Improve supplier selection	Implement ESG supplier risk assessment into the supplier onboarding process	Evotec Group	Q4 2023	In progress
Reduce Scope 3 Emissions	Implement supplier engagement campaign	Evotec Group	2023	Not started

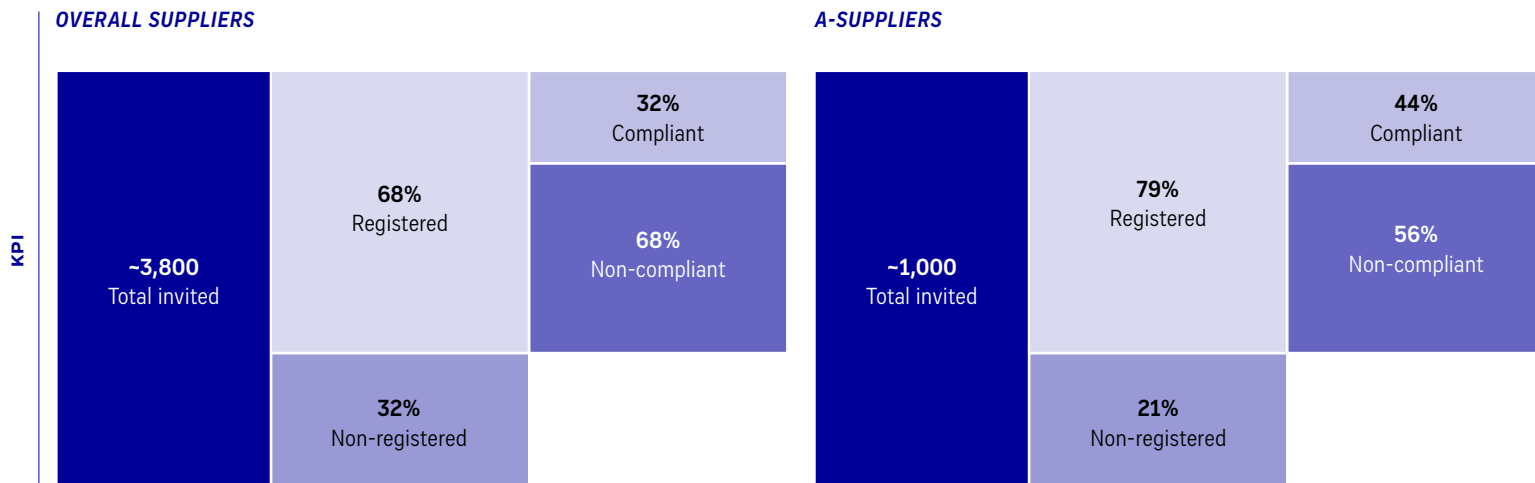
In the last quarter of 2022, we evaluated our suppliers’ ESG performance and asked them to register and complete questionnaires on the platform. We track progress on overall and country-specific registration rates and the ratio of compliant suppliers. As we are still in the early stages, the primary focus is on our A suppliers; those with whom we had an annual spend of more than EUR 100,000.

Our main KPIs are the percentage of registered suppliers (overall and A-suppliers) and the percentage of compliant suppliers (overall and A-suppliers). Each of our 11 assessment topics has a specific weightage. These weightages will be credited to the supplier if it has a ‘green’ status

in this assessment topic in the platform. For us, a supplier is compliant as soon as they reach a score of 75%. These KPIs allow us to determine whether the approach and efforts of our procurement teams working with suppliers have been successful. Based on the results, we can adjust our approach and use additional tools to improve the above-mentioned KPIs. In figure 34, we present the composition of our supplier pool.

²³ This proportion is corrected from a disclosed number of 80% in the Sustainability Report 2021.

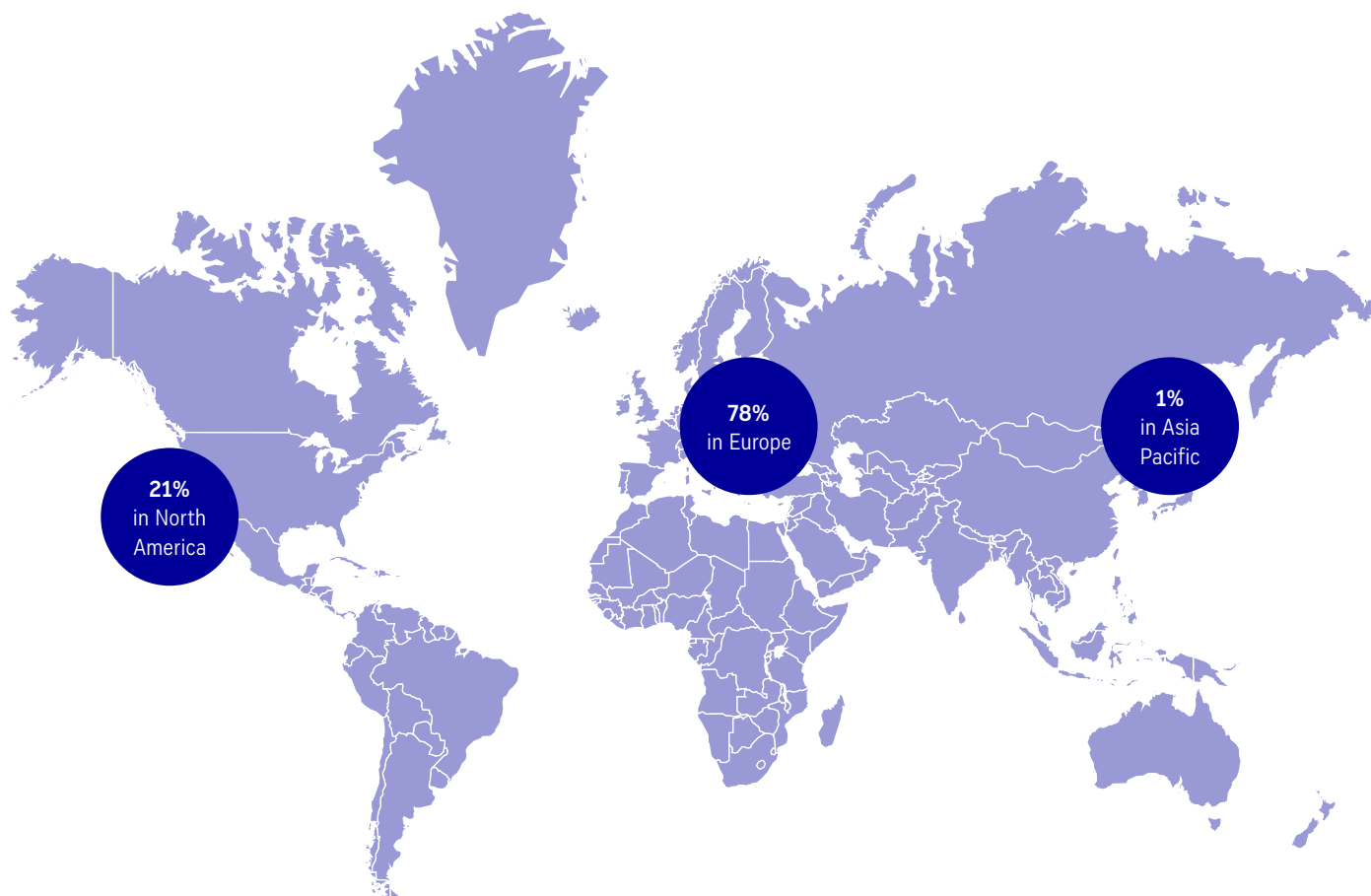
FIGURE 34: POOL OF SUPPLIERS AND THEIR STATUS IN 2022



Moreover, we monitor the number of suppliers from Non-OECD Countries (2022: 87) and the number of suppliers from Non-OECD Countries that are assessed with the risk management platform (2022: 14).

From our active supplier base, 99% of Evotec's suppliers originate from OECD countries. In figure 35, you can find a detailed illustration of our suppliers' geographical location.

FIGURE 35: LOCATION OF SUPPLIERS



For our sustainability reporting, we also track suppliers that have been assessed according to social and environmental criteria, including new and total suppliers screened via the platform. Table 23 displays the suppliers that have been assessed in 2021 and 2022.

TABLE 23: TOTAL AND NEW SUPPLIERS ASSESSED ACCORDING TO ENVIRONMENTAL AND SOCIAL CRITERIA

	2021	2022
New suppliers assessed using social and environmental criteria	37%	1%
Suppliers* assessed using environmental criteria	1,702	2185
Suppliers identified as having actual and potential negative environmental impacts	754	925
Suppliers* assessed for social criteria	1,631	2107
Suppliers as having actual and potential negative social impacts	400	451

*Total suppliers include all those who have been assessed since the beginning of tracking (2020).

Currently, we are evaluating the transition to a new platform to assess and track our suppliers' ESG performance. This measure led us to reduce the number of new suppliers invited to our current platform, hence the reduction in new suppliers that were assessed in the reporting period.

Furthermore, we have identified a relevant number of suppliers with a status that can refer to having a negative environmental or social impact. We have also found that the reason for this might originate from a lack of certified standards for social issues (e.g., SA8000 certification), the lack of an environmental management system (e.g., ISO 14001 and EMAS), and a lack of policies addressing environmental/social issues. It is also possible that the requested information was not provided by the supplier.

If any changes are planned to the current process, an exchange takes place with the respective departments. In general, these departments are Risk Management, IR & ESG, and Legal and Compliance. With regard to the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), we have been conducting a monthly update meeting with our Legal & Compliance team since November 2022 to ensure that all legal requirements will be fulfilled.

6.6. IT SECURITY

In an environment in which the protection of intellectual property is a key competitive factor, the company's good reputation will hinge upon the security, quality, and integrity of its data. For this reason, information security is of paramount importance to us at Evotec. Not only intellectual property, but also sensitive information belonging to customers, employees and other stakeholders must be protected.

Security of information is an integral part of Evotec's management structure to maintain the continuity of our business, legal, and regulatory compliance and to adhere to our best practices. Confidentiality, availability, and integrity are essential for our business's information assets and remain a strategic issue for reasons of trust and privacy. Digital technology is becoming increasingly important, with cyber-attacks being a common risk for any enterprise²⁴. We therefore aim to strengthen the mechanisms that protect our data, secure our information systems, and maintain our operational performance.

Evotec has started to implement an Information Security Management System (ISMS) according to ISO/IEC27001 to control information security risks, to develop standard information security processes and to raise employee awareness of information security aspects. The governance body of the ISMS consists of the Chief Finance Officer (CFO), the Chief Operations Officer (COO), the Chief Business Officer (CBO) and the EVP Head of Information Technology (IT). The latter is responsible for board-level strategy agreement, securing sufficient funds and resources for the strategy, and keeping the board up to date with major security concerns.

Our approach to information security is to ensure the confidentiality, integrity and availability of our assets, information, and IT services by preventing unauthorised access, use, disclosure, disruption, modification, recording, or destruction of information. We believe that being proactive, assessing our risks, and mitigating them by taking appropriate measures, are key to ensuring the sustainability of our performance. Actions to support our preventive measures include the continuous provision of awareness training to our employees. This aims to increase their knowledge of evolving threats, to explain their role in preventing incidents and to provide them with the common language and understanding of information security topics.

Continuous improvement, which aims to always do better and not be content with the status quo, is considered to be crucial to our success. Furthermore, the importance of stakeholder's interests, means that their requirements are integrated into information security strategies and fulfilled with the implementation of the ISMS. We ensure compliance with the applicable laws and regulations by considering them as a crucial part of the ISMS, and always review our practices to identify improvement opportunities.

In 2023, we aim to achieve ISO/IEC 27001 certification for the ISMS at four additional sites (France: Lyon and Toulouse; Italy: Verona; UK: Abingdon – Aptuit). We will prioritise the activities to accomplish this goal. During 2022, implementation of the ISMS was achieved at one of our UK sites, Abingdon, which corresponds to Evotec (UK) Ltd. Table 24 presents the related roadmap and timeline.

²⁴ Please refer to **Subsequent events**, located at the end of the **Outlook** section, to learn about events that took place after the end of the reporting period.

TABLE 24: GOALS & MEASURES OF IT-SECURITY ENVIRONMENTAL AND SOCIAL CRITERIA

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
ISO/IEC 27001 certification	Global ISMS roll-out and certification audit	France, Italy, and UK	2023 ▶ Evotec SAS: Toulouse, France ▶ Aptuit SrL: Verona, Italy ▶ Evotec ID SAS: Lyon, France ▶ Aptuit (Oxford) Ltd: Abingdon, UK	In progress

KPI

We evaluate our IT Security management by closely monitoring any breaches throughout the year regarding customer data and f customer data losses that were reported by outside parties and/or regulatory bodies. No breaches were reported during 2022, which was also the case in 2021.

At Evotec, we have a security communication plan to cover internal and external stakeholder requirements and internal processes. For our internal stakeholders, all relevant documents are available in our **EVOzone** platform and awareness training is required for all employees via our learning platform **EVOacademy**. Additionally, preventive messages and security warnings are sent when needed.

6.7. EU TAXONOMY

The EU Taxonomy regulation (hereafter referred to as EUT regulation) describes a framework to classify sustainable economic activities. It creates a framework for the concept of sustainability, defining exactly when a company or enterprise is operating in an environmentally sustainable manner. The focus is on the following six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, as well as the protection and restoration of biodiversity and ecosystems.

We value the EUT as part of a transitional plan for a greener economy in Europe and the rest of the world. We support this approach as it helps all parties to pursue a clearer classification of sustainable activities, to avoid greenwashing and to improve the allocation of investments. We therefore aim to make our sustainable activities under the EUT more transparent and comprehensible for all investors and other stakeholders. We strive to increase our share of eligible activities and achieve alignment in the future.

Companies making disclosures under the EUT are likely to appear in a positive light and should therefore benefit from better access to capital. The legislation also aims to reward and promote environmentally friendly business practices and technologies. If companies do not report under the EUT, there is no standardised way for companies to indicate their efforts to combat climate change. Disclosing under the EUT raises the awareness of our employees towards sustainable business and creates more sustainable practices within Evotec. Implementing EUT is a cross-functional challenge – it is important for everyone involved to cooperate and understand the process and its goal. Otherwise, there is a risk that information will not be properly collected, reviewed, and prepared for disclosure, leading to an erroneous statement.

For the implementation of EUT at Evotec, the ESG team has established a cross functional task force. The task force team is comprised of members of Facility Management, IT, Accounting, Controlling, Legal, Procurement and the IR & ESG departments. In 2021, we disclosed for the first time under EU Taxonomy. In an overall assessment, we found that our main business activity is not covered by objectives that currently form part of EU Taxonomy: climate change mitigation and climate change adaptation. Nevertheless, we continue to analyse our cross-functional business activities. We do this by screening our capital and operational expenditures against the requirements of the two aforementioned EU Taxonomy objectives. For the financial year 2022, the process continued to be a manual assessment as we do not yet have a system solution to track eligibility and alignment with EU Taxonomy.

Furthermore, we calculated the eligible items share of capital expenditure (CapEx) and operational expenditure (OpEx) per activity. The result can be found in our disclosure table in the appendix of the Sustainability Report.

Our main business activities are not covered by the mitigation and adaptation objectives of the EUT regulation. As a result, 100% of our turnover is not eligible and and is neither aligned with climate change mitigation nor with adaptation objectives.

We found eligible activities among our OpEx and CapEx. We concluded that our CapEx has a representation of 31.5% for eligible activities under the EUT objective of climate change mitigation. In addition, 2.1% of our OpEx are eligible activities under the EUT objective of climate change mitigation in 2022²⁵.

To improve our disclosure process, we have introduced a proactive approach to identifying eligible activities within our internal systems for 2023. Employees will be able to notify our task force of eligible activities via our procurement system when they submit a purchasing order. Afterwards, our cross-functional task force will screen items submitted against technical and social criteria. This process is to be implemented step-by-step for items recorded in the financial year 2023 onwards, as described in table 25.

Beyond finding eligible activities, we aim to have EUT-aligned activities in the future because we are convinced that we can contribute to climate protection under the EUT. To do this, we will educate the functions that take part in the EUT process about Taxonomy, its purpose and goal, including criteria that need to be met to align with the regulation. This leads us to consider how to better align our operational and capital expenses with all the criteria required for compliance.

²⁵ Refer to appendix "b" for more information.

TABLE 25: EU TAXONOMY GOALS

GOAL	MEASURE	SCOPE	MILESTONES (TIMELINE)	STATUS
Increasing awareness of EU Taxonomy and environmentally sustainable activities	Communicating with heads of functions and key decision makers about the relevance of the topic in meetings, sharing Information about the EU Taxonomy	Evotec Group	Continuous	In progress
Improvement of EU Taxonomy procedures and processes	Definition and implementation of approach to proactively tag eligible activities; definition of cross-functional task force for technical review; update of topic's governance structure	Evotec Group	2023	In progress
Disclosing eligible and aligned activities for climate change mitigation and climate change adaptation objectives under EU Taxonomy	Prepare disclosure following screening of eligible activities against regulation criteria and calculation of KPI proportions for objectives 1 and 2.	Evotec Group	23 May 2023	Done

We evaluate the effectiveness of our approach to EUT with our progress on the implementation of a regular process to identify eligible and aligned items that we report under the EUT. Moreover, we count the number of eligible and aligned items under the EUT to rate the effectiveness of our contribution to the EUT.

We communicate regularly with internal stakeholders on our actions related to the Taxonomy regulation. We continue educating and informing all employees about our efforts with regard to the EUT. To improve the process, we incorporate the feedback of our cross-functional team. Additionally, we communicate our efforts to comply with the regulation and future plans to increase our eligibility and aligned activities to external stakeholders through this report. External stakeholders' feedback is always considered and integrated when applicable.

7. Risks relating to non-financial matters

We see the management of *non-financial risks* and opportunities as an ongoing task that involves identifying, analysing, and mitigating risks. It includes the initiation of countermeasures designed to offset any negative developments within the company and in its environment. Consciously identifying and managing risks is an essential part of the Group's strategy to establish a resilient structure. This can, however, also lead to opportunities that may have a positive impact on the planned targets. This assessment is performed with Evotec's material topics in mind. The last three years have shown that we are operating in an environment in which risk plays a significant, dynamic role. This requires a correspondingly dynamic, flexible risk management approach, which we aim to steadily improve and continuously adapt to changing situations.

Currently, the identification of *non-financial risks* and opportunities is coordinated by the ESG department, separately from the central financial risk management by our Global Internal Audit, Risk & Control team at Evotec. So far, the central financial risk management team has been following an exclusively cash impact-based approach to the risk identification, management, and reporting process. Evotec's material financial risks feature in the Annual Report.

For the assessment of *non-financial risks* related to material topics, "topic owners" are provided by the various functional areas involved. Each topic owner assesses and captures qualitative information on their topic responsibility. Non-financial impacts (risks and opportunities) related to

our material topics are generally provided for this Sustainability Report and disclosed in the section related to each topic. It is planned that material will be shared with the global risk management department and are subject to analysis on a case-by-case basis.

As part of the standards for sustainability reporting, we are in the process of expanding our risk management approach and linking financial risks more closely to *non-financial risks*. Our aim is to capture our negative and positive impacts by considering the inside-out and outside-in perspective in relation to our material topics. Starting in 2023, we aim to capture our impacts holistically and thoroughly, by building on our initial materiality assessment with a more comprehensive materiality and impact assessment later in the year. We also aim to capture physical climate risks, for example the risks of flooding. We are currently working to ensure that these risks are captured as part of the global risk management approach and -reporting to establish a combined reporting to the Management and Supervisory Boards.

From our assessment of *non-financial risks*, no material risks relating to the material topics covered in this Sustainability Report have been brought to our attention.

Information on material financial risks arising from Evotec's business activities can be found in the Management of Risks and Opportunities section of the Group Management Report in the Annual Report 2022. We aim to publish a joint report on non-financial and financial risks next year.

8. Outlook

Last year, we have made significant progress in linking our sustainability strategy more closely to our corporate strategy. Due to the long-term focus of our mission to discover, develop, and manufacture medicines that matter, together with our partners, in order to positively impact patients' lives around the globe, we can only be successful when thinking and acting holistically. We will therefore continue to further refine our strategy and related goals to set up a robust and sustainable business, designed to have a positive impact on future generations.

We started 2023 with confidence and excitement, with the submission of our near-term SBTi targets on 2 January 2023. Based on this, we shall set our long-term CO₂ reduction targets for Scope 1, 2 & 3 emissions that are aligned with the 1.5°C pathway. We plan to submit these targets to the SBTi initiative for review and approval by January 2024 at the latest. We will also define our roadmap of milestones and necessary investments to fulfil our commitment to neutralise unabated emissions as the last step in the alignment with the Paris Agreement.

Besides further improving our impact on the environment, we will dedicate our efforts to predominantly social topics. To check the health and wellbeing of our employees and to develop an action plan to further improve our working environment, we will conduct an engagement initiative between 2023 and 2024. The feedback of our more than 5,000 colleagues will provide valuable input to help us make Evotec an even more inclusive and equitable workplace in the future.

We intend to integrate sustainable practices even more strongly into the day-to-day work at Evotec. As this requires guard rails, we will strive to make our governance structure even more effective. An important part will be the nomination of sustainability champions at all our sites. This will enable us to involve employees at all our sites even more in our sustainability journey.

One strategically important measure in 2023 will be a comprehensive materiality and impact assessment, forming the basis for a further convergence of our business and sustainability strategy. In preparation for complying with new rules on corporate sustainability reporting, the Corporate Sustainability Reporting Directive (CSRD), we will assess our positive and negative impacts on the environment and society and the impacts of the environment and society on us (double materiality). It is also an important step towards our goal of reporting in accordance with GRI in our Sustainability Report 2023 and of publishing an integrated financial and non-financial report in 2025.

The assessment will assist us in realigning our material topics defined in 2020 and in potentially integrating new material topics. We anticipate that a potential new focus topic will be that of human rights. We plan to create a more comprehensive approach to strengthening human rights along our entire supply chain and within Evotec. The topics Biodiversity and Circular Economy will also require a stronger emphasis in the future. We will therefore promote sustainable research and production as well as green chemistry at Evotec.

Developing medicines that matter without compromising our environment is our contribution to humanity. This has been our North Star that has been guiding us over the last 30 years and that will also lead us into the future.



SUBSEQUENT EVENTS

On 6 April 2023, the Group suffered from a criminal cyber-attack that targeted many of Evotec's operations which caused disruptions to many of its IT systems in several countries and temporarily stopped or reduced the research and production activities. The Group has been working relentlessly and prompt actions were taken to contain the incident, mitigate its impact and to return the operations to normal as soon as possible. Operations recovered within days however it is possible that there may be a significant impact on the Group's 2023 financial performance. The Group is currently assessing the estimated impacts this criminal action may have on the Group's

operations. The financial impacts are expected to be partially mitigated by the Group's business interruption insurance, however due to the early stage of discussions with insurers the expected amount of reimbursement cannot be determined at this time.

As a result of the cyber-attack, a delay in external reporting occurred, which has led to a likely temporary exclusion from the indices of the Frankfurt Stock Exchange. Evotec expects to rejoin the relevant indices after the next regular review of admission requirements by Deutsche Börse.

9. GRI content index

Evotec has prepared this report with reference to the Global Reporting Standards (GRI) for the period between 1 January 2022 and 31 December 2022. The materials referenced are as follow:

GRI 1 USED

GRI 1: FOUNDATION 2021

GRI STANDARD	DISCLOSURE	SASB	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details		Page 8. How we are organised
	2-2 Entities included in the organisation's sustainability reporting		Page 4. About this report
	2-3 Reporting period, frequency and contact point		Pages 3 & 4. About this report
	2-4 Restatements of information		Pages 3 & 4. About this report
	2-5 External assurance		Page 55. Independent auditor's report on a limited assurance engagement
	2-6 Activities, value chain and other business relationships		Page (s) 8 & 9. Our business model
	2-7 Employees		Page (s) 23 & 24. Employment
	2-9 Governance structure and composition		Governance website
	2-10 Nomination and selection of the highest governance body		Governance website
	2-11 Chair of the highest governance body		Governance website
	2-12 Role of the highest governance body in overseeing the management of impacts		Governance website
	2-13 Delegation of responsibility for managing impacts		Page 50. Risks in connection with non-financial matters
	2-14 Role of the highest governance body in sustainability reporting		Page (s) 3 & 12. About this Report and our ESG approach to implement sustainability
	2-15 Conflicts of interest		ABC policy – governance website
	2-18 Evaluation of the performance of the highest governance body		Governance website
	2-19 Remuneration policies		Governance website
	2-20 Process to determine remuneration		Governance website
	2-22 Statement on sustainable development strategy		Page 11. Our ESG approach to implement sustainability
	2-26 Mechanisms for seeking advice and raising concerns		Pages (s) 37 & 38. Compliance
	2-27 Compliance with laws and regulations		Page 38. Compliance
2-28 Membership associations		Page 54. Memberships & initiatives	
2-29 Approach to stakeholder engagement		Page 10. Stakeholder & materiality analysis	
2-30 Collective bargaining agreements		Page 25. Employment	

GRI 1 USED

GRI 1: FOUNDATION 2021

GRI STANDARD	DISCLOSURE	SASB	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics		Page 10. Stakeholder & materiality analysis
	3-2 List of material topics		Page 10. Stakeholder & materiality analysis
GRI 201: Economic Performance 2016	3-3 Management of material topics		Page 33. Annual Report
	201-1 Direct economic value generated and distributed		Page 39. Annual Report
GRI 205: Anti-corruption 2016	3-3 Management of material topics		Page 39. Anti-corruption
	205-2 Communication and training about anti-corruption policies and procedures		Page 39. Anti-corruption
	205-3 Confirmed incidents of corruption and actions taken	HC-BP-510a.1	Page 39. Anti-corruption
GRI 302: Energy 2016	3-3 Management of material topics		Page 34. Resource management
	302-1 Energy consumption within the organisation		Page 35. Resource management
	302-2 Energy consumption outside of the organisation		Page 35. Resource management
	302-3 Energy intensity		Page 35. Resource management
	302-4 Reduction of energy consumption		Page 35. Resource management
GRI 303: Water and Effluents 2018	3-3 Management of material topics		Page 34. Resource management
	303-3 Water withdrawal		Page 35. Resource management
GRI 305: Emissions 2016	3-3 Management of material topics		Page (s) 31 & 32. GHG emissions
	305-1 Direct (Scope 1) GHG emissions		Page 33. GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions		Page 33. GHG emissions
	305-3 Other indirect (Scope 3) GHG emissions		Page 33. GHG emissions
	305-4 GHG emissions intensity		Page 33. GHG emissions
GRI 306: Waste 2020	306-3 Waste generated		Page 36. Resource management
GRI 308: Supplier Environmental Assessment 2016	3-3 Management of material topics		Page 44. Supply chain
	308-1 New suppliers that were screened using environmental criteria		Page 46. Supply chain
GRI 401: Employment 2016	3-3 Management of material topics		Page (s) 21-23. Employment
	401-1 New employee hires and employee turnover	HC-BP-330a.1	Page 24. Employment
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	HC-BP-330a.2	Page 25. Employment
	401-3 Parental leave		Page 25. Employment
GRI 403: Occupational Health and Safety 2018	3-3 Management of material topics		Page (s) 29 & 30. Occupational health and safety
	403-1 Occupational health and safety management system		Page 30. Occupational health and safety
	403-2 Hazard identification, risk assessment, and incident investigation		Page 30. Occupational health and safety
	403-4 Worker participation, consultation, and communication on occupational health and safety		Page 30. Occupational health and safety
	403-5 Worker training on occupational health and safety		Page 30. Occupational health and safety

GRI 1 USED

GRI 1: FOUNDATION 2021

GRI STANDARD	DISCLOSURE	SASB	LOCATION
	403-6 Promotion of worker health		Page 30. Occupational health and safety
	403-9 Work-related injuries		Page 30. Occupational health and safety
GRI 404: Training and Education 2016	3-3 Management of material topics		Page 25. Training and education
	404-2 Programs for upgrading employee skills and transition assistance programs		Page 26. Training and education
	404-3 Percentage of employees receiving regular performance and career development reviews		Page 27. Training and education
GRI 405: Diversity and Equal Opportunity 2016	3-3 Management of material topics		Page (s) 27 & 28. Diversity, equity and inclusion
	405-1 Diversity of governance bodies and employees		Page (s) 28 & 29. Diversity, equity and inclusion
GRI 406: Non-discrimination 2016	3-3 Management of material topics		Page (s) 27 & 28. Diversity, equity and inclusion
	406-1 Incidents of discrimination and corrective actions taken		Page 28. Diversity, equity and inclusion
GRI 414: Supplier Social Assessment 2016	3-3 Management of material topics		Page 44. Supply chain
	414-1 New suppliers that were screened using social criteria		Page 46. Supply chain
GRI 418: Customer Privacy 2016	3-3 Management of material topics		Page 46. IT security
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		Page 47. IT security

10. Memberships & initiatives

Memberships

International Society for Biological and Environmental Repositories (ISBER)
Accelerating COVID-19 Therapeutic Interventions and Vaccines (ACTIV)
COVID R&D Alliance
Advanced Oxford
TB Drug Accelerator Consortium (TBDA)
European Regimen Accelerator for Tuberculosis (ERA4TB)
Project to Accelerate New Treatments for Tuberculosis (PAN-TB)
International Society for Antiviral Research (ISAR)
International Society for Influenza and other Respiratory Viruses diseases (ISIRV)
American Association for the Study of Liver Disease (AASLD)
European Association for the Study of Liver (EASL)
European Society of Clinical Microbiology and Infectious Diseases (ESCMID)
AMR Industry Alliance
Gram-Negative Antibacterial NOW (GNA NOW) Consortium
IMI AMR Accelerator Consortium
Member of ENABLE-2
Proud Science Alliance

External Initiatives

Charta der Vielfalt – 2020
Science Based Targets initiative (SBTi) – Signed in December 2020, accepted in February 2021

11. Independent auditor's report on a limited assurance engagement¹

To the Evotec SE, Hamburg

We have audited the chapters included in the Sustainability Report for the period from January 1 to December 31, 2022 of Evotec SE, Hamburg (hereinafter referred to as "Evotec" or "the Company").

- ▶ 4.2. Employment
- ▶ 6.2. Anti-corruption
- ▶ 6.3. Bioethics
- ▶ 6.4. Animal welfare
- ▶ 6.5. Supply chain
- ▶ 6.6. IT-security

as well as the information marked with blue font

- ▶ Scope 1 & 2 emissions and
- ▶ SBTi aligned greenhouse gas emission reduction targets and the annual purchase of electricity from renewable energies

(hereinafter "selected disclosures")

subject to a limited assurance engagement.

Responsibility of the Executive Directors

The executive directors of the company are responsible for the preparation of the Sustainability Report and selected disclosures in reference to the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative and in accordance with the Corporate Accounting and Reporting Standard (Scope 1 and 2) of the Greenhouse Gas Protocol Initiative of the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) as well as the Guide to the Science Based Target, published by the Science Based Targets Initiative (SBTi), and for the selection of disclosures to be assessed.

This responsibility of the executive directors includes the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual non-financial disclosures that are reasonable in the circumstances. Furthermore, the executive directors

are responsible for such internal controls as executive directors determine to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

Independence and Quality Management of the Assurance Practitioner

We have complied with the German professional regulations on independence as well as other professional conduct requirements.

Our audit firm applies the national legal regulations and professional pronouncements - in particular the professional statutes for auditors and certified public accountants (BS WP/vBP) as well as the IDW Quality Management Standards issued by the Institute of Public Auditors in Germany (IDW), and accordingly maintains a comprehensive quality management system that includes documented regulations and measures relating to compliance with professional conduct requirements, professional standards, and authoritative statutory and other legal requirements.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the selected disclosures in the Sustainability Report based on assurance engagement.

We conducted our audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the IAASB.

This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the selected disclosures in the Sustainability Report of the Company for the period from January 1st, 2022 to December 31st, 2022 with the exception of the external sources of documentation or expert opinions in the Sustainability Report have not been prepared, in all material respects, in reference to the relevant GRI criteria and in accordance with the Corporate Accounting and Reporting Standard (Scope 1 and 2) of the Greenhouse Gas Protocol Initiative of the World Resources Institute (WRI) and World Business Council for Sustainable

¹ We have performed a limited assurance engagement on the German version of the sustainability report and issued an Independent Auditor's Report in German language, which is authoritative. The following text is a translation of the original German Independent Auditor's Report.

Development (WBCSD) as well as the Guide to the Science Based Target, published by the Science Based Targets Initiative (SBTi).

This does not imply that a separate audit opinion is expressed on each of the disclosures. In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a significantly lower level of assurance is obtained. The procedures selected depend on the practitioner's professional judgment.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities, particularly: Obtainment of an understanding of the structure of the sustainability organization and stakeholder engagement

- ▶ Inquiries of management and employees involved in the preparation of the Sustainability Report about the preparation process, the internal control system related to this process, and selected disclosures in the Sustainability Report
- ▶ Identification of probable risks of material misstatements
- ▶ Analytical assessments of selected disclosures
- ▶ Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and the Group management report
- ▶ Inspection of selected internal and external documents
- ▶ Assessment of the presentation of selected disclosures

Assurance opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe the selected disclosures in the Sustainability Report of the Company for the period from January 1st, 2022 to December 31st, 2022 with the exception of the external sources of documentation or expert opinions in the

Sustainability Report have not been prepared, in all material respects, in reference to the relevant GRI criteria and in accordance with the Corporate Accounting and Reporting Standard (Scope 1 and 2) of the Greenhouse Gas Protocol Initiative of the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) as well as the Guide to the Science Based Target, published by the Science Based Targets Initiative (SBTi).

Our assurance opinion relates exclusively to the chapters "4.2. Employment", "6.2. Anti-corruption", "6.3. Bioethics", "6.4. Animal welfare", "6.5. Supply chain", "6.6. IT-security" as well as disclosure on Scope 1 & 2 emissions and SBTi aligned greenhouse gas emissions reduction targets and the annual purchase of electricity from renewable energies.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the parent company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the parent company alone. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

General Engagement Terms

This engagement is based on the "Special Engagement Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft" of March 1st, 2021, agreed with the Company as well as the "General Engagement Terms and Conditions for Auditors and Auditing Firms" of January 1st, 2017, issued by the IDW (www.bdo.de/auftragsbedingungen).

Frankfurt am Main, 22 May 2023
BDO AG Wirtschaftsprüfungsgesellschaft

Dr. Jens Freiberg
German Public Auditor

Viola Möller

12. Appendix

A. GRI RELATED TABLES

GRI 302-1

CATEGORY	TYPE	2021	2022	% CHANGE
Purchased energy	Non-renewable electricity (MWh)	62,176	68,599	10%
Purchased energy	Renewable electricity (MWh)	19,605	18,118	-8%
Purchased energy	District heating	4,488	6,130	37%
Non-renewable fuel consumption	Diesel (MWh)	40	4	-89%
Non-renewable fuel consumption	Fuel oil (MWh)	-	143	0%
Non-renewable fuel consumption	Propane (MWh)	-	-	0%
Non-renewable fuel consumption	Gas oil (MWh)	-	8	0%
Non-renewable fuel consumption	Natural gas (MWh)	100,830	90,260	-10%
	Total in MWh	187,138	183,263	-2%

GRI 302-2

CATEGORY	2021 ENERGY INTENSITY	2022 ENERGY INTENSITY	UNITS	% CHANGE
Revenue	0.3028	0.2439	MWh/k€	-19%
Floor area	0.9977	0.9485	MWh/m ²	-5%
Employee	50.2685	41.8090	MWh/FTE	-17%

GRI 305-1

NAME	2021	2022	% CHANGE
Gross Scope 1 emissions (tCO ₂ e)	19,058	17,242	-10%
Gases included ²⁶	CO ₂ , CH ₄ , HFCs, N ₂ O	CO ₂ , CH ₄ , HFCs, N ₂ O	
Biogenic emissions (tCO ₂ e)	-	-	0%
Emission factor source	DEFRA, US EPA	DEFRA, US EPA	
Consolidation approach for emissions	Operational control	Operational control	
Methodology	GHG protocol	GHG protocol	

GRI 303-3

WATER TYPE (MEGALITRES)	2021	2022	% CHANGE
Third-party water (Megalitres)	99.27	104.62	5%
Groundwater	-	-	0%
Total	99.27	104.62	5%

GRI 305-2

NAME	2021	2022	% CHANGE
Scope 2 emissions location based (tCO ₂ e)	17,638	17,816	1%
Scope 2 market-based emissions (tCO ₂ e)	20,293	21,307	5%
Gases included ²⁷	CO ₂ , CH ₄ , HFCs, N ₂ O	CO ₂ , CH ₄ , HFCs, N ₂ O	
Emission factor source	DEFRA, US EPA, IEA, AIB	DEFRA, US EPA, IEA, AIB	
Consolidation approach for emissions	Operational control	Operational control	
Methodology	GHG protocol	GHG protocol	

²⁶ Refer to our Greenhouse Gas Inventory Methodology available at <https://www.evotec.com/en/investor-relations/esg-performance-reporting>

²⁷ Refer to our Greenhouse Gas Inventory Methodology available at <https://www.evotec.com/en/investor-relations/esg-performance-reporting>

GRI 305-3

NAME	2021	2022	% CHANGE
Total Scope 3 emissions (tCO₂e)	167,040	204,895	23%
1. Purchased goods and services (tCO₂e)	114,047	115,114	1%
2. Capital goods (tCO₂e)	40,233	73,093	82%
3. Fuel and energy related activities (tCO₂e)	8,153	8,094	-1%
4. Upstream transportation & distribution (tCO₂e)	487	704	44%
5. Waste generated in operations (tCO₂e)	549	302	-45%
6. Business travel (tCO₂e)	324	3,032	837%
7. Employee commuting (tCO₂e)	3,194	4,383	37%
8. Upstream leased assets (tCO₂e)	Not relevant	Not relevant	0%
9. Downstream transportation & distribution (tCO₂e)	Not relevant	Not relevant	0%
10. Processing of sold products (tCO₂e)	Not relevant	Not relevant	0%
11. Use of sold products (tCO₂e)	Not relevant	Not relevant	0%
12. End-of-life treatment of sold products (tCO₂e)	Not relevant	Not relevant	0%
13. Downstream leased assets(tCO₂e)	Not relevant	Not relevant	0%
14. Franchises(tCO₂e)	Not relevant	Not relevant	0%
15. Investments (tCO₂e)	54	173	220%
Gases included	CO ₂ , CH ₄ , HFCs, N ₂ O	CO ₂ , CH ₄ , HFCs, N ₂ O	
Biogenic emissions (tCO₂e)	-	-	0%
Scope 3 categories	1, 2, 3, 4, 5, 6, 7, 15	1, 2, 3, 4, 5, 6, 7, 15	
Emission factor source	DEFRA, US EPA, IEA, AIB	DEFRA, US EPA, IEA, AIB	
Methodology	GHG Protocol	GHG Protocol	

GRI 305-4

NAME	2021 EMISSIONS INTENSITIES				2022 EMISSIONS INTENSITIES				UNITS	TOTAL EMISSIONS % CHANGE
	Scope 1 emissions	Scope 2 market-based emissions	Scope 3 emissions	Total emissions	Scope 1 emissions	Scope 2 market-based emissions	Scope 3 emissions	Total emissions		
Revenue	0.03	0.03	0.27	0.33	0.02	0.03	0.27	0.32	tCO ₂ e/k€	-3%
Floor area	0.10	0.11	0.89	1.10	0.09	0.11	1.06	1.26	tCO ₂ e/m ²	15%
Employee	5.12	5.45	44.87	55.44	3.93	4.86	46.74	55.54	tCO ₂ e/FTE	0%

B. TAXONOMY DISCLOSURE

1. Proportion of CapEx associated with Taxonomy-eligible activities of Evotec – Disclosure covering 2022

CAPEX

Economic activities	Code(s) (2)	Absolute CapEx (€)	Proportion of CapEx (%)	SUBSTANTIAL CONTRIBUTION CRITERIA				DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)							Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)		

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1 Environmentally sustainable activities Taxonomy-aligned																	
CapEx of Taxonomy aligned	N/A	N/A					N/A										
A.2. Taxonomy-eligible but not environmentally sustainable activities																	
7.1 Construction of new buildings	N/A	70,309,468	26.0%				N/A								N/A	N/A	
7.2 Renovation of existing buildings	N/A	2,576,621	1.0%				N/A								N/A	N/A	
7.3 Installation, maintenance and repair of energy efficiency equipment	N/A	5,555,317	2.1%				N/A								N/A	N/A	
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	N/A	896,364	0.3%				N/A								N/A	N/A	
7.6 Installation, maintenance and repair of renewable energy technologies	N/A	1,089,043	0.4%				N/A								N/A	N/A	
8.1 Data processing, hosting and related activities	N/A	4,622,102	1.7%				N/A								N/A	N/A	
Total (N/A+A.2.)		85,048,915	31.5%														

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy non-eligible activities			100%														
Total (A+B)			100%														

2. Proportion of OpEx associated with Taxonomy-eligible activities of Evotec – Disclosure covering 2022

OPEX

Economic activities	Code(s) (2)	SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA (DOES NOT SIGNIFICANTLY HARM)							Category (enabling activity) (20)	Category (transitional activity) (21)
		Absolute OpEx (€)	Proportion of OpEx (%)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)		
A. TAXONOMY-ELIGIBLE ACTIVITIES																	
A.1 Environmentally sustainable activities Taxonomy-aligned																	
OpEx of Taxonomy aligned activities	N/A	N/A						N/A									
A.2. Taxonomy-eligible but not environmentally sustainable activities																	
7.2 Renovation of existing buildings	N/A	15,005,998	2.0%					N/A								N/A	N/A
7.3 Installation, maintenance and repair of energy efficiency equipment	N/A	238,479	0.0%					N/A								N/A	N/A
8.1 Data processing, hosting and related activities	N/A	369,501	0.0%					N/A								N/A	N/A
8.2. Data-driven solutions for GHG emissions reductions	N/A	30,400	0.0%					N/A								N/A	N/A
Total (N/A+A.2.)		15,644,378	2.1%					N/A								N/A	N/A
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																	
Turnover of Taxonomy non-eligible activities			100%														
Total (A+B)			100%														

**C. LIST OF ACRONYMS**

AAALAC – Assessment and Accreditation of Laboratory Animal Care
ABC – Anti-corruption, Bribery and Compliance
AMR – Anti-microbial Resistance
API – Active Pharmaceutical Ingredient
BMBF – German Federal Ministry of Education and Research
CARB-X - Combating Antibiotic Resistant Bacteria
CNS – Central Nervous Systems
CO_{2e} – Carbon dioxide equivalent
CRISPR – Clustered Regularly Interspaced Short Palindromic Repeats
CSRD – Corporate Social Responsibility Directive
CSR-RUG – Corporate Social Responsibility -Richtlinien-Umsetzungsgesetz
DEI – Diversity, Equity & Inclusion
EHS – Environment, Health & Safety
EMA – European Medicine Agency
ESG – Environment, Social, and Governance
EUT – EU Taxonomy
FDA – Food and Drugs Administration
FTE – Full Time Equivalent
GDPR – General Data Protection Regulation
GHG – Greenhouse Gas
GNA NOW – Gram-negative Antibacterial now
GRI – Global Reporting Initiative
IPCC – Intergovernmental Panel on Climate Change
iPSC – induce Pluripotent Stem Cells
ISBER – International Society for Biological and Environmental Repositories.
ISMS – Information Security Management System
LkSG - Due Diligence Act for Companies in Supply Chains
NGS – Next Generation Sequencing
OECD – Organisation for Economic Co-operation and Development
OHS – Occupational Health & Safety
PCOS – Polycystic Ovary Syndrome
PDC – Preclinical Development Candidates
PRROTECT – Pandemic Preparedness and Rapid RespoNse TEChnology PlaTform
R&D – Research and Development
RTF – Right at First Time
SASB – Sustainability Accounting Standard Board
SBTi – Science Based Targets initiative
SDG – Sustainable Development Goal
SEC – Stock Exchange Commission
TCFD – Task Force on Climate-Related Financial Disclosures
WHO – World Health Organisation



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