Neurocrine Biosciences' Approach to Environment, Social and Governance (ESG) Programs

JULY 2020

Neurocrine BIOSCIENCES

Our purpose is to relieve suffering and enhance lives with a commitment to Delivering on Hope™ for patients.

At Neurocrine Biosciences, we discover and develop life-changing treatments for people who have diseases and disorders that have largely gone untreated for decades or not treated at all

Our ESG programs are aligned to our purpose, which we fulfill through effective management of critical environmental, social, and governance principles that are fundamental to our business. Our ESG initiatives, which are closely aligned with those identified by the Sustainability Accounting Standards Board (SASB) for the biotechnology industry, focus on the following commitments:

- **To operate** with the highest standards of business ethics
- **To invest** in our people and communities
- **To adhere** to the highest product quality and safety standards
- **To minimize** our impact on the environment

High Business Ethics and Compliance

Our Corporate Values

- **Passion:** We are driven and love what we do. We are committed to our goals and to making a difference.
- **Integrity**: We do the right thing for patients and our community. We take accountability. We speak up.
- **Collaboration:** We trust one another. We are inclusive, respectful and transparent.
- **Innovation:** We seek and create optimal solutions.
- **Tenacity**: We do not quit. We adapt and accomplish what others cannot.

Compliance

We have developed a comprehensive compliance program, the goal of which is to maintain a culture that promotes the highest standards of business ethics. The details of our program can be found here: Neurocrine Biosciences Compliance Program Link

Compliance Oversight Responsibility:

- We have appointed a Chief Compliance Officer who is charged with developing, operating, and monitoring the compliance program
  - The Chief Compliance Officer reports directly to the Chief Legal Officer
  - The Chief Compliance Officer has dotted line reporting responsibility to the Chief Executive Officer, to other members of senior management, and direct access to our Board of Directors, including Committee Chairs
- We have established a Compliance Committee to advise the Compliance Officer and assist in the implementation of the compliance program
  - Committee members include our Chief Legal Officer, Chief Financial Officer, Chief Commercialization Officer, Chief Medical Officer, Chief Regulatory Officer, Chief Human Resources Officer, and Vice President of Medical Affairs

As part of our compliance program:

All employees are required when first hired to read, be trained, and annually certify compliance to our Code of Business and Ethics Policy located here: Code of Business Conduct and Ethics Link

- Our comprehensive compliance program includes our Anti-Bribery and Anti-Corruption Policy, which applies to all Neurocrine Bioscience employees, officers, and directors, as well as anyone doing business on our behalf
- In our Declaration of Compliant Interactions with Healthcare Providers (Link here), we fully support, are required by law, and have agreed to follow, the Pharmaceutical Research and Manufacturers of America's (PhRMA) revised "Code on Interactions with U.S. Healthcare Professionals," which provides firm guidance on such interactions including:
  - the use of promotional materials
  - grants and consulting arrangements
  - meals and entertainment
  - continuing medical education
  - clinical practice guidelines
  - sales and marketing training for company representatives
- All third-party agreements contain a requirement to comply with all relevant laws, and many third-party agreements additionally contain a requirement to comply with Neurocrine Biosciences' policies, including, as appropriate, with respect to Good Manufacturing Practices and Quality Systems, Good Clinical Practices, or Good Laboratory Practices.
- We have established an Ethics Hotline
  - The Ethics Hotline is available to receive anonymous reports of a potential violation of law or Neurocrine Biosciences policy 24 hours a day, 7 days a week.
  - Reports can be submitted by calling 1-800-688-2908 or through NeurocrineEthics.com.

Our People

We have grown from a team of 100 people in 2015, to over 750 people in 2020.

Our highly qualified and experienced team which includes scientists, physicians and professionals across sales, marketing, manufacturing, regulatory, finance and other important functions are critical to our success.

We offer a comprehensive and competitive benefits package that includes:

- Medical, dental, and life insurance
- Retirement savings plan, with company matching contributions
- An employee stock purchase plan is available for all eligible employees.
- All of our employees and directors are eligible to receive equity stock awards
- 100% paid leave for up to 8 weeks of qualifying disability, including pregnancy
- 100% paid leave for qualified parental / baby bonding leave for up to 12 weeks
- 100% paid leave for caregiver leave for up to 12 weeks
- Work / life balance arrangements including core hours and flexible work arrangements
- Tuition reimbursement
- Paid time off and holidays

Investments in training, development and engagement include:

- Regular development reviews: 100% of employees are eligible to participate and we had 100% participation in 2019
- Approximately 75% of our leaders have participated in

some form of leadership development program in the last year, including:

- Externally facilitated leadership classes
- Emerging Leaders to ready people to be sales leaders
- Managing People at Neurocrine Biosciences for new managers
- Leading at Neurocrine Biosciences
- In addition, third party educational speakers routinely educate our Board of Directors (Board) on a variety of topics, including corporate governance best practices

- Annual employee engagement survey
  - Neurocrine Biosciences survey participation rates in 2018 and 2019 were 93% and 95% respectively
  - Our high survey participation rates compare favorably vs. benchmark participation rates in the life science industry of 84%
  - High level of staff engagement shows the commitment our employees have to ensure Neurocrine Biosciences can continue to improve and evolve as a company while still keeping our values and maintaining our culture

We believe that our business benefits from the different perspectives a diverse workforce brings, and we pride ourselves on having a strong, inclusive and positive culture based on our shared mission and values.

- Our statement on our commitment to diversity and equality can be found here: Statement on Commitment to Diversity and Equality Link
- Our equal employment opportunity statement can be found here: Neurocrine Equal Employment Opportunity Statement Link
- Our affirmative action notice can be found here: Neurocrine Affirmative Action Notice Link
- All employees are annually trained on anti-harassment and anti-discrimination
- As of July 2020, over half of our workforce and 25% of our Board of Directors are women
- We actively identify promotion opportunities for women in senior management and executive positions
- We have several affinity groups (AKA Employee Resource Group) in our Neurocrine Nexus Program, including a women's network
- We maintain an affirmative action program for employment of individuals with disabilities and for protected veterans

In 2019, we conducted a three-year organizational planning process. Company leaders looked at the skills, roles, and organizational structure our teams will need to deliver on our strategy. Through this process, we identified roles that will change and expand, and new capabilities that will be needed. This assessment informed our future strategy for developing our internal team and recruiting new talent.

The success of our human capital investments is evidenced by our low employee turnover, a number which is regularly reviewed by our Board as part of their oversight of our human capital strategy

- Our 1 and 3-year voluntary turnover rates were 4.6% and 4.5% respectively
- Our voluntary and total turnover rates compare very favorably to the median voluntary rate for other Southern California-based life science and medical device companies of 12%

Our Communities

We partner with the communities where we work.

- We conduct annual outreach programs to promote more inclusive hiring practices for veterans and disabled members of society
- We sponsor local youth programs and engage students in science expos and "scientist for a day" programs
- We offer paid internships
- Our Employee Resource Groups sponsor community events like walks to support the National Alliance of Mental Illness (NAMI) and Parkinson's Disease walks
- As part of the American Psychiatric Nurses Association (APNA) Partnership Program, we helped sponsor a nursing scholarship: APNA Scholarship
- **In response to COVID-19:**
  - We donated personal protection equipment (PPE) and supplies to local San Diego area hospitals and charities in need: Neurocrine Biosciences Provide COVID-19 Business Update
  - We utilized internal 3D printing capabilities to manufacture face shields to protect staff, reduce impact to the environment, and enable our PPE donation efforts
  - We donated to local area food banks which included a matching donation campaign at Father Joe's Village: San Diego Times Article June 2020
  - We made regional donations across the U.S. to charities nominated by our field-based staff where they live and work
  - We provided a 3:1 match of donations made by our employees to charities supporting COVID-19 relief and donated over $120,000 (including the company match) in 2.5 months
  - We encouraged willing and able employees to use their allotted volunteer hours to perform "Small Acts of Goodness," such as buying groceries or walking dogs for people who are elderly or self-quarantined, collecting donations for food banks, or donating blood

Our Products

Products we provide to deliver on hope for patients who may feel invisible, unheard and marginalized include:

ONCE-DAILY INGREZZA® (valbenazine) capsules

INGREZZA (valbenazine): The 1st FDA-approved treatment for adults with Tardive Dyskinesia (TD)

- TD is a movement disorder associated with mental illness that is characterized by uncontrollable, abnormal, and repetitive movements of the face, torso and/or other body parts, which can be severe and are often persistent and irreversible
- TD is estimated to affect at least 500,000 people in the U.S.
- Access to INGREZZA: Free Product - The INGREZZA Start Program is a free, one-time, one-month supply of INGREZZA for new patients: INGREZZA Start Program
- Patient Assistance - We have a patient assistance program to offer free product to certain individuals who are unable to pay for their medication: INBRACE Patient Support Program
- Important safety information regarding INGREZZA is located here: INGREZZA Prescribing Information
- INGREZZA safety data sheets are included here and here.
- INGREZZA patients should call their doctor for medical advice about potential side effects
- Side effects may be reported to the FDA by calling 1-800-FDA-1088 or by visiting MedWatch at www.fda.gov/medwatch

Ongentys® (opicapone) capsules

ONGENTYS (opicapone): The 1st and only FDA-approved once-daily COMT inhibitor as add-on treatment to levodopa / carbidopa in patients with Parkinson's disease experiencing "off" episodes.

- Approximately 1 million patients have Parkinson's disease in the U.S.
- As the disease progresses, patients taking levodopa / carbidopa may begin to experience "off" time between treatment doses, during which an increase in Parkinson's disease motor symptoms such as tremor, slowed movement, and difficulty walking occur
- ONGENTYS also increases "on" time without troublesome dyskinesia, the time when the motor symptoms of a patient with Parkinson's disease are better controlled
- Important safety information regarding ONGENTYS is located here: ONGENTYS Prescribing Information
- ONGENTYS patients should call their doctor for medical advice about potential side effects.
- Side effects may be reported to the FDA by calling 1-800-FDA-1088 or by visiting MedWatch at www.fda.gov/medwatch

Orilissa® elagolix tablets 150 mg 200 mg
Made for endo pain

ORILISSA (elagolix): The 1st FDA-approved oral treatment for women with moderate to severe endometriosis pain. (AbbVie has global commercialization rights to ORILISSA and Neurocrine receives royalties based on net sales.)

- Endometriosis occurs when tissue similar to that normally found in the uterus begins to grow outside of the uterus, leading to a range of symptoms, including painful periods, pelvic pain in between periods, and pain with sex
- Approximately 7.5 million women in the United States are diagnosed with endometriosis
- Access to ORILISSA: Our partner, AbbVie, is responsible for marketing and distributing ORILISSA and offers a patient assistance program for qualifying patients: AbbVie Assist Program
- Important safety information regarding ORILISSA is located here: ORILISSA Prescribing Information
- Additional information regarding the safety and tolerability profile of ORILISSA can be found here: ORILISSA safety information and tolerability
- ORILISSA patients should call their doctor for medical advice about potential side effects
- Side effects may be reported to the FDA by calling 1-800-FDA-1088 or by visiting MedWatch at www.fda.gov/medwatch

ORIAHNN (elagolix, estradiol, and norethindrone acetate capsules; elagolix capsules): The 1st FDA-approved oral treatment for the management of heavy menstrual bleeding due to uterine fibroids in pre-menopausal women. (AbbVie has global commercialization rights to ORILISSA and Neurocrine receives royalties based on net sales.)

- Uterine fibroids are the most common type of benign tumor in women of reproductive age
- Uterine fibroids affect up to 80% of African American women and up to 70% of Caucasian women by age 50
- Fibroids may be asymptomatic but, in some women, they can cause symptoms such as heavy menstrual bleeding
- Approximately 7 million women have symptomatic uterine fibroids
- Access to ORIAHNN: Our partner, AbbVie, is responsible for marketing and distributing ORILISSA and offers a patient assistance program for qualifying patients: AbbVie Assist Program
- Important safety information regarding ORIAHNN is located here: ORIAHNN Prescribing Information
- Additional information regarding the safety and tolerability profile of ORIAHNN can be found here: ORIAHNN safety information and tolerability
- ORIAHNN patients should call their doctor for medical advice about potential side effects
- Side effects may be reported to the FDA by calling 1-800-FDA-1088 or by visiting MedWatch at www.fda.gov/medwatch

All of our products should be used in accordance with their approved labels and prescribing information and none of our products are used for administering capital punishment

Product Safety and Quality

We have developed and implemented a comprehensive Quality System which focuses on product safety and quality aspects of Good Manufacturing Practices (GMP), Good Laboratory Practices (GLP), and Good Clinical Practices (GCP) that are required by regulators

- Neurocrine Biosciences Quality System manual describes a comprehensive Quality System model enabling compliance with company policies, U.S. and international regulations for development, manufacturing, and distribution, of biopharmaceutical products:
  - Regulatory compliance is an integral part of the Quality System model based upon the principles of continuous improvement and quality risk management
  - Our Vice President of Quality Assurance and Executive Director of Drug Safety and Pharmacovigilance are responsible for the implementation of the Quality System
  - Our executive team reviews our Quality System on a routine basis
- We have standard operating procedures in place to describe the process for conducting both internal and external audits of activities pertaining to either GCP, GLP, and / or GMP regulations andguidelines
- Our Annual Product Review standard operating procedure describes the content, generation, review, and approval of Annual Product Review reports as a means to ensure products and manufacturing processes are assed at annual intervals
- Our Quality Risk Management standard operating procedure ensures that risks related to all GCP, GLP, and GMP activities performed by Neurocrine Biosciences employees are identified, documented and managed
- Our Pharmacovigilance Compliance Monitoring standard operating procedure describes the process by which we monitor the compliance of pharmacovigilance processes to allow effective monitoring of the safety of our products and compliance with reporting requirements
- Our Product Complaint standard operating procedure defines and outlines the process and responsibilities for initiating, evaluating, investigating, and closing product complaints for non-commercial and commercial products current Good Manufacturing Practice regulations
- Our Quality System investigations standard operating procedure describes the process and requirements for conducting event investigations at Neurocrine Biosciences. This procedure applies to all internal and external GCP, GLP, and GMP activities (development and commercial) in which an event may occur that impacts the disposition and / or intended use of product and / or which may have Quality Assurance implications, regulatory compliance implications and / or may impact the identity, strength, quality and purity of a product.
- Our Clinical Development Handling of Adverse Events and Serious Adverse Events standard operating procedure describes the procedures to follow when handling adverse events and serious adverse events in clinical studies
- Our Adverse Events and Product Complaints Reporting with Commercial Programs standard operating procedure documents how Drug Safety and Pharmacovigilance (DSPV) and Quality Assurance (QA) will be notified of planned outsourcing of commercial activities to third party vendors where there is a potential for receipt of Adverse

Drug Experiences or Adverse Events, Special Situation Event, and / or Product Complaints for a Neurocrine Biosciences marketed product. We seek to ensure that contracts with such vendors include Reporting Obligation language and that appropriate training is provided to the vendor.

- Our contract manufacturers and suppliers must adhere to our quality standards which are enshrined in Supply Agreements and Quality Agreements.

We are committed to the ethical use of animals in biomedical research.

- All animal studies are carefully reviewed by an Institutional Animal Care and Use Committee (IACUC) which is charged with ensuring that a proposed study is essential
- We comply with the "Three Rs" (Replace, Reduce and Refine), widely accepted ethical principles that are embedded in the conduct of animal-based science

Our Environment

Our chemists seek to reduce the environmental footprint associated with our products by applying the principles of green chemistry where possible. Neurocrine Biosciences is proud to be a member of the American Chemical Society Green Chemistry Institute Pharmaceutical Roundtable whose mission is to catalyze the implementation of green chemistry and green engineering in the global pharmaceutical industry.

By applying green chemistry principles in developing the 2nd generation of INGREZZA manufacturing, we reduced cycle-time spent in production and improved yields, which translated to improved profitability and significantly reduced environmental impact in the following ways:

- ~65% reduction in waste
- ~65% reduction in water use
- ~30% improvement in yields which translates to an improved profitability profile
- Reduced energy consumption
- Reduced use of chlorinated solvent and other unnecessary reagents.
- Protects staff at Neurocrine Biosciences and contract manufacturing organization sites

We have a limited physical footprint. We occupy three buildings in the San Diego area. Additional environmentally and economically friendly measures we take at these locations include:

- We utilize robotics to produce micro-scale amounts of chemicals which reduces solvent and chemical waste
- We are transitioning away from radioactive platforms to fluorescent platforms which reduces harmful waste and is safer for our staff and the environment
- We switch all lighting to LED as we remodel
- Labs include an intricate solvent delivery system which reduces the amount of glass we use
- We reuse packaging materials like packing peanuts, bubble wrap, and dunnage
- We recycle paper and cardboard
- We donate old lab equipment and furniture
- We provide electrical outlets for hybrid / EV automobiles