



2023 ENVIRONMENTAL, SOCIAL, & GOVERNANCE HIGHLIGHTS REPORT

Sustainability *at Sage*



Sage Therapeutics is on a mission to pioneer solutions to deliver life-changing brain health medicines, so every person can thrive.

We have developed and now market two FDA-approved treatments for postpartum depression and are advancing a robust early-stage and clinical pipeline to target unmet needs in brain health, including Huntington's disease and Alzheimer's disease.



OUR CORPORATE SUSTAINABILITY PRIORITIES

We have established a framework for environmental, social, and governance (ESG) reporting informed by global standards and best practices communicated by the Sustainable Accounting Standards Board (SASB) and Global Reporting Initiative (GRI). Based on this framework, we have identified the following corporate sustainability priorities critical to our ongoing success and sustainability as an organization:

- Patient Safety & Quality Management
- Innovation & Business Model Resilience
- Affordability & Access
- Business Ethics & Ethical Marketing
- Corporate Governance
- Supply Chain & Materials Management
- Human Resources & Diversity, Equity, & Inclusion

At Sage, we believe that investing in people, patients, the planet, and our community makes a world of difference. In all that we do, we put people first, understanding that the role we play in society extends beyond our four walls. Where we show up and how we show up matter more than ever.



We believe that being optimistic, empathetic, trusted, and courageous will help us forge new pathways to develop life-changing medicines. This premise supports our mission and motivates our approach to ESG, centered around four core pillars:

People

We are committed to providing our employees a meaningful career journey and an inclusive culture where they can channel their passion for helping others through opportunities to make a difference and improve lives. We celebrate people for who they are with a culture of respect and belonging that welcomes fresh thinking and unique perspectives, and we empower Sageans to do their best work wherever they are through our Total Rewards Program and SageFlex work model.

Patients

Improving the lives of patients is core to everything we do at Sage. We work with patients and advocates to reduce stigma, improve care, and enhance access to medicines and services for people impacted by brain health disorders. We are committed to working collaboratively with advocates representing the diverse populations suffering from brain health issues to incorporate their insights and inform our work.

Planet

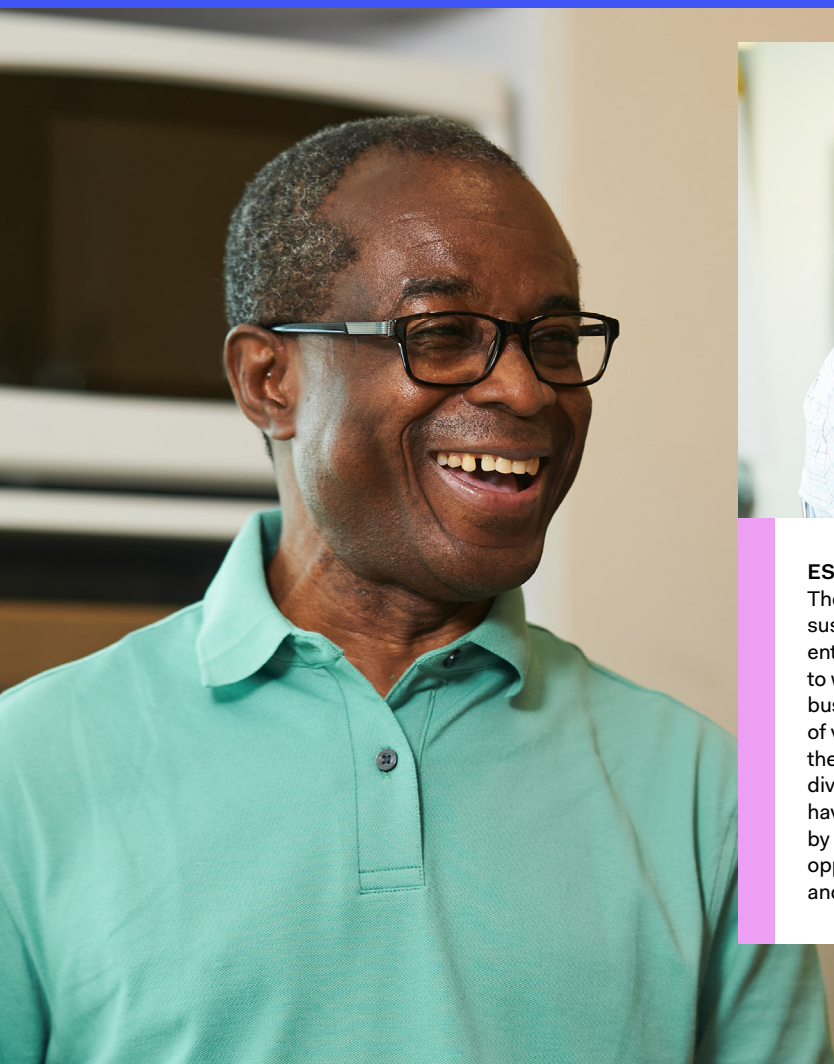
Addressing our planet's challenges requires a collaborative effort. Recognizing that no one company can solve the planet's problems alone, we are committed to doing our part to reduce our carbon footprint and make the earth a healthier place to live. With approximately 109,000 square feet of office space and no laboratory or manufacturing space, we maintain a small ecological footprint. To further our efforts toward environmental sustainability, we provide green transportation incentives, maintain a robust recycling and composting program in our offices, and provide educational opportunities to empower our employees to integrate green practices at home.

Community

We collaborate with organizations providing essential services such as food, clothing, and temporary shelter for families facing hardship, and social connection programs that increase connectivity for those separated from loved ones, letting them know they are not alone and that someone cares. We are proud of our history and culture of giving back and will continue to partner with organizations working to alleviate stress and anxiety for families, children, and individuals in our communities.



We believe that careful management and mitigation of environmental, social, and governance risks can strengthen our business, make us more resilient, and help us deliver long-term, sustainable value to shareholders. Our approach to science rewards unconventional thinking and challenges the status quo. Our approach to ESG is no different—we imagine a world that is healthier, equitable, and inclusive, and we actively seek opportunities to have a meaningful impact as a team, as a community and as citizens of the world.



ESG Project Team

The principles of environmental, social, and governance sustainability are embedded in how we do business at Sage enterprise-wide. In 2023, we established an ESG Project Team to work cross-functionally to capture and reflect our sustainable business practices in this report. The Project Team is composed of various functional team and subject area leaders throughout the organization, spanning a variety of levels and roles to ensure diverse viewpoints and perspectives are represented. This year we have taken a significant step forward on our sustainability journey by identifying our ESG priorities, assessing our strengths and opportunities for improvement, creating an ESG strategy statement and roadmap, and publishing this ESG Highlights Report.

Governance Highlights

ENCOURAGING INNOVATION

With an in-house library of over 10,000 neuroactive steroid compounds, Sage is leveraging our differentiated research methodology to develop novel drug candidates with the potential to transform the lives of people with brain health disorders. While building our commercialization capability in 2023, we maintained an investment of over \$350M in research and development, accounting for more than 50% of our total operating costs and expenditures. We are able to extend our reach and resources even further through strategic partnerships with Biogen and Shionogi.

Sage sponsors foundational science forums within the company, bringing cross-functional scientists together to share insights, facilitate cross-pollination of ideas, and spur innovation:

– TRANSLATIONAL RESEARCH ALIGNMENT TEAM

This team meets bimonthly, uniting cross-functional scientists and medical doctors to share information on innovations, workflows, and integrating translational insights.

– BOARD SCIENCE AND TECHNOLOGY COMMITTEE

This committee assists with the Board's oversight of Sage's research and development (R&D) activities, including reviewing the company's R&D pipeline, discussing strategic R&D goals, and evaluating new and emerging trends in pharmaceutical science, technology, and regulation.

– SCIENTIFIC ADVISORY BOARD

This external group meets quarterly to provide feedback on areas of innovation and our company's approach across our drug discovery portfolio.



10,000

IN-HOUSE NEUROACTIVE
STERIOD COMPOUNDS



\$350M

RESEARCH &
DEVELOPMENT



Partnerships

STRATEGIC
PARTNERSHIPS WITH
BIOGEN AND SHIONOGI



MANAGING RISK

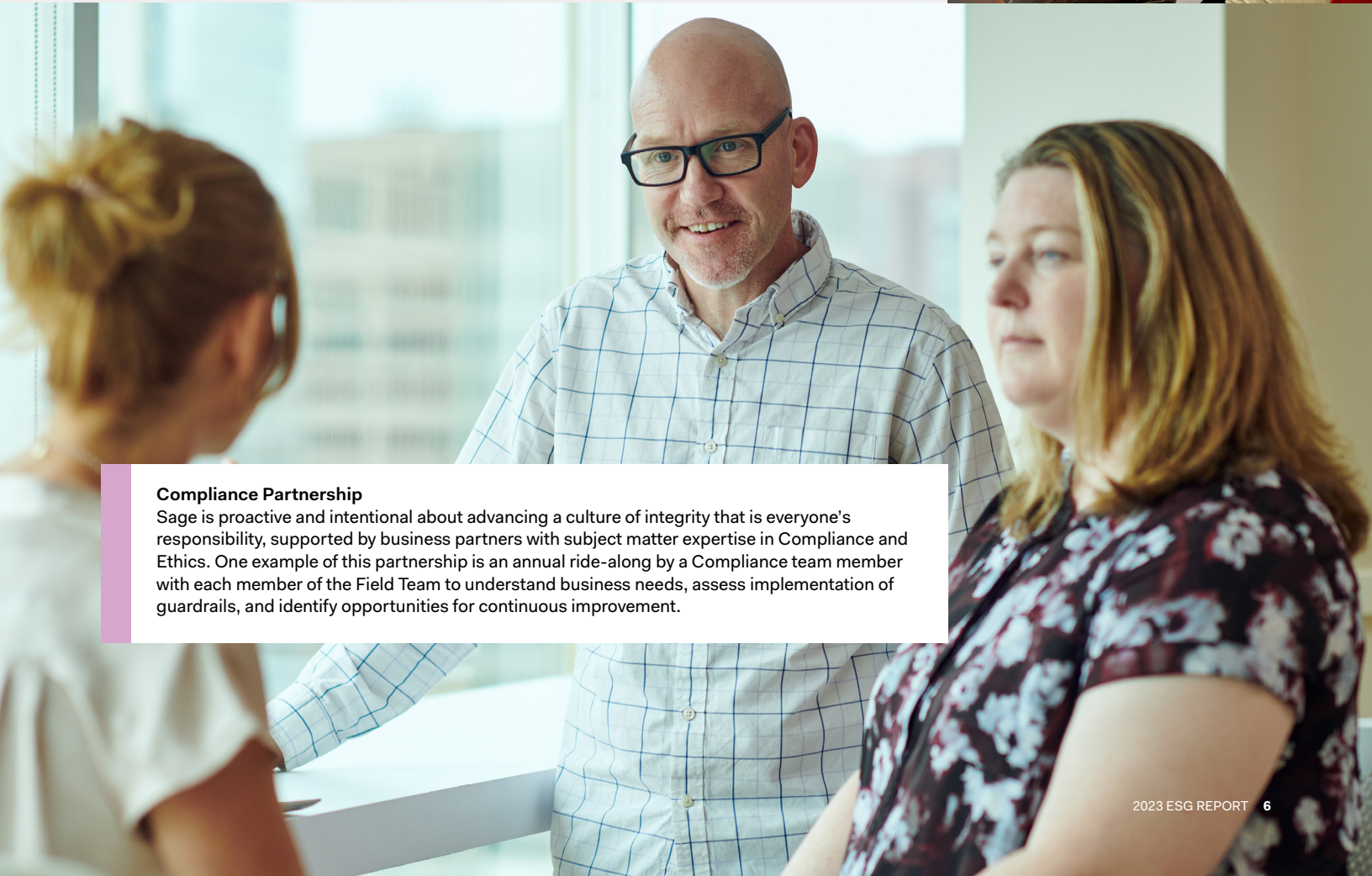
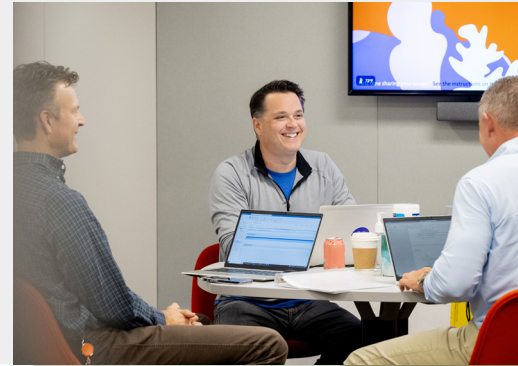
At Sage, our strategy and long-range plan are supported by an Enterprise Risk Assessment process that helps guide priorities for management focus. The Enterprise Risk process involves engagement and communication across all levels of the enterprise, including surveys, focus groups, leadership interviews, and Board reporting. The output of this process informs mitigation and monitoring plans across Sage.

ETHICS AND COMPLIANCE

We maintain a Code of Business Conduct and Ethics, entitled Our Values Code, that reflects our values, articulates our commitment to compliance with all applicable laws and industry codes, and establishes the foundation and structure for all other policies and guidelines. Our Values Code also demonstrates an ethical decision-making framework that Directors and employees can use to make decisions on behalf of the Company. Our Corporate Compliance Program includes measures to ensure that all Directors and employees are trained annually on Our Values Code, have mechanisms to ask questions or report concerns, and provide certifications that all potential misconduct is reported and addressed. Our Values Code emphasizes Sageans' duty to report any suspected misconduct, clarifies pathways for reporting, including options for anonymity where permitted by law, and provides whistleblower protections, prohibiting retaliation against any Sagean who reports misconduct in good faith.

ETHICAL MARKETING

We are committed to promoting our products only as appropriate under applicable laws, regulations, and industry codes, including the PhRMA Code on Interactions with Healthcare Professionals and the European Federation of Pharmaceutical Industries and Associations ("EFPIA") HCP Code. This commitment is reflected in our policies related to Product Promotion, External Communications, Field Team Interactions, and other directives. All promotional materials are reviewed by a cross-functional committee prior to use, and field teams complete an extensive training program to ensure alignment with Sage's values and compliance with all relevant standards, guidelines, and regulations.



Compliance Partnership

Sage is proactive and intentional about advancing a culture of integrity that is everyone's responsibility, supported by business partners with subject matter expertise in Compliance and Ethics. One example of this partnership is an annual ride-along by a Compliance team member with each member of the Field Team to understand business needs, assess implementation of guardrails, and identify opportunities for continuous improvement.



Core Values

At Sage, living our values is fundamental to the way we organize our business and how we show up at work and in the world. Our Core Values are:



*Put People
First*



*Improve
Lives*



*Cultivate
Curiosity*



*Do
Right*



*Forge New
Pathways*



Patient Highlights

ACCESS AND AFFORDABILITY

At Sage, we employ multiple strategies that can positively impact patient access to our medicines. For us, patient access is the ability for all appropriate patients to get affordable treatment. Our philosophy on pricing and access requires us to be realistic and flexible while considering the barriers and constraints present in the healthcare system. We hold ourselves accountable to solutions where we have the ability to effect positive change.



Our approach to access and pricing relies on a set of guiding principles grounded in our Core Values:

- 1. Collaboration**—engaging early and collaboratively with all payers, inclusive of government agencies, with the goal of maximizing appropriate patient access to our medicines
- 2. Value-based Pricing**—discussing risk-sharing with payers to help secure a positive access profile for our medicines
- 3. Innovation**—focusing on innovation as a driver for business growth
- 4. Level of Control**—positive attention and concentrated effort around the aspects of accessibility where Sage has accountability and control

In addition, we work with patients, patient advocates, and other stakeholders providing clinical support to facilitate patient access to participation in clinical trials.

QUALITY MANAGEMENT

Our commitment to the quality of our medications begins with establishing a culture of safety, quality, and accountability. To support that commitment to quality, we have established comprehensive documentation, including an overarching Quality Manual and specific Standard Operating Procedures (SOPs) to guide practice. Employees performing GxP regulated functions are required to perform job-specific training annually, on topics ranging from software validation to vendor management, to ensure their understanding of and compliance with best practice. Our rigorous, multi-level quality governance system is comprised of comprehensive risk mitigation and management processes and procedures, including two quarterly touchpoints:

- **Quarterly Quality Review:** During these meetings, Sage's Quality Review team addresses any deviations, vendor and internal audit findings, change controls, and other general quality oversight topics.
- **Quarterly Quality Steering Committee:** These meetings are utilized to address medium and high quality-related risks, with the participation of members of the leadership team as appropriate.

Our Quality Team tracks all audits and outcomes, comparing year-over-year the number of vendors, internal and external audits, including clinical site audits, and other key metrics, and reports to management through the Quarterly Quality Review process. Identified risks are escalated and addressed through mitigation plans and documented in Sage's Risk Register, where the risks are tracked and monitored from initiation through full resolution and closure by the team.

As Sage neither owns nor operates any manufacturing facilities, we rely on third party contract manufacturing organizations (CMOs) for the sourcing of clinical materials and production of our commercial medicines. We employ a rigorous vendor qualification process involving comprehensive onsite audits, review of procedures and practices, facility tours, and interviews with front-line workers to ensure the right qualifications, systems, equipment, and procedures are in place to meet our high expectations for quality. We regularly perform site and process audits, documenting any noted issues, implementing action plans and site improvement plans if needed, and monitoring to ensure remediation.

Safety Surveillance

Safety Surveillance, the foundation for patient safety at Sage, consists of systematically reviewing safety data, researching any emerging patterns, and identifying and describing the safety risks associated with a drug. Working with validated safety data, we leverage an integrated process for safety surveillance. From the time when potential safety signals are validated, they are tracked by Sage in an online system through to successful closure.

- 1 Community of Practice**—Sage's Drug Safety and Pharmacovigilance (DSPV) physicians and scientists identify, and when appropriate validate, emerging potential safety signals using validated safety data from all available sources. Overall safety information and compliance for DSPV is managed by the Sage DSPV Operations, Systems and Compliance team.
- 2 DSPV Operations, Systems and Compliance team:** a cross-functional team of pharmacovigilance experts utilizes diverse operational experience in pharmacovigilance operations, systems management, compliance, and inspection readiness to oversee and manage overall safety information received/reported and monitor compliance.
- 3 Safety Surveillance Team (SST)**—A cross-functional team for each program led by that program's Medical Safety Lead assesses validated safety signals and determines next steps, including escalation to the Safety Review Committee (SRC) when appropriate.
- 4 Safety Review Committee (SRC)**—A team of cross-functional senior executives, led by the Senior Vice President, Drug Safety & Pharmacovigilance, assesses and advises on safety-related risks and their management.
- 5 Chief Medical Officer (CMO)**—Sage's CMO reviews findings and recommendations from the SRC, finalizing identification of risks and prescribing courses of action where needed.

Clinical Trial Diversity

Differences in age, sex, gender, race, ethnicity, and other person-specific factors can impact health outcomes. Recognizing the importance of diversity in clinical studies, in 2022 we launched a review of our clinical development and recruiting processes, identifying opportunities to further improve the diversity and inclusivity of our future trials.



People Highlights

EMPLOYEE EXPERIENCE

At Sage, we are anchored in purposeful and challenging work and focused on innovation in brain health. To ensure our employees feel supported and empowered while performing this important work, we are fiercely committed to creating and fostering an unparalleled employee experience at Sage.



Two key components of our employee experience are a robust Total Rewards program and holistic approach to employee wellness. Our total rewards strategy is 4-pronged: Compensation, Benefits, Well-being, and Recognition. Our philosophy centers on our commitment to provide market competitive rewards with a strong link to performance, driven through variable short-term incentives (bonus programs) and long-term incentives (equity programs) that all employees participate in.

In 2020, we launched the SageFlex model, which enables employees to work from where they choose when the business allows, whether that be remote, in our office space, or a combination of each. We work on a singular digital platform, meaning support and connection are always close by, and we get together for in-person team and company meetings throughout the year to foster community and connection. To ensure we are on track, we deploy surveys to monitor employee engagement and satisfaction, examining strengths and ways we can improve the employee experience. Survey findings are used to develop an action plan for making measurable improvements.

Career Progression

At Sage, we envision a career as an exciting journey comprising learning, growth, leadership, and engagement for the betterment of the individual and the company. Our holistic career philosophy focuses on individual empowerment, relationship building, and on-the-job training. We have developed a career journey experience map for each functional team at Sage to help break down barriers, improve understanding between business areas, spur innovation, and provide opportunities for both cross-functional and upward mobility within the organization.

Diversity, Equity, and Inclusion

At Sage, we aim to integrate DE&I principles across the organization, with the goal of fostering a diverse workforce and cultivating a sense of belonging and innovative thinking. We have defined four focus areas within DE&I that anchor our efforts: Experience, Talent, External, and Patients. Our inaugural [2022 DE&I Report](#) provides a more comprehensive view of our work.

2020:

- Formed DE&I Action Team
- Developed a DE&I roadmap
- Introduced a series of initiatives building awareness and generating conversation: Building an Inclusive Culture at Sage and Leading Like an Ally
- Launched a DE&I Resource Center providing employees access to information and resources.

2021:

- Undertook a company-wide DE&I assessment
- Developed a DE&I Strategy endorsed by Sage's Leadership Team
- Identified our Head and Executive Sponsors of DE&I

2022:

- Launched Sage's DE&I Council
- Launched 5 Business Resource Groups (BRGs)
- Provided employees with access to an online platform that connects them with local minority-owned businesses and services for personal use.

2023:

- Launched employee mentorship programs
- Established cross-functional working groups with the goal of understanding diversity among our current studies and disease states
- Launched a supplier diversity assessment

We are proud of the meaningful progress we have made, and we are committed to continuing to work toward a more diverse, equitable, and inclusive workplace.



Social Responsibility & Environmental Highlights

DATA AND PRIVACY

At Sage, our robust cybersecurity program is under the purview of our Business Information Security Officer (ISO). We have processes for assessing, identifying, and managing cybersecurity risks, which are designed to help protect the Company's information assets and operations from internal and external cyber threats. Such processes include physical, procedural, and technical safeguards, response plans, and continuity exercises on our systems. An annual cybersecurity assessment aligned to industry best practices and business goals is performed with the goal of aligning the direction of the cyber program with the risks associated with the current external environment.

Our cybersecurity policies, standards, and procedures are benchmarked against multiple cyber risk frameworks, and include processes to identify, investigate, triage, and remediate incidents and comply with applicable legal and regulatory obligations. We have a formal vulnerability and patch management program and perform a third-party cyber risk assessment before starting a relationship with a service provider using a risk intelligence subscription to monitor the activity of critical vendors 24/7. This helps to protect against information misuse and assess the information technology posture of the service provider's business partners. Sage provides all employees, including part-time and temporary employees, with monthly cybersecurity and privacy training, which covers timely and relevant topics, including social engineering, phishing, confidential data protection, and mobile security, and educates employees on the importance of reporting all incidents immediately.





SageCitizen Volunteerism

Each year Sage provides employees with volunteer opportunities as part of our SageCitizen initiative. Between 2022 and 2023, we hosted 12 volunteer activities, through which more than 300 Sage volunteers dedicated over 900 hours, positively impacting the lives of over 2,500 people in our communities.

Community Partnership

Formalized in 2020, our social impact initiative, SageCitizen, places strong emphasis on supporting the communities in which we work. We regularly collaborate with and donate to organizations working to alleviate stress and anxiety for individuals, families, and children who are facing instability or isolation. Central to our efforts, we prioritize engagement with organizations that drive positive social impacts across key areas aligned to our mission:

- **Essential Services:** Organizations that supplement daily essentials, from food and clothing to temporary shelter.
- **Social Connection Programs:** Programs that increase connectivity for those who are lonely and separated from loved ones.

Environmental Sustainability

Sage partners exclusively with third party contract research and manufacturing organizations (CROs and CMOs), and as such, our direct environmental impact is minimal. As an organization with a small physical footprint, we prioritize finding authentic solutions which enable Sage employees to contribute positively to environmental sustainability at home and in the office.

Our Cambridge office is equipped with motion-sensor lights that shut off when rooms are unoccupied and smart heating and cooling systems that cycle through low energy periods where airflow and temperature control are decreased during off-peak times. The office has installed additional filtered water units to make refilling reusable water bottles more convenient and launched an in-office composting program that includes sourcing compostable products for single-use kitchen utensils and tableware.



Green Transportation Options

The Sage Green Team collaborated with the People and Experience team to establish Sage's Green Transportation Initiative for employees who choose to work in-office. The initiative provides a monetary stipend as well as transportation-related benefits including MBTA commuter rail, train, and ferry pass reimbursement, bike share membership, local biking handbook, and office-based options for bike storage, showering, and changing facilities.

Sage Therapeutics is on a mission to pioneer solutions to deliver life-changing brain health medicines, so that every person can thrive. We believe that it is time to usher in a new era in how to think about and treat brain health disorders. It starts with our commitment to maternal mental health and our role in bringing the only FDA-approved treatments for postpartum depression to market. Through our pioneering science, we aim to address unmet needs of other brain health disorders, including essential tremor and cognitive impairment associated with certain neurodegenerative diseases. We believe integrating the patient and care partner perspectives into every aspect of our work, from research through to commercialization, helps accelerate our impact. Our purpose is personal, and we see the potential to impact millions of people.


Seeing the
brain differently
*makes a world
of difference.*





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
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