Delivering positive and sustainable impact
Our Sustainability Report 2022 outlines our Sustainability Policy, our approach to responsible investing, how we manage sustainability within the portfolio, and covers our activities for the 2021/2 financial year.

This report considers sustainability issues that are priorities for our stakeholders and the way in which we address these. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. Our intention is to continue to report on sustainability topics on an annual basis. This report should be read alongside our Annual Report and Accounts 2022.

Syncona is a leading FTSE 250 healthcare company.

Our strategy is to found, build and fund companies around exceptional science to create a diversified portfolio of 15-20 globally leading healthcare businesses for the benefit of all our stakeholders. We take a hands-on approach to building our businesses, working in close partnership with world-class academic founders and management teams to develop treatments for patients in areas of high unmet medical need.

Our balance sheet underpins our strategy, enabling us to take a long-term view as we look to improve the lives of patients with no or few treatment options, build sustainable life science companies and deliver strong risk-adjusted returns to shareholders.

We are committed to managing our business in a sustainable way, investing responsibly and supporting our portfolio companies in making positive contributions to society by developing treatments that will make a difference to the lives of patients and their families.
Introduction

Sustainability at Syncona

What we do

Our strategy is to found, build and fund companies around exceptional science to create a diversified portfolio of 15-20 globally leading healthcare businesses for the benefit of all our stakeholders. We are committed to managing our business in a sustainable way, investing responsibly and supporting our portfolio companies in making positive contributions to society by developing treatments that will make a difference to the lives of patients and their families.

We aim to have effective governance, a strong business culture, clear values and positive engagement with our wider stakeholders and society through our work in life sciences and our support for charity.

We are actively engaged with our portfolio companies as they seek to build sustainable businesses.

2022 sustainability highlights

9 out of 11 Portfolio companies reporting Scope 1 to 3 emissions to TCFD

£4.2m Donated to charity

UN PRI Became a signatory

First Windsor Fellowship intern completes six-month placement at Syncona

Full Portfolio engaged with Responsible Investment Policy

Our sustainability pillars

Our Sustainability Policy outlines our goals and commitment to being a sustainable and responsible business. This is built around four core pillars:

Prior 01 Our social impact

Prior 02 Responsible investor and partner

Prior 03 Inspiring and empowering our people

Prior 04 Responsible and ethical business

Read more on our sustainability pillars: Page 6

Our portfolio footprint

We have a portfolio of 11 companies, with operations across the United Kingdom, Germany, Switzerland, the Netherlands and the United States.

Message from the Chief Executive of Syncona Investment Management Limited

This is our second Sustainability Report, and it provides us with the opportunity to demonstrate the progress that we have made over the year in developing and implementing our sustainability framework across our business and our portfolio. We aim to be transparent about the progress we have made and to clearly identify areas where we can do more.

At the heart of everything we do at Syncona is our purpose to invest to extend and enhance human life. Our team, our portfolio and the industry we operate in are hugely motivated by making a difference to the lives of patients and this is the lens through which we seek to advance our sustainability agenda.

Over the course of this year, we have made significant progress on our four key sustainability pillars:

- Our social impact
- Being a responsible investor and partner for our portfolio companies
- Inspiring and empowering our people
- Operating as a responsible and ethical business

We continue to believe that we have a positive social impact through the progress our portfolio companies make in developing treatments for patients. For example, Autolus is advancing its lead product through a late-stage clinical trial and Anavex entered the clinic with its product in this financial year. The Syncona Foundation also continues to share our vision of having a transformational impact on the lives of patients and others.

A core part of our approach to building a portfolio of global leaders in life science is to partner with leading academics and management teams. In engaging with them on our sustainability priorities we have sought to take a partnership approach and have been delighted that in many cases these are areas that are important to them and that they are already focused on.

Last year we introduced a number of diversity and inclusion initiatives, conscious that we can play a role in improving diversity in our sector. It has been a real pleasure to see these roll-out so successfully and whilst we recognise we still have more work to do ourselves, we are delighted with our early progress.

We have made progress this year in developing our environmental agenda. This is the first year that we will report against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), demonstrating our commitment to incorporating environmental issues within our overall risk reporting framework.

We have also worked closely with our portfolio companies to develop their own environmental reporting, having provided support as six of our privately held companies initiated reporting on their Scope 1 to 3 carbon emissions. Moving forward, we intend to develop our environmental agenda further in FY2022/3, with a focus on managing carbon emissions within our portfolio, and with this in mind have set an aspiration to be net zero by 2050 on a full portfolio basis.

I would like to take the opportunity to thank all of our stakeholders for their support as we seek to advance our sustainability agenda. We are privileged to have employees who work together every day to build a sustainable business, portfolio leaders who work collaboratively and with dedication to develop treatments that have the potential to reach patients, and shareholders who continue to support us and ensure that we seek to deliver our vision and strategy in a sustainable way.

We look forward continuing to work with you all to deliver our purpose and strategy in the years to come.

Martin Murphy
Chief Executive Officer and Chair, Syncona Investment Management Limited

Our team, our portfolio and the industry we operate in are hugely motivated by making a difference to the lives of patients and this is the lens through which we seek to advance our sustainability agenda”

Martin Murphy
Chief Executive Officer and Chair, Syncona Investment Management Limited

Sustainability Report 2022

Syncona Limited

Sustainability Report 2022

Syncona Limited
Our governance framework is built on accountability and our values, and is fundamental to our long-term success.

The Board of Syncona is responsible for promoting the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. It has adopted and promotes corporate values and Group standards which set out the behaviour expected of all employees in their dealings with external stakeholders. The Board has ultimate oversight and accountability for sustainability at Syncona, and is supported by the Audit Committee, which has responsibility for the oversight of risks, including those relating to sustainability. The Syncona team implements corporate strategy on a day-to-day basis. We provide sustainability training and guidance to all members of the Syncona team. It is their responsibility to support the portfolio companies to achieve the goals set out in Syncona’s Sustainability Policy, and to monitor, report and manage sustainability risks and opportunities across both Syncona and the portfolio. Sustainability responsibility and accountability is taken into account in the team’s performance reviews, which informs decisions on remuneration.

Our governance framework, as detailed below, is supported by committees with responsibility for the oversight of sustainability activities. In particular, the Sustainability Committee is responsible for overseeing progress on Syncona’s Sustainability Policy. The Sustainability Committee includes members of the finance, legal, IR, HR and investment teams.

More information on governance at Syncona is provided in our Annual Report and Accounts 2022.

Our materiality matrix outlines the sustainability issues which are most material to Syncona

In 2020 Syncona undertook a comprehensive materiality review to understand the sustainability issues most material to the business. Throughout this process views were sought from a range of stakeholders, including leadership teams at our portfolio companies and shareholders, whilst external opinion was sought from key charitable partners and sustainability experts alongside prominent biotech industry experts. Following this, Board approval was sought for our agreed sustainability priority areas. These were then integrated into the Syncona Sustainability Policy and Responsible Investment Policy, which were announced in 2021.

In 2022, the Syncona team has focused on implementing the Sustainability Policy and Responsible Investment Policy and integrating these into the ongoing operations at Syncona. This year for the first time we have reported in line with the recommendations of TCFD. As part of this process Syncona, with the help of an external agency, conducted a thorough climate scenario analysis to assess physical and transition risks that Syncona might be exposed to. The output of this work demonstrated that neither Syncona nor its portfolio companies are currently exposed to climate or transition risks at a material level. However, it has also been clear that climate risk and disclosure are increasingly important for Syncona’s external stakeholders, including investors. We have therefore changed the position of climate risk and disclosure on our materiality matrix this year, to better reflect that importance.

### Governance framework for sustainability at Syncona

#### Syncona Limited Board

- Approves Sustainability Policy and Responsible Investment Policy
- Considers risks facing the Company from sustainability issues as part of its role in the risk management process

#### Syncona Limited Audit Committee

- Oversees implementation of the Sustainability Policy
- Oversees monitoring of risks arising from sustainability issues as part of the wider process of monitoring of risk management and internal controls
- Reviews scope and effectiveness of internal controls and risk management systems
- Reviews and assesses risks and associated frameworks to manage and mitigate such risks

#### Syncona management team

**Corporate Team**

- Overall responsibility for implementation of Sustainability Policy
- Manages integration of Syncona’s approach to sustainability across the portfolio

**Investment Committee**

- Implements the Responsible Investment Policy
- Assesses and manages sustainability risks in the portfolio

**Sustainability Committee**

- Advises on Sustainability Policy
- Identifies areas where Syncona can improve its approach

### Our materiality matrix

**Our materiality matrix**

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<tr>
<th>Syncona materiality matrix</th>
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<tr>
<td>Stakeholder concern and impact on Syncona and portfolio</td>
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<td>Importance</td>
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<td>Sector and social issues</td>
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<tr>
<th>Impact on Syncona and portfolio</th>
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<tr>
<td>FY2020/21 position</td>
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<td>Low</td>
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**Sustainability and Engagement**

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Overview of the key pillars of our Sustainability Policy

We are committed to managing a sustainable and responsible business. Our Sustainability Policy sets out our sustainability objectives and establishes the foundation for integrating sustainability risks and opportunities into our business explicitly. It describes the key principles that guide our approach to sustainability issues, including how we support the development of our portfolio companies. Syncona’s Sustainability Policy centres around four core pillars.

**Our social impact**
We seek to make a positive social impact through extending and enhancing human life.

**2022 PILLAR HIGHLIGHTS:**
- 11 clinical trials across the portfolio
- Autolus approaching data read-out from pivotal trial in lead obe-cel programme

Read more: Page 22

**Responsible investor and partner**
We found, build and fund sustainable life science companies, supporting them through their lifecycle.

**2022 PILLAR HIGHLIGHTS:**
- Became a signatory to the UN PRI
- Sustainability considerations taken into account in sale of Gyroscope to Novartis

Read more: Page 26

**Inspiring and empowering our people**
We are differentiated by our people, who are highly motivated by Syncona’s purpose and values.

**2022 PILLAR HIGHLIGHTS:**
- First Windsor Fellowship intern completes six-month placement at Syncona
- Generating Genius first cohort begin studies

Read more: Page 32

**Responsible and ethical business**
Our business operates responsibly and ethically, in line with our values and with clear accountability.

**2022 PILLAR HIGHLIGHTS:**
- First TCFD disclosure
- 82% of portfolio companies reporting Scope 1 to 3 emissions to Syncona

Read more: Page 40
Our approach to sustainability reporting

Introduction

Syncona aligns its sustainability reporting with a number of well-known frameworks. These help our external stakeholders to measure the progress that Syncona is making across its sustainability priorities, as well as assisting the Syncona team in ensuring that the Company is always working in line with best practice. Syncona has aligned its reporting with the UN Sustainable Development Goals (SDGs) and GRI Standards since its first Sustainability Report in 2021. This year it has committed to report as a signatory of the UN Principles for Responsible Investment (PRI), and is reporting for the first time in line with the recommendations of TCFD.

**SUSTAINABLE DEVELOPMENT GOALS**

The UN’s 17 SDGs, adopted by the member states in 2015, represent a call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. The 17 SDGs are integrated, recognising that progress in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability. There are four SDGs that we believe our business is well-aligned with. Our linkages are highlighted throughout this Sustainability Report.

This year, Goal 13: Climate Action has been added to our core linked SDGs, reflecting the progress made by Syncona and its portfolio in environmental reporting in the financial year.

**Goal 3**

Ensure healthy lives and promote wellbeing for all at all ages

Syncona’s purpose is to invest to extend and enhance human life. Through our portfolio companies, we develop treatments which help people to live healthier lives, and we are committed to making medicines more accessible by ensuring our business and portfolio companies operate with transparency and integrity.

**Goal 8**

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Syncona and its portfolio companies provide employment for over 1,200 people globally, providing opportunities in a broad range of roles within a vibrant and growing sector. We are committed to promoting diversity in the life sciences, seeing its promotion as both an economic and moral imperative.

**Goal 9**

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Innovation through effective, high-quality research and development sits at the core of what our portfolio companies do. We have high expectations of our portfolio companies and work in collaboration with them to deliver high standards in areas such as data stewardship, clinical trials and competitive practices.

**Goal 13 (new goal)**

Take urgent action to combat climate change and its impacts

Syncona understands that climate change represents a systemic risk to our countries and economies, and aspires to be net zero throughout its value chain by 2050. It is committed to minimising the environmental impact that it has on the world, both by taking direct action in its own operations and working with its portfolio companies to assist them in aligning their business operations with the goals of the 2015 Paris Agreement.

**Mapping our sustainability progress for our stakeholders**

Syncona has chosen to report in line with the GRI Standards since 2021. GRI is an independent global organisation which has provided a framework and standards for corporate sustainability reporting since 1997. The GRI Standards are generally seen as the most widely adopted global standards for sustainability reporting.

We chose to report against the GRI framework following a comprehensive process, taking into account guidance from external advisors. The framework ensures that Syncona is aware of the key areas of sustainability reporting which are of interest to external stakeholders. The GRI Standards also allow Syncona’s investors and other key stakeholders to more easily compare the Company’s sustainability reporting with that of other companies.

Syncona is supportive of the continued efforts being made globally towards the convergence of sustainability reporting standards. The GRI is contributing towards this via its work as a co-constructor of the EU’s new sustainability reporting standards, with the prominent role played by the GRI in this process underlining its continuing role in setting the global sustainability agenda.

**The world’s leading proponent of responsible investment**

The UN PRI have existed since 2006 and are widely seen as the leading framework for outlining how investors should integrate sustainability considerations into investment practice.

Signatories are required to commit to aligning their investment activities with the PRI’s key six principles, which together commit a company to acting in the best interests of its ultimate beneficiaries.

Syncona became a signatory of the PRI in October 2021, following the publication of Syncona’s first Responsible Investment Policy earlier in the year. Becoming a signatory underlines Syncona’s belief that it can make a significant impact in delivering on the commitments made in its Sustainability Policy through engaging effectively with its portfolio companies.

As per its obligations as a PRI signatory, Syncona will be required to report on its responsible investment activities on an annual basis, starting from FY2022/3.

**Understanding the risks and opportunities associated with climate change**

TCFD is increasingly becoming the accepted global standard for reporting against the risks and opportunities that companies may be exposed to due to climate change.

The TCFD recommendations ask companies to assess how they may be exposed to the physical risks of climate change, as well as the transition risks which could impact companies as there is a forced transition towards a green economy.

Although Syncona remains out of scope for mandatory TCFD reporting, it is reporting against the TCFD guidelines this year to underline its commitment to a comprehensive sustainability reporting framework. It also provides the opportunity to better understand the climate-related risks and opportunities which might impact the Company, and whether they should be integrated into the Company’s risk management framework.

With the assistance of an external agency, the Syncona team and representatives from portfolio companies participated in the development of a comprehensive climate scenario analysis, which in turn informed this year’s TCFD disclosure. This disclosure can be found in the Annual Report and Accounts 2022 on pages 72-75, and Syncona will continue to report against the TCFD recommendations on an annual basis.
We published our first Sustainability Report in 2021 and over the course of this financial year we have made strong progress against our sustainability goals.

Under our first pillar, our social impact, across the portfolio there has been a continued progress towards the delivery of an approved product for patients. Autoiris is approaching a meaningful data read-out from its pivotal trial in AUTO1 (obe-cel) and Axeneon has entered the clinic, taking our clinical stage portfolio to four companies, following the sale of Gyroscope in the financial year.

In our role as a responsible investor and partner, we have engaged with our portfolio companies to implement our Responsible Investment Policy. The output of these discussions has been positive, with companies in many cases already actively prioritising sustainability issues and showing a willingness to improve their sustainability reporting in line with Syncona’s expectations.

Under our pillar of inspiring and empowering our people, we have continued to focus on attracting, developing and retaining the best talent. The team’s first PhD student intern from its pivotal trial in AUTO1 (obe-cel) and Axeneon has entered the clinic.

We have reported for the first time emissions from our own operations. We will begin development of a wider Scope 3 emissions strategy, incorporating portfolio company emissions.

### Progress in the year

<table>
<thead>
<tr>
<th>Pillar</th>
<th>FY2021/2 sustainability priorities</th>
<th>Progress in the year</th>
<th>FY2022/3 focus</th>
<th>Alignment to SDGs</th>
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<tbody>
<tr>
<td><strong>Pillar 01</strong> Our social impact</td>
<td>Continue to support the vibrant life sciences ecosystem in the UK</td>
<td>19 Clinical trial sites across the UK within Syncona portfolio</td>
<td>Work towards patient impact through funding, building and funding our portfolio companies to develop transformational treatments</td>
<td><strong>Net zero</strong></td>
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<tr>
<td></td>
<td>0.35% of NAV donated to charity every year</td>
<td>3 New charities supported by The Syncona Foundation</td>
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<tr>
<td><strong>Pillar 02</strong> Responsible investor and partner</td>
<td>Roll-out Responsible Investment Policy</td>
<td>5 Portfolio companies intending to sign up to European Biotech Social Pact or US equivalent</td>
<td>Targeting improvements in sustainability reporting from portfolio companies against 2022 base levels</td>
<td><strong>Majority</strong></td>
</tr>
<tr>
<td></td>
<td>Work with our portfolio companies to develop net zero strategies</td>
<td>11 Portfolio companies engaged in roll-out of Responsible Investment Policy</td>
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<td><strong>First</strong></td>
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<td></td>
<td>Become a signatory to the UN PRI</td>
<td>9 Portfolio companies reporting Scope 1 to 3 carbon emissions to Syncona</td>
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<td><strong>Pillar 03</strong> Inspiring and empowering our people</td>
<td>Take concrete actions to progress diversity and inclusion agenda at Syncona</td>
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<td>Progress new Windsor Fellowship, Generating Genius and FastFutures partnerships</td>
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<td><strong>Pillar 04</strong> Responsible and ethical business</td>
<td>Report in line with TCFD recommendations for the first time</td>
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<td>TCFD disclosure</td>
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<td><strong>Net zero</strong></td>
<td>Aspiration on a full portfolio basis by 2050</td>
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<td>17 Gross CO2e per full time employee*</td>
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*Using market-based method across Scope 1, 2 and limited Scope 3 emissions
Our social impact

We seek to make a positive social impact through our core purpose of extending and enhancing human life, by building companies to deliver transformational treatments to patients in areas of high unmet need.

Not only do our companies have the potential to improve the health and wellbeing of patients; these companies support the UK life science sector by providing jobs, developing the next generation of industry practitioners, and attracting investment into the UK life science ecosystem. We also actively engage with the UK Government’s life science agenda, including at management level.

Our charitable commitment through The Syncona Foundation allows us to support patients, their families, and research institutions beyond our core activities.

2022 PILLAR HIGHLIGHTS:

11 Clinical trials across the portfolio

Autolus
Approaching data read-out from pivotal trial in lead obe-cel programme

FOCUS FOR 2023:
Work towards patient impact through founding, building, and funding our portfolio companies to develop transformational treatments
Donation of 0.35% of NAV to The Syncona Foundation
Delivering transformational treatments to patients in areas of high unmet need

We look for technology which can deliver dramatic efficacy and can credibly be taken to the point of regulatory approval, and we build companies around this exceptional science.

We aim to develop transformational treatments and have already seen the impact we can make to patients’ lives. We took Blue Earth Diagnostics’ lead product, Axumin®, a diagnostic imaging agent for prostate cancer, through clinical trials to market, before selling the business to Bracco Imaging. This product has now benefited over 165,000 patients since its launch in 2016.

In our portfolio of 11 companies, we now have four at clinical stage. Our most clinically advanced company, Autolus, is expected to report clinical data from its pivotal trial of AUTO1 (obe-cel) in relapsed/refractory adult acute lymphoblastic leukaemia (ALL) in the second half of this calendar year. Obe-cel has the potential to be a transformational therapy in adult ALL.


difference to the lives of patients suffering with ALL.

Acute lymphoblastic leukaemia (ALL) is a severe form of blood cancer affecting white blood cells called lymphocytes. ALL usually develops rapidly, over days or weeks, and can affect children and adults. Without any treatment, this aggressive type of leukaemia is fatal.

The standard treatment for ALL can include chemotherapy, radiation therapy, and targeted therapies such as monoclonal antibodies. Unfortunately, the prognosis based on current treatments for adults with ALL is still extremely poor. The median overall survival is less than one year in the relapsed/refractory adult ALL setting.

Autolus Therapeutics: addressing a severe form of leukaemia

Autolus is focused on developing obe-cel, an innovative and potentially transformational treatment for adult ALL. Obe-cel is a CAR-T cell therapy. It involves collecting a patient’s own white blood cells, called T cells, and programming them to destroy cancer. This means every treatment is customised for each individual patient.

There are other CAR-T products approved for use in cancer, including ALL, but there are some challenges that need addressing, particularly around the longevity of the treatment and debilitating side effects for patients.

Obe-cel has been designed to have a long-lasting, potentially curative effect, alongside a more favourable safety profile. Based on the positive clinical data to date, it has the potential to address a significant unmet medical need by making a real difference to the lives of patients suffering with ALL.

Building globally competitive businesses leveraging UK/European scientific research

Syncona is fortunate to benefit from the outstanding life science research found within the UK and Europe, where we have strong links to academics at many of the world’s leading universities. These relationships are often where we take the initial step in developing an investment opportunity, working with academic founders to understand the potential of their research and building this into a viable business.

Once founded, our companies continue to benefit from the strength of the science infrastructure in the UK and Europe, as they seek to build out their manufacturing capabilities and carry out clinical trials with the goal of eventually delivering marketed products to patients.

Syncona and our portfolio companies are able to contribute directly to the life science ecosystem of the countries in which they are based. These companies conduct clinical trials, employ and train staff, invest in infrastructure, and drive innovation, benefiting their local economies and populations over the long term.

Portfolio case study

Quell Therapeutics: a UK biotech innovating the field of T-regulatory cell therapies

Founded by Syncona in 2019, Quell is investigating the use of T-regulatory (Treg) cells to control unwanted immune activity.

If successful, Quell’s programmes will enable the treatment of patients with autoimmune and inflammatory disease, as well as potentially prevent organ rejection without the need to take immunosuppressive medication. Its group of scientific co-founders include academics from University College London and King’s College London, as well as Hannover Medical School.

Since its foundation, Quell has continued to grow its footprint in the UK. It moved into its headquarters in west London in March 2020, and in September 2021 announced that it would be significantly expanding its manufacturing capabilities and capacity at the Cell and Gene Therapy (CGT) Catapult in Stevenage, the third Syncona portfolio company to currently lease space at this facility. This added a second Good Manufacturing Practice (GMP) facility to Quell’s operational footprint, providing the company with the capacity to develop and scale production of its therapies for clinical trials. The company’s lead therapy, investigating the use of Tregs in preventing organ rejection in live transplant patients, is on course to enter the clinic in 2022 and is enrolling patients at four sites across the UK.

Quell employs 110 employees in the UK in a variety of scientific and operational roles. Its presence in the UK provides the company with a global leader in Tregs, with Quell set to become one of the first companies to enter the clinic with this technology. Quell has also been able to benefit from the UK’s position as a life science leader, through both its links to the CGT Catapult and from the investment from British Patient Capital’s Future Fund: Breakthrough into Quell’s Series B financing. As it continues to grow and potentially broaden its clinical pipeline, Quell will continue to benefit from, and contribute towards, UK life sciences, underpinning the economic benefits of a thriving early stage biotech industry.

New cases of adult ALL diagnosed every year in the US and EU

8,400 patients*  
Estimated addressable adult ALL patients in relapsed refractory setting

3,000 patients*  
Number of Quell UK employees

110

*SEER and EUCAN estimates (respectively) for US and EU
Our social impact

Interview

Syncona's role within UK life sciences

Martin Murphy  
Chief Executive Officer and Chair, Syncona Investment Management Limited

Build Back Better
Council member

What is your view on the current health of the life sciences sector in the UK?

The UK is a global leader in the life sciences. We are fortunate to have an outstanding scientific research base. Ten of the top 50 universities for life sciences research globally are based here in the UK. The COVID-19 pandemic has highlighted the strength of the industry, with academic institutions, the NHS, and the private sector coming together to deliver vaccines and treatments which have benefited people impacted by COVID-19 worldwide.

In my view, the biggest hurdle for UK life science businesses is not ambition, access to talent or cutting-edge science. It is scale up capital. It is capital intensive to translate innovative technology through to an approved product that can be used routinely by patients, and access to this scale up capital is limited.

How did the Syncona Foundation grow and contribute to the wider healthcare ecosystem?

Syncona has launched its Innovation Licensing and Access Pathway (ILAP), leveraging its learnings from the pandemic to accelerate the time to market for new medicines. In its first year of introduction, 41 innovation passports were granted through the ILAP scheme, including several to our portfolio company Autoliv.

The Government's UK Life Sciences Vision aims to put life sciences at the centre of the UK economic recovery from COVID-19. There is a recognition from the Government that in a global race between countries to lead the sector, the pace in terms of both economic growth and human health is large. To leverage this, the industry needs to continue to make the case for greater access to scale-up capital for early-stage life sciences businesses.

What role can the Government and regulators play in developing the life sciences industry in the UK?

As we saw with the rapid approvals of the COVID-19 vaccines, regulators such as the Medicines & Healthcare products Regulatory Agency (MHRA) have an important role to play alongside the industry in expediting the approval process for innovative therapies with the potential for transformative impact in patients. The use of rolling reviews for COVID-19 vaccines, where regulators reviewed clinical data as it came through rather than once at the end of the process, created a route for accelerating the regulatory approval process. In addition, the UK’s RECOVERY Trial, a national clinical trial set up to find treatments for hospitalised COVID-19 patients, was a model for how real-time data from trials can be logged directly by physicians, with this quickly being analysed by regulators to facilitate drug approvals. This trial was truly world-leading and was the first to demonstrate the utility of cheap generic drugs such as dexamethasone in treating COVID-19 patients. It is estimated to have saved 1 million lives since introduction.

In January 2021, MHRA launched its Innovation Licensing and Access Pathway (ILAP), leveraging its learnings from the pandemic to accelerate the time to market for new medicines. In its first year of introduction, 41 innovation passports were granted through the ILAP scheme, including several to our partner company Autoliv.

The Government’s UK Life Sciences Vision aims to put life sciences at the centre of the UK economic recovery from COVID-19. There is a recognition from the Government that in a global race between countries to lead the sector, the pace in terms of both economic growth and human health is large. To leverage this, the industry needs to continue to make the case for greater access to scale-up capital for early-stage life sciences businesses. There is a role to be played by our significant defined characteristic to support the industry in investing in early stage and liquid assets. I enjoyed discussions on this as part of my role in the Prime Minister's Build Back Better Council and have been pleased to see progress being made since then in the Government’s Innovation Strategy, and the Bank of England’s Productive Finance Working Group.

The UK Government has a key role in supporting industries such as ours as they seek to grow and contribute to the wider economy - both socially and financially. I believe that we at Syncona have a continued role to play in making a compelling case for our sector.

Martin Murphy

Chief Executive Officer and Chair

Syncona Investment Management Limited

The Syncona Foundation: charitable giving in our DNA

The Syncona Foundation was set up a decade ago with charitable objectives focusing on the prevention, treatment, cure and ultimately eradication of cancer and other diseases, as well as other charitable activities.

Each year, Syncona provides a significant level of philanthropic funding to the two charities it supports, The Syncona Foundation and The Institute of Cancer Research (ICR); charities which have ambitions aligned to our vision to deliver transformative treatments for patients and through which we believe we contribute to the wider healthcare ecosystem. This is the final year in which the two charities will be funded separately, with donations to the ICR from 2023 onwards to be made through the Foundation. Focusing all our donations via the Foundation will enable a more holistic view of the charities that can benefit from our support and will maximise the impact of our funding.

The Syncona Foundation supports a range of charities, most of which focus on seeking treatments for, or supporting, patients with disease, aligning with Syncona’s core purpose. Throughout the year, the Trustees and members of the Syncona team closely interact with current and prospective charities. The list of charities the Foundation supports is under continual review from the Trustees of the Foundation to ensure that funding is reaching the places where it can have the greatest impact.

This year we will donate £4.2 million to the Foundation and ICR, bringing our total donations to charity since 2012 to £40.6 million. The Foundation typically provides funding to its charitable partners on an unrestricted basis, which gives charities the freedom to deploy money into the places they believe it can have the most impact.

This year we will donate £4.2 million to the Foundation and ICR, bringing our total donations to charity since 2012 to £40.6 million”
The Syncona Foundation: transforming patients’ lives

Rupert Adams
Board of Trustees

Nigel Keen
Board of Trustees

James Matlin
Board of Trustees

Lucie Kitchener
Board of Trustees

Fonella Demie
Finance Manager

Eleanor Hickling
Foundation Secretary

Update from the Chair of the Trustees of The Syncona Foundation

I am delighted to provide an update on the activities of The Syncona Foundation, in what is its 10th anniversary year. The Syncona Foundation was founded 10 years ago with charitable objectives focusing on the prevention, treatment, cure and ultimately eradication of cancer and other debilitating diseases, as well as additional charitable activities. We have stayed true to these objectives ever since, supporting an increasing number of healthcare-focused charities, of varying size and scale, with the shared purpose of making a real difference to patients. Since 2012, Syncona has donated a total of £41 million to charity, with the majority of that coming to the Foundation; we look forward to continuing to be able to support our partner charities in the next decade to come.

The ICR is one of the world’s most influential cancer research organisations, and we have been proud to support them since the Foundation’s inception. 2022 is the final year in which the ICR has been funded directly by Syncona, with funding for the charity from 2023 to be made through The Syncona Foundation. This will reinforce the already strong relationship between the Foundation and the ICR, and on the next page you will see a case study setting out the benefits that the ICR has been able to draw from a decade of support from Syncona. I look forward to continuing our relationship with the ICR, as we support their lifesaving work to transform patients’ lives. The Foundation actively reviews its charitable causes to ensure it continues to fund the areas where its support is most needed, with mental health charities becoming a key focus over recent years.

The Syncona Foundation

£1.9m

Donated to the ICR from Syncona and The Syncona Foundation in the year

Top research milestones from the last 10 years

2002
Targeted drug benefits women with early-stage breast cancer and BRCA mutations

Our researchers identified the major clinical trial and found patients who could benefit from the drug returning by 42 per cent.

2015
Immunotherapy extends lives of patients with head and neck cancer

Our scientists developed a ‘liquid biopsy’ method to identify mutations in advanced head and neck cancer, and found that it can also be used to effectively target treatments.

2016
Hormone therapy drugs benefit prostate cancer patients

Scientists revealed that the drug, abiraterone, could result in survival improvements and mean patients live for more than three years.

2017
Immunotherapy extends lives of patients with head and neck cancer

We showed that the drug, pembrolizumab, helped keep some patients alive for longer.

2018
Cancer scientists identify the ‘Rosetta Stone’ of the most important proteins in life

Scientists identified which proteins are vital for the body. They will now look at how they can be targeted.

2019
Blood test matches breast cancer patients to treatment

Our scientists developed a ‘liquid biopsy’ blood test to identify mutations in advanced breast cancer, and found that it can also be used to effectively target treatments.

2020
Targeted drug benefits women with early-stage breast cancer and BRCA mutations

Our researchers identified the major clinical trial and found patients who could benefit from the drug returning by 42 per cent.

The Syncona Foundation in the year

18
Syncona Limited
Sustainability Report 2022

19
Syncona Limited
Sustainability Report 2022

The Institute of Cancer Research (ICR) case study

Funding a decade of scientific achievements

Our mission is to make the discoveries that defeat cancer and our researchers are working every day in our laboratories to transform patients’ lives. We are a charity and a higher education institution, training and developing the next generation of clinicians and scientists.

For a decade now, Syncona and the Foundation have generously supported the ICRs research. Here are some examples of important advances that The Syncona Foundation has helped make possible since we started working together in 2012.

What does the ICR work to defeat cancer?

A I was drawn to the ICR because of the calibre of its research and the impact its work has for cancer patients. We have a world-class scientific environment where we can take discoveries from early research to clinics and patients globally.

B As an early-career researcher I have had the chance to learn various aspects of cancer research from the world’s top scientists. It has made my career in science more enjoyable and rewarding.

C What role do donors such as The Syncona Foundation play in supporting the ICR?

D The Syncona Foundation plays an incredibly important role in helping us make discoveries and improve cancer patients’ lives. It has funded some of our most exciting projects, including my research on understanding the biology of cancer and developing new drugs. By continuing to make new drug targets before they reach the clinic, we can move forward with the most promising as quickly as possible.

Ethical business

The Syncona Foundation is well positioned for the future, having led various activities and initiatives or research into rarer and harder to treat cancers. Having led various activities and initiatives or research into rarer and harder to treat cancers. Having led various activities and initiatives or research into rarer and harder to treat cancers. Having led various activities and initiatives or research into rarer and harder to treat cancers. Having led various activities and initiatives or research into rarer and harder to treat cancers. Having led various activities and initiatives or research into rarer and harder to treat cancers.

What are your future plans for the ICR?

A What are your future plans for the ICR?

B We’re looking forward to seeing the impact that philanthropy can have. We can’t wait to see what the future holds.

C What are your future plans for the ICR?

D What are your future plans for the ICR?

E What are your future plans for the ICR?

F What are your future plans for the ICR?

G What are your future plans for the ICR?
Responsible investor and partner

We found, build and fund sustainable life science companies, in partnership with world class academics and leading management teams.

We take a hands-on approach to building our businesses. Once we find an area of exceptional science with a clearly defined commercial opportunity, we look to build a company around it. This regularly involves putting in place the team, processes and infrastructure as well as providing the company a clear strategy and business plan to deliver on its potential. We invest in our portfolio companies over the long term, supporting them through their lifecycle, and we typically have at least one Syncona representative on our companies’ boards.

This approach means that we are well positioned to make a difference as a responsible investor and partner. We aim to help our companies enhance their positive impacts, and particularly to set the right culture, values and processes to help these businesses to follow a sustainable path over the long term. We support our portfolio companies to establish guiding principles and policies for sustainability, and ask them to report back to us on their progress, which we track using defined key performance indicators.

2022 PILLAR HIGHLIGHTS:

**UN PRI**
Became a signatory

**Gyroscope**
Sustainability considerations taken into account in sale of Gyroscope to Novartis

**FOCUS FOR 2023:**
- Targeting improvements in sustainability reporting from portfolio companies against 2022 base levels
- Continue to ensure sustainability is an active part of our investment decision-making and portfolio company monitoring
An update on our approach to responsible investing

Syncona developed and published its Responsible Investment Policy in 2021 and since then the Syncona team has continued to make good progress in embedding this into our investment process and the management of our portfolio companies. We continue to believe that engaging our portfolio companies on sustainability issues ensures that Syncona is fulfilling its obligations as a responsible investor, whilst also contributing to business performance, given that sustainability factors can be a significant driver of risk and value within our investments. We look to embed sustainability throughout our investment process and the stewardship of our companies. This allows the objectives within Syncona’s Sustainability Policy to be effectively implemented, positively impacting portfolios companies, the patients they seek to ultimately treat and the communities within which they operate.

Embedding our Responsible Investment Policy

Throughout the year, Syncona’s investment team, supported by the Sustainability Committee, has worked closely with our portfolio companies to implement our Responsible Investment Policy. We work hand in hand with our portfolio companies, and this includes having a partnership approach to sustainability. We believe it is important that our companies develop their own sustainability priorities most suited to their specific visions and corporate activities. The output of our ongoing discussions with our portfolio has been very positive, with companies in many cases already actively prioritising sustainability issues across their own operations and showing a willingness to improve their reporting in line with Syncona’s expectations. Moving forward, the investment team will continue to engage with the portfolio to understand how companies are continuing to pursue their sustainability priorities and will track progress on an ongoing basis.

The investment team now reports on portfolio company progress across the six pillars of Syncona’s Responsible Investment Policy on a bi-annual basis at Syncona’s quarterly business reviews. These reviews are attended by the Syncona team, as well as members of the Syncona Limited Board. We believe that ensuring our portfolio companies are operating as good corporate citizens helps to support their own longer-term interests as businesses, whilst also helping to unlock value creation across the Syncona portfolio.

The Sustainability Committee has also worked with the investment team during the year to ensure that sustainability factors are considered at the point of investment, with these now noted in the initial screen of investments, investment memorandums seeking investment approval, and term sheets. In line with the Responsible Investment Policy, sustainability factors are also considered if we choose to exit a business, and were noted at the time of the decision to sell Gyroscope to Novartis in December 2021. Further information on this can be found in the box below.

Chris Hollowood
Chief Investment Officer,
Syncona Investment Management Ltd

Syncona understands that its commitment to responsible investment begins in its initial screen for investments and continues through the due diligence process through to investment approval. Syncona is also committed to being a good steward to its investments, aligning its approach with the UN PRI, which it became a signatory to in October 2021.

Syncona is committed to:

Integrating sustainability issues into our investment and management processes, with the right culture, values and expectations for sustainability set at the beginning of the investment process.

Supporting each portfolio company to establish appropriate governance and monitoring processes for their sustainability performance, to ensure the most relevant sustainability issues are taken into consideration at each stage of a company’s lifecycle.

Gyroscope: Sustainability factors at the point of exit

Sustainability considerations were included in the decision-making process during the sale of Gyroscope to Novartis, which was completed in the financial year. For example, given the strong gene therapy and ophthalmology franchise at Novartis, the transaction will potentially remove the speed of approval for Gyroscope’s lead programme in geographic atrophy, an advanced form of dry age-related macular degeneration, making it available to patients more quickly. This followed the provision set out within the Syncona Responsible Investment Policy for sustainability factors to be considered at the point of exit, with Syncona also identifying no overarching ethical issues with the Novartis proposal when it was made.

Chris Hollowood
Chief Investment Officer,
Syncona Investment Management Ltd
Working with our portfolio companies on key sustainability issues

Syncona recognises that it is important to work with our portfolio companies to help nurture the right culture, values and processes so that they may follow a sustainable path over the long term, with this helping to add value to our businesses and to Syncona itself.

Throughout the 2021/2 financial year, we have been working with our portfolio companies to introduce them to the six core pillars of our Responsible Investment Policy, and ensure they are integrated into their operations. These six core pillars are:
1. Compliance and governance
2. Access to medicines
3. Animal welfare
4. Good R&D practice
5. Diversity and inclusion
6. Environmental impact

We ask our portfolio companies to adopt policies across eight key compliance and governance focus areas.

**1. Compliance and governance**

**Summary of approach**
Syncona believes that robust and effective compliance and governance is important for any successful business, and that we and our portfolio companies should clearly set out conduct expectations for our employees and others that we work with.

To implement this, we ask our portfolio companies to have policies across eight key compliance and governance focus areas.

**Compliance and governance focus areas**
- Anti-fraud, bribery and corruption
- Approach to taxation
- Conflicts of interest
- Data protection and information security
- Ethical procurement
- Health and safety
- Modern slavery
- Whistleblowing

**Progress in the year**

- **100%** Of responding companies have a Whistleblowing Policy
- All Responding companies have at least 50% alignment with our compliance and governance focus areas

**Portfolio case study: Quell**
At Quell, the team already had a strong foundation of compliance and governance policies which set out their approach to operating their business. Quell has continued to make progress in developing a suite of policies in the year, with a particular focus on ethical procurement. A new policy has been rolled out to the team, with Quell recognising that even though they operate in a sector in which they would expect to operate alongside suppliers with high ethical standards, it is important to implement a formal process evaluating potential ethical risks in their supply chain.

**Summary of approach**
Syncona is committed to achieving broad patient access to medicines.

Many of the medicines that Syncona’s portfolio companies are developing address smaller groups of patients and, given their highly complex nature, can be expensive to develop. This may result in the individual costs of these products being high. We support our companies in considering and designing strategies to address larger patient groups as the company progresses through the drug development cycle to the point where the therapy has been de-risked.

We expect our portfolio companies to carry out business ethically and transparently, recognising that they are commercial businesses, and taking into consideration the impact on a range of stakeholders including patients, shareholders and the portfolio companies themselves. We believe our companies should align with industry best practice, particularly around pricing, and once products are developed they should consider how best to ensure underrepresented groups can have access to these therapies.

**Progress in the year**

- **5 Portfolio companies intending to sign up to European Biotech Social Pact or UN equivalent**
- **100%** Of responding companies committed to developing an Access to Medicines Policy

**2. Access to medicines**

**Summary of approach**
Syncona is committed to developing an Access to Medicines Policy which is aligned with Syncona’s principles in this area.

**Portfolio case study: PureSpring**
We founded PureSpring, our pre-clinical renal gene therapy company, in 2020, and it has already made good progress in building out its access to medicines approach. It has committed to having a member of its management team sign the European Biotech Social Pact, whilst it is also moving forward with developing a standalone Access to Medicines Policy which is aligned with Syncona’s principles in this area.

**Aligning with industry best practice**

- **01** Patient access programmes
- **02** Access to developing world
- **03** Pricing practices

**Aligned with UN SDG**

Committee member

Syncona Partner and Sustainability Committee member

The world we’re in is changing, and the idea that companies’ performance and success can be measured purely by the bottom line is out of date. Our entire approach to building portfolio companies centres on partnering with founders and academic institutions, and rolling up our sleeves to work alongside them day-to-day. When it comes to rolling up our sleeves to work alongside them day-to-day. When it comes to rolling

Why do you think it is important for Syncona to engage with its portfolio companies on sustainability issues?

GG: Sustainability is about how a company decides to engage with the wider world beyond a narrow focus on its financial performance. By definition, it’s an area that requires collaboration and reflection to understand the approach that the company wants to take. When we started our sustainability work, we felt strongly that the Syncona approach to sustainability needs our portfolio companies to understand what we’re aiming for and that they’re a big part of achieving it. Ultimately, everything we do is about our portfolio companies and so we’ve focused on developing an approach that aims to enable them to become better companies.

The world we’re in is changing, and the idea that companies’ performance and success can be measured purely by the bottom line is out of date. Our responsibility in the corporate world is broader than that and includes a duty not just to our shareholders, but to all our stakeholders and to society at large. Sustainability lies at the heart of this, ensuring companies have a long-term place in a better future. At Syncona, we feel it is our duty to work with our portfolio companies and empower them in this mission; after all, their success is our success.

GG: Very positive indeed. The company management teams all broadly believe in what we’re trying to achieve, and so much of the discussion to date has centred on how to operationalise the relevant policies to maximise impact, rather than on the overarching need for them.

Are there any focus areas where you have been pleasantly surprised by the work already being done by portfolio companies?

GG: I was really pleased by how much our companies care about creating opportunity, driving equality, and enabling social change for the better.

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What has the reaction been from the portfolio companies that you have engaged with?

GG: Universally positive. We’ve actually been surprised by the extent to which they’ve engaged with us on this. Nobody views it as, or wants it to be, a box-ticking exercise; everyone has thought about it as an element of building the culture of the company and how they can leverage it to become stronger, better companies.

Are there any focus areas where you have been pleasantly surprised by the work already being done by portfolio companies?

GG: I think the strongest work, and most proactive engagement, has been on what we refer to as ‘diversity and inclusion’. My concern was that it’s a bit of a limited term and can be interpreted as a strict monitoring of certain characteristics, with best practice being defined by hard rules. We didn’t want to go down that route as our companies need to solve matters for themselves in their local situations, what are the social issues that are most important to them, and how they can use those opportunities to become better, in every sense of the word. I was really pleased by how much our companies care about creating opportunity, driving equality, and enabling social change for the better.

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Are there any reflections you have so far from this process?

GG: We felt strongly that while we need to drive this process, it shouldn’t be perceived as a top-down imposition. Instead, the aim is to embed thinking within the portfolio companies that causes them to go beyond the narrow focus on the day-to-day, and reflect more broadly upon why companies exist and what they’re for, and how we can create and grow them in better ways. While there is, by necessity, a reporting burden for them, the reporting itself is not the primary purpose of the sustainability work – it’s about building better companies.

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The world we’re in is changing, and the idea that companies’ performance and success can be measured purely by the bottom line is out of date. Our entire approach to building portfolio companies centres on partnering with founders and academic institutions, and rolling up our sleeves to work alongside them day-to-day. When it comes to rolling up our sleeves to work alongside them day-to-day. When it comes to rolling out our sustainability policies, we think about them in exactly the same way – we bring our thinking, provide relevant materials and resources, and let our companies guide us as to what initiatives make the most sense in their specific context. It’s all about hearts and minds.

What has the reaction been from the portfolio companies that you have engaged with?

GG: Universally positive. We’ve actually been surprised by the extent to which they’ve engaged with us on this. Nobody views it as, or wants it to be, a box-ticking exercise; everyone has thought about it as an element of building the culture of the company and how they can leverage it to become stronger, better companies.
3. Animal welfare

Summary of approach
Syncona is committed to high standards of ethical care across all aspects of our business, including research activity. We acknowledge that, at this time, research involving animals remains an essential tool to increase our understanding of potential new technologies and provide us with critical data to assess the potential safety and benefit of testing a medicine in a human being for the first time.

We therefore accept the use of animals in research if the potential health benefits are compelling, appropriate welfare standards are met and alternatives are not available.

We require our portfolio companies to:

- Meet all legal and regulatory requirements which set a high standard on this important issue.
- Adopt the widely used ‘3Rs’ approach to replace, reduce and refine the use of animals for scientific purposes. Further detail on the 3Rs is available from nc3rs.org.uk.

Portfolio case study

Resolution Therapeutics
Resolution, our macrophage cell therapy company which was co-founded in 2009, works within Home Office rules and is fully committed to the 3Rs principles. Following engagement with Syncona on sustainability issues, it has agreed to develop its suite of sustainability policies and expects to adopt an Animal Welfare Policy in the 2022/3 financial year.

Progress in the year

100% Compliance rate with 3Rs principles amongst responding companies

No Responding portfolio companies reported any significant breaches of 3Rs during the year.

Mammals are no longer being used for research purposes.

4. Good R&D practice

Summary of approach
Syncona believes that its portfolio companies should ensure high standards throughout the drug development process. This process inherently includes risks as any new medicine has the potential to produce adverse events. We expect the drug development process to be managed prudently and in line with accepted standards, to minimise those risks as far as practical, recognising the huge opportunity that new treatments can bring, particularly in indications with high unmet need.

After product approval there should be transparency about potential adverse events, with effective monitoring and reporting to regulatory authorities. We are also mindful of data protection concerns and have high expectations for data and patent privacy.

Portfolio case study

Autolus
Autolus ensures that Good R&D Practices are followed both at the company-wide level and departmental level, such as in Good Manufacturing Practice and Good Operating Practice procedures. This includes a specific standard operating procedure defining the requirements for identification, assessment and remediation of deviations and non-conformities during the clinical development process.

Progress in the year

2 Companies with Good R&D Practice Policies
5 Further companies with policies in development

5 Companies with minimum quality standards written into contractual terms

Aligned with UN SDG

5. Diversity and inclusion

Summary of approach
Syncona is committed to being an advocate for diversity and inclusion (D&I) in the scientific and investment communities. We expect our companies to build a strong culture, a diverse and inclusive team and high-quality relationships, that are capable of managing the inevitable challenges that arise in developing very specialised assets and scaling companies through the development cycle.

We expect our companies to be committed to the principle of taking positive action to address inequalities both inside and outside the company, and that the company considers in good faith issues that Syncona asks for improvement on.

Progress in the year

2 Companies with a D&I Policy in place; 3 further companies with policies in development

Portfolio case study

Anaveon
Anaveon, which has been a Syncona portfolio company since 2019, has actively sought to develop its D&I agenda during the year. As part of this, the company has appointed an employee ombudsperson from within its team, whose role is to act as an advisor and advocate for fairness in the workplace, including in issues relating to D&I. This ombudsperson acts as a trusted intermediary between the Anaveon team and its senior leadership, promoting constructive communication and facilitating problem solving in the case of any ongoing workforce issues.

Aligned with UN SDG

6. Environmental impact

Summary of approach
Syncona is committed to operating its business in an environmentally responsible and sustainable manner. We agree with the signatories to the 2015 Paris Agreement that our collective approach needs to limit climate change to within a 1.5 degree Celsius global temperature increase by the end of the 21st century.

Given the progress made by Syncona and its portfolio companies in improving environmental disclosure and aligning business operations with the 2015 Paris Goals, we have incorporated SDG 13, Climate Action, to the group of core SDGs which Syncona is aligned with.

Progress in the year

5 Companies developing an Environmental Policy
6 Companies reporting Scope 1 to 3 emissions to Syncona for the first time

Working with our portfolio on disclosing their carbon emissions

In line with Syncona’s partnership approach to implementing its Responsible Investment Policy, during the year we worked closely with six of our privately held companies on their carbon reporting. This work, led by a consultancy and supported by Syncona, showed how these portfolio companies could capture the required operational information in order for them to initiate Scope 1 to 3 carbon emissions reporting.

As a result of this project, data on Scope 1 to 3 emissions across the six companies was captured, meaning that Syncona is now able to more accurately understand the carbon footprint of its investment portfolio.

Aligned with UN SDG
Sustainability within the Syncona portfolio

Throughout the financial year the investment team, supported by the Sustainability Committee, has been engaging with portfolio companies to implement Syncona’s Responsible Investment Policy.

By year end, the policy had been communicated to all of Syncona’s 11 core portfolio companies. Syncona companies may grow over their lifecycle from having one or two employees to 100 employees or more. Syncona’s holdings in its portfolio companies may also change through their lifecycle, as external investors are introduced via syndicated investment rounds.

1. Compliance and governance

Throughout the year Syncona has engaged with its portfolio companies to understand their existing compliance and governance policies and help them to improve these where necessary. In some cases, our specific requirements may be detailed in a company document, for example, the employee handbook, rather than a formal policy being in place. In such cases the portfolio company is asked to provide Syncona with reassurance that its values and expectations are being followed by the company.

In line with its partnership approach to responsible investment, Syncona has also shared with its portfolio companies template policies across all of its compliance and governance focus areas. In some cases, portfolio companies have used these to form the basis of policies which are aligned with Syncona’s values and expectations.

Does the company have an Anti-fraud, Bribery and Corruption Policy?

Yes 6
Not yet reporting 5

2. Access to medicines

Syncona is committed to making medicines accessible to patients. We must balance the importance of this with an understanding that our portfolio generally consists of companies which are earlier in their developmental cycle and not at the stage of delivering marketed products to patients.

Syncona asks that its portfolio companies have an Access to Medicines Policy regardless of their developmental stage, and that they seek to sign either the European Biotech Social Pact or US equivalent. The European Biotech Social Pact has been signed by Syncona CEO Martin Murphy and CEO Chris Hollwood and commits signatories to seeking broader patient access to medicines. Multiple business leaders from Syncona’s portfolio are expected to sign the Pact over the next 12 months.

Have you signed up to the European Biotech Social Pact or US equivalent?

Yes 6
Not yet reporting 5

3. Animal welfare

Syncona expects its portfolio companies to align with all legal and regulatory requirements, along with the widely used ‘3Rs’ set of standards when using animals in their research activities. Given the high regulatory standards in the jurisdictions which Syncona operates, our expectation is that our portfolio companies will be compliant with Syncona’s standards in this area.

In addition to asking our portfolio companies to have a defined Animal Welfare Policy and align with the principles of the 3Rs, we also ask that they inform Syncona of any significant breaches of the 3Rs during the year. This means that not only can we ensure that our portfolio companies have the expected policy and governance structures in place, but that we can understand how these are being implemented in practice.

Has your company committed to the 3Rs principles?

Yes 6
Not yet reporting 5

4. Good R&D practice

Syncona believes that its portfolio companies should demonstrate high standards in the drug development process. We consider our expectations of our companies in this area to be industry standard and reflective of the high standards within the jurisdictions within which Syncona companies operate.

We ask that our portfolio companies are able to demonstrate their commitment to high standards through the existence of Standard Operating Procedures which relevant employees are trained in, the documentation and auditing of GxP activities, appropriate oversight of third party vendors, and appropriate disclosure of any clinical data breaches.

Do you have established Standard Operating Procedures where necessary, and are all relevant employees appropriately trained in these procedures and related policies?

Yes 6
Not yet reporting 5

5. Diversity and inclusion

Syncona is committed to tracking the progress of its portfolio companies in implementing its Responsible Investment Policy on an ongoing basis. It sees this, alongside ongoing engagement with its portfolio companies on sustainability issues, as being a key part of its role as a responsible investor, and in line with its responsibilities as a signatory of the UN PRI.

As part of the implementation of the policy, Syncona has asked its portfolio companies to track their progress in implementing Syncona’s sustainability values and expectations by reporting against a collection of sustainability KPIs. Portfolio companies are expected to report against these KPIs on an annual basis. Please find below a summary of our requirements for each pillar and progress made against these during the year. We have highlighted one sustainability KPI from each pillar, and provided a graphical representation of the responses.

Our approach to sustainability data collection

The below graphs illustrate how our portfolio companies have reported against a number of key requirements across the six pillars of our Responsible Investment Policy.

Whilst the Responsible Investment Policy has now been communicated to all 11 Syncona portfolio companies, we have taken into account the developmental stage of each company, current circumstances within that particular business, and the timing of the roll-out within Syncona’s financial year. A number of portfolio companies (as set out under “not yet reporting”) have therefore not reported fully across our set of requirements this year, and we expect to take a step forward in this regard in the 2022/23 financial year.

Key to pie charts

Yes – when a portfolio company is already reporting in line with the requirement e.g. via a policy already being in place.

Intend to in next 12 months – when the requirement is not being reported against currently, but the company intends to do so in the next 12 months.

Not yet reporting – when the portfolio company has not provided a response to Syncona on the reporting requirement in this financial year.

Do you report Scope 1 to 3 emissions to Syncona?

Yes 6
Not yet reporting 5

6. Environmental impact

Syncona has an aspiration to be net zero throughout its value chain (including portfolio companies) by 2050. It is therefore committed to close engagement with its portfolio companies to help them develop their own net zero strategies.

We ask our portfolio companies to develop an Environmental Policy which includes an initial position statement on net zero, and for them to disclose their Scope 1 to 3 emissions to Syncona on an ongoing basis. In discussing diversity and metrics with portfolio companies, we have been clear in underlining the importance of tracking these on an ongoing basis at executive and Board level.

Do you have a Diversity and Inclusion Policy?

Yes 6
Not yet reporting 5

Do you report Scope 1 to 3 emissions to Syncona?

Yes 6
Not yet reporting 5

Have you signed up to the European Biotech Social Pact or US equivalent?

Yes 6
Not yet reporting 5

Has your company committed to the 3Rs principles?

Yes 6
Not yet reporting 5

Do you have established Standard Operating Procedures where necessary, and are all relevant employees appropriately trained in these procedures and related policies?

Yes 6
Not yet reporting 5
Inspiring and empowering our people

We are focused on attracting, developing and retaining the best talent, as our people are fundamental to delivering on our strategy. Syncona’s purpose is to invest to extend and enhance human life, and this is a core part of what attracts the best people to our business.

As we continue to scale Syncona, it is important to create an environment where our employees can continue to develop, and feel empowered in their roles, as we work towards delivering transformational treatments for patients in areas of high unmet medical need.

2022 PILLAR HIGHLIGHTS:

First
Windsor Fellowship intern completes six-month placement at Syncona

Generating Genius
First cohort begin studies

FOCUS FOR 2023:
Further develop Syncona’s diversity and inclusion strategy
Continue to maximise engagement with Windsor Fellowship, Generating Genius and FastFutures partnerships
Developing our people strategy

Fiona Langton-Smith joined Syncona as its Chief Human Resources Officer (CHRO) in April 2021. She has been working to structure and scale the organisation for the next stage in its development, as well as providing HR leadership and guidance to the Syncona management team. I have thoroughly enjoyed my first year at Syncona and have been impressed by the culture of the organisation. The team are open and honest in their discussions, and there are strong relationships that exist between team members at every level of Syncona.

I have spent much of the last year working with Syncona’s leadership team to identify and implement the optimum organisational structure for the next stage of Syncona’s growth trajectory. The team has been incredibly open to the process, recognising the clear benefits that evolving our way of thinking at an operational level can have for business performance.

As we look to best position Syncona for further success, we have made some changes to how the team is structured. In particular, we have focused on refining the structure of the investment team, combining this with a renewed focus on developing our people. We have reviewed and enhanced the way we assess performance and development, clearly aligning employee development plans with a future pathway within the organisation. We are also making a number of key hires from a junior to senior level across the investment team and the broader business, as we look to ensure that Syncona is well positioned for the next phase of growth.

We have introduced a Corporate Team, to act as the operational leadership team for Syncona. This is led by the CEO and CIO, and includes the CFO, CHRO, CMO, Head of IR and Communications, and General Counsel. This forum allows the leadership team to align on key issues at a corporate level, ensuring that Syncona is effectively delivering on its ongoing objectives. This team includes two female leaders, including myself, and it remains an ongoing priority of mine to provide access to forums for female leaders to influence the direction of the business.

An active approach to D&I is a key element to a successful and sustainable business. Following the launch of our D&I initiatives with the Windsor Fellowship, Generating Genius and FastFuture last financial year, we have been pleased with the progress made with these programmes in the year, and in particular the team enjoyed working with Winnie Ntow-Bobahene, our first Windsor Fellowship intern, during her time at Syncona. An interview with Winnie and her Syncona mentor, Michael Kyriakides, can be found on pages 38-39.

Moving forward, I am very focused on the benefits that Syncona portfolio companies can draw from relationships with operational experts at Syncona. I have been pleased with the impact that Ben Woolven has had since joining as Business Strategy and Operations Partner in February 2022. Ben has initially been focusing on engaging with Resolution as it continues to scale its operations, with the company benefitting from the significant expertise that Ben has developed across strategy development and business operations, most recently at GSK. Ben’s ongoing work with Resolution underlines the continued role that Syncona can play as its portfolio companies move through their development cycles.

We have made good progress in the year, ensuring our people strategy aligns with Syncona’s purpose and performance. Employee benefits include:
- Life assurance
- Income protection
- Pension contributions
- Private medical insurance
- Family-friendly benefits (maternity and paternity leave, bereavement and compassionate leave)
- Mental health and employee assistance
- On the job opportunities
- Professional development
- Remote working opportunities
- Employee assistance

Syncona is committed to building upon this as a great place to work for its employees, and over the next year it is specifically looking to improve the family-friendly policies it has in place, with a focus on maternity and paternity leave.

Flexible working

We strive to have flexible working policies that meet the needs of our people and support our business. COVID-19 has enabled us to understand the potential of remote working, and we have been flexible and open minded as we have sought to integrate this into our longer-term working model. A hybrid working model has been in place since November 2021. As part of this, the team are asked to be in the office two or three days a week, depending on their department and business projects.

Employee welfare and wellbeing

Fiona Langton-Smith
Chief Human Resources Officer,
Syncona Investment Management Limited

We seek to invest in our people and to develop our future leaders. Our structure lends itself to small teams with shared responsibility, allowing junior staff to learn on-the-job with significant exposure to the senior team and senior industry leaders outside Syncona. Team members receive increasing exposure to the facets of the role ensuring progression is attainable and unrestrained.

Benefits and support

We believe providing a supportive working environment is crucial to the wellbeing and satisfaction of our team.

Formal benefits

In line with our desire to attract and retain our talented team, the team are provided with competitive remuneration, including a long-term incentive scheme linked to the performance of our investments. Employee benefits include:
- Life assurance
- Income protection
- Pension contributions
- Private medical insurance
- Family-friendly benefits (maternity and paternity leave, bereavement and compassionate leave)

Syncona is committed to building upon its position as a great place to work for its employees, and over the next year it is specifically looking to improve the family-friendly policies it has in place, with a focus on maternity and paternity leave.

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Emphasis is placed on strong communication between employees and their line managers, underlined by a clear foundation of trust that employees should be able to best manage their time and ongoing priorities.

Mental health and employee assistance

We place increasing importance on mental wellbeing and have been acutely aware of the strain on our people during the COVID-19 pandemic, which has continued to have an impact on the team through the financial year. Along with support structures which are in place at Syncona, team members have access to professional support, as needed, from our private medical insurance providers.

Team engagement

Within the business, there is a culture of open communication across the team. The business benefits from being a c.30-person team operating with a flat structure and a commitment to limiting unnecessary hierarchy. The senior management team know everyone on the team personally and engage with everyone regularly, often seeking input into strategy and providing updates on key business initiatives. This has been particularly true during the year, where sub-groups across the investment and broader team have worked together on a number of important strategic initiatives.

The flat structure that Syncona has historically employed has benefited it enormously in encouraging an open and honest culture within the organisation, while we have looked to introduce new elements of structure to the organisation during the year to formalise some processes, this has been done in a way which does not unduly impact our openness as an organisation, which is important for our employees and key to our ongoing success.
Our approach to diversity and inclusion

We are an equal opportunities employer and recruit, promote and reward based on merit. We believe that a diverse and inclusive team is vital to our success and aim to embed these values within our culture.

Gender diversity
We monitor gender diversity across Syncona and we are pleased with the progress to date, particularly in the composition of the Board and the Syncona team as a whole. However we recognise there is more to be done, in order to ensure that we are accessing and supporting as broad a range of talent as possible.

Family-friendly policies
Syncona recognises that a key element of encouraging diversity within the workplace is the development of family-friendly policies. Syncona has been working throughout the year to further develop its HR policy framework, with a particular focus on maternity and paternity leave. It expects to launch new policies for both in the 2022/3 financial year, recognising that employers have a pivotal role in ensuring that employees are able to adjust to a new or growing family in a way that is best for them and their careers.

Gender diversity at Syncona

The graph shows the gender distribution across Syncona’s different teams:

- **Syncona Limited Board**:
  - Female: 4
  - Male: 3

- **Syncona Investment Management Limited Corporate Team**:
  - Female: 2
  - Male: 5

- **Syncona Investment Management Limited Board**:
  - Female: 0
  - Male: 3

- **Syncona Investment Management Limited Corporate Team**:
  - Female: 15
  - Male: 14

Syncona has continued to develop its diverse D&I initiatives during the year. These initiatives help to address the underrepresentation of ethnic minorities in Science, Technology, Engineering and Maths (STEM) careers in the UK. Specifically, we have identified the underrepresentation of black minorities within STEM subjects, with this being reflected in our choice of D&I initiatives.

Syncona employees are encouraged to engage with the work of these partners, with members of the team showing enthusiasm in driving the relationships with these D&I partnerships throughout the financial year.

Syncona’s diversity and inclusion initiatives

**Generating Genius**

This financial year marked the first year of Syncona’s partnership with FastFutures. Aimed at 16-22 year-olds, the 12-week intensive FastFutures programme aims to provide young people with the practical skills, network and confidence to take the first step in their careers.

Syncona provided a donation of £25,000 to FastFutures in FY2021/2, and 13 Syncona employees also provided mentorship to 30 FastFutures participants. Syncona will be continuing to fund FastFutures in the 2022/3 financial year. The team found this an incredibly valuable experience, and this was reciprocated with Syncona receiving a mentor score of 4.9/5 from participants in the programme.

The Windsor Fellowship is designed to support minority communities as they pursue academic journeys within STEM.

During the year Syncona welcomed its first Windsor Fellowship intern, with scholars joining Syncona for a six-month placement after their third year as a PhD candidate. Turn overleaf for an interview with this year’s intern, Winnie Ntow-Boahene, along with her mentor, Syncona Partner Michael Kynakides.

During the year we also started funding our first Windsor Fellowship PhD student, who began their studies in October 2021.

**FastFutures**

During the financial year the first five students supported by the David Twumasi Syncona Foundation Scholarship began their studies at university. The scholarship covers tuition fees as well as most living expenses for the recipients, all of whom are studying a STEM subject.

The programme is specifically targeted at low-income students, and The Syncona Foundation will provide over £300,000 in funding to Generating Genius over the length of the programme.

The scholarship has equipped me with financial freedom which has allowed me to not worry about money whilst studying a degree that has proven to be quite demanding.

Erica

David Twumasi Syncona Foundation Scholarship recipient. She is studying Medicine with a Foundation Year at the University of Nottingham.

Throughout the mentoring experience, Alex has been very supportive and encouraging and has provided me with constructive feedback and advice, which I have been able to take forward with me.

Aiswarya

FastFutures Mentee, on Syncona mentor Alex Hamilton.

Syncona is full of great and capable people. The culture is very positive and open to change. The team made me feel very welcome, but at the same time challenged me, so overall the experience was very rewarding.

Winnie Ntow-Boahene

Syncona’s first Windsor Fellowship intern.
Welcoming our first Windsor Fellowship intern to Syncona

Winnie Ntow-Boahene
Windsor Fellowship Intern

Michael Kyriakides
Syncona Partner
Board Director at Purespring

What attracted you to the programme?

WNB: I heard about it through a colleague at university who was a lecturer. We were discussing healthcare and economics, and the pricing of new drugs. Following that conversation the internship caught her eye on LinkedIn, and she thought I would be a good match. The job description ticked a lot of boxes for me in terms of my interests and where I wanted to develop.

What was it like joining the team?

WNB: From the start I was treated as if I was a full-time employee, which of course could be overwhelming at times but was also empowering. This was a new experience for me, but gradually I felt more confident in raising my opinions and that I was properly contributing to discussions and the work of the team.

What were the main things you have been working on?

WNB: I spent time working on a number of pipeline programmes. I was able to work with members across the investment team right up to the senior leaders, and was able to contribute to projects which were relevant to my field of study which was great.

What will your main takeaways be?

WNB: I have learnt a lot. I have a better sense of how life science investment works and how to run a good diligence process. In particular, I have learnt lots from the investment team about how to deal with challenges presented during the investment process when they are sourcing new opportunities for Syncona. I also really benefited from being able to attend a two-day company strategy offsite that took place in my time at Syncona. It was interesting to see the investment team and the senior leaders of Syncona in that environment.

What experience do you think Winnie got from this internship?

MK: Winnie was exposed to some really interesting workstreams. In attending our company offsite, she was also able to get a real insight into how businesses like ours work in a way that other interns may not have done. I also think that the internship has demonstrated how Winnie can apply the knowledge that she has gained in academia in a commercial environment.

How will you use what you learnt?

WNB: I would like to work in life sciences and I will definitely look to work in the biotech sector. My experience working with Syncona has provided me with a great insight into the industry, along with a better understanding of my degree pathway. I am also looking at combining my degree and a Master’s in another field.

What advice do you have for future interns?

WNB: I would recommend that future interns make sure they are clear about where they are focusing and what they want to get from the experience. I think it is important to have a really clear idea of what you want to get from your time at Syncona so that you are able to focus on learning areas that are helpful to you. From my experience, the internship was a great way of learning how to work in a commercial environment, and it has prepared me well for the next stage of my career.

How has it differed from your expectations?

WNB: From the media you can get a perception of what investing is like but I found there was a real team ethos and people are very collaborative. I look at corporate life as being less scary now. It made me realise that life science investing is a career that I could see myself pursuing.

How did you find mentoring Winnie?

MK: Clearly I had to make sure I gave her as much support as I could. We work in a fluid environment which means that people have plenty of room to grow, but I was aware that can be intimidating at times. I made sure I was able manage her workload and make sure she was always benefiting from this experience.

What impact has Winnie made in her time here?

MK: It’s been great having her here. It was obvious from day one that Winnie was smart and fitted in well with the team. The projects she was working on were mostly relevant to her academic experience, and in many ways her input was invaluable in our diligence process and investment decisions.

How did you balance your time at Syncona with your academic work?

WNB: It worked well. I was able to manage both my day job and my academic work with my day of study on Friday, and Michael was very accommodating in helping me with any issues I had.

What are your general reflections on your time at Syncona?

WNB: Syncona is full of great and capable people. The culture is very positive and open to change. The team made me feel very welcome, but at the same time challenged me, so overall the experience was very rewarding.

Would you recommend the programme to anyone else?

WNB: Definitely.
It is key that our business operates in a responsible and ethical manner. This is in line with Syncona’s values and is fundamental to our long-term success.

We have strong governance in place with regular reporting to the Board and oversight by the committees outlined in our governance framework. We understand the important role of reporting against globally recognised reporting frameworks to underline our commitment to sustainability. We also believe it is important to seek to minimise our environmental impact in line with best practices, both through Syncona’s own operations and through our portfolio.
Syncona Limited Sustainability Report 2022

Sustainability

Responsible and ethical business

Syncona has in place a robust set of policies, internal controls and management processes covering all areas of our business in order to operate responsibly and ethically. Many of these primarily apply to Syncona Investment Management Limited (SIML), our subsidiary that manages Syncona and employs the team. SIML is an investment manager regulated by the Financial Conduct Authority, and so is also subject to the FCA’s compliance requirements, including the Conduct Rules that apply to employees.

Training is provided to all employees each year, and to new joiners, through a mixture of in-person training and online resources, to ensure they are familiar with the obligations and requirements that apply to them. The in-person training provides the team with an opportunity to actively engage with the policies in operation at Syncona and raise any questions or provide feedback. All employees must confirm in writing every six months that they have complied with the policies.

The compliance team reviews all compliance policies each year to identify areas for change, and uses specialist advisers to support that work. Key compliance policies and controls are reviewed each year by the Syncona Audit Committee, alongside its annual review of risk and internal control effectiveness.

Key policies

Anti-fraud, Bribery and Corruption Policy

Syncona adopts a zero tolerance approach to fraud and corruption. All employees, contractors and those providing services for or on behalf of Syncona are required to act at all times with integrity and to safeguard the resources for which they are responsible. The business is committed to the promotion of an anti-fraud and corruption culture throughout the organisation. All employees have a role to play in the prevention of fraud or corruption. Syncona is not aware of any breaches of this policy during the year.

Financial crime and anti-money laundering

Financial crime is a key area of focus for regulators and law enforcement agencies globally. As a regulated business, SIML must maintain systems and controls for countering these risks. Financial crime covers offences involving money laundering, terrorist financing, economic sanctions, bribery and corruption, market abuse and fraud. A key part of SIML’s controls against financial crime are anti-money laundering procedures. As SIML has a single, listed client in Syncona, the main focus of the controls is on carrying out appropriate due diligence on the investee company for new investments and any key individuals with significant control or influence.

Conflicts of interest

As a regulated business, SIML maintains a Conflicts of Interest Policy to support employees in promptly identifying any actual or potential conflicts and correctly managing them, to minimise the risk that a conflict could compromise (or be perceived to compromise) the judgement of the parties concerned. Employees are expected to take all reasonable steps to identify, monitor and manage any actual or potential conflicts of interest which may arise. As SIML has a single client in Syncona, the principal conflicts that could arise are conflicts between the interests of SIML and Syncona (though these are relatively unlikely as SIML is a subsidiary of Syncona) and conflicts between the personal interests of Syncona team members and Syncona.

Employees are expected to take all reasonable steps to identify, monitor and manage any actual or potential conflicts of interest which may arise. As SIML has a single client in Syncona, the principal conflicts that could arise are conflicts between the interests of SIML and Syncona (though these are relatively unlikely as SIML is a subsidiary of Syncona) and conflicts between the personal interests of Syncona team members and Syncona. We expect full transparency from employees to enable conflicts to be managed appropriately and Syncona’s interests protected.

The Conflicts of Interest Policy is supplemented by policies relating to gifts and hospitality and personal account dealing and outside employment and business interests, which seek to minimise the risk of situations arising where a conflict will exist between Syncona team members and Syncona.

Conflicts of interest policy is maintained and each member of the Syncona team is responsible for notifying the Disclosure Group of any relevant information that they become aware of to the Disclosure Group.

Inside information

Syncona is committed to ensuring that inside information is properly controlled in accordance with legal requirements, and not misused. An Inside Information Policy is maintained and each member of the Syncona team is responsible for notifying the Disclosure Group of any relevant information that they become aware of to the Disclosure Group.

The Inside Information Policy is supplemented by policies relating to personal account dealing, which seeks to ensure that employees’ personal dealing does not result in actual or potential misuse of inside information.

Sustainability

Syncona’s Sustainability Policy establishes the foundation for integrating environmental, social and governance risks and opportunities into our business. It sets out our commitment to promoting consistent practices and to ensuring that ESG factors are effectively managed to ensure that we continue to run a high quality, responsible and ethical business. In addition, Syncona has in place a Climate Ambition Statement regarding our intentions to minimise our greenhouse gas emissions and outlining our aims with regard to net zero. We updated our travel policy this year to align with our emissions reduction plan.

Modern slavery and ethical procurement

Syncona has zero tolerance for modern slavery and human trafficking. Syncona publishes an annual Modern Slavery Statement to further this goal and has policies in place to tackle modern slavery and human trafficking throughout its supply chain, recognising that the nature of our business and suppliers results in a relatively low risk of modern slavery issues arising. Syncona’s approach to modern slavery and human trafficking risks in our supply chain sits within our wider approach to procurement, where ethical considerations such as carbon footprint and regulatory compliance also form a key part of due diligence and ongoing monitoring.

Political and charitable contributions

All political or charitable contributions by Syncona must be approved by the Syncona Board. As part of this, it is important to ensure there is no potential conflict of interest or other relationships that may be perceived as being affected by the contributions.

Gifts and inducements

The Syncona Gifts and Hospitality Policy provides that employees may not offer or accept gifts or hospitality which seek to influence, support or reward any business act or are provided in consideration of any potential further business. It is the responsibility of each employee to exercise judgement when considering any gift or hospitality event and other inducements and to be satisfied that it is both proper and appropriate in terms of content, cost and timing. Employees are expected to act at all times be, and be seen to be, acting in a way which is fair, impartial and unbiased. Should a potential conflict of interest be identified, the gift/hospitality should not be offered or should be declined as applicable.

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Responsible and ethical business

Approach to taxation
Syncona’s approach to taxation is built on the following principles:

– As a collective investment scheme, Syncona seeks to prevent investors from suffering double taxation on their investment returns, that is once at the level of Syncona and then again in the hands of the investors. In other words, we aim for investors in Syncona to not pay more tax than they would have incurred if they had been able to invest directly in Syncona’s underlying portfolio of investments.

– Fee income arising from commercial activity will be taxable in the jurisdiction in which the managing or advising entity is based. SIML is based in the UK and is liable to pay corporation tax in the UK.

– To act lawfully and with integrity, including complying with all statutory obligations and disclosure requirements, and maintain open and constructive relationships with tax authorities worldwide.

– Where tax laws require interpretation or where tax regulations or codes are ambiguous or untested, Syncona takes reasonable steps to determine their applicability, including seeking tax advice where necessary, and with due regard to fair outcomes for our relevant stakeholders.

Whistleblowing
Syncona maintains a Whistleblowing Policy, which is a key part of creating a working environment that meets the highest standards of openness and accountability. Employees are encouraged to raise any concerns about malpractice in the workplace at the earliest possible stage. Concerns should normally be raised with an employee’s line manager. Where this is not appropriate the issue may be referred to the Compliance Officer or any of the senior members of the team. Alternatively, any concerns can be raised with the Chair of the Syncona Audit Committee. Our policies are clear that there should be no fear of reprisal or victimisation or harassment for whistleblowing. There were no incidents of whistleblowing in the year.

This section includes a summary of our Streamlined Energy and Carbon Reporting (SECR). Although the Company is not subject to the laws of England and Wales, its reporting has been prepared in line with the relevant English legislation as set out below. The reporting period is Syncona’s financial year, the 12 months to 31 March 2022. The full table outlining our SECR reporting for FY2021/2 can be found within Syncona’s Annual Report and Accounts 2022, published concurrently with this report.

Syncona’s Climate Ambition Statement
Syncona understands that climate change represents a systemic risk to our societies and economies. We agree with the signatories to the 2015 Paris Agreement that our collective approach need limits to climate change to within 1.5 degree Celsius global temperature increase by the end of the 21st century. This means reaching a point where there are not zero emissions associated with human activity released into the atmosphere by 2050 at the latest, as advised by scientific advice.

Our footprint
Given the relatively small nature of our operations, with one primary office location and around 30 employees, our environmental impacts are relatively small. Our clearest direct impact (Scope 1 and 2) comes from the energy we use in our headquarters, of which the electricity is 100 per cent powered by renewable wind, solar and hydro asset sources. Our office space also has a zero to landfill waste policy (Scope 3).

Methodology for SECR reporting
We have employed the services of a specialist adviser, Avieco, part of Accenture, to quantify the greenhouse gas (GHG) emissions associated with the Company’s emissions for FY2021/2.

Syncona’s FY2021/2 SECR location-based footprint is equivalent to 65.0 tCO₂e, with the largest portion being made up of emissions relating to business travel via air, taxi and rail at 45.3 tCO₂e. Syncona’s market-based footprint, which takes into account the green energy used by its head office, amounts to 52.2 tCO₂e.

The methodology used to calculate the GHG emissions is in accordance with the requirements of the following standards:

– World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol (revised version)

Defra’s Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting requirements (March 2019)

Avieco has calculated our emissions following an operational control approach to defining our organisational boundary and our calculated GHG emissions from business activities falling within the reporting period of April 2021 to March 2022.

The intensity ratio for occupied space has been calculated using Scope 1 and Scope 2 data only as these are the emissions associated with the office space. The employee intensity metric has been calculated from the emissions for Scope 1, 2 and 3 to give a ratio per employee covering all of Syncona’s activities.

For FY2021/2, the intensity metrics were:

Location-based method:
– 2.1 tonnes of CO₂e per employee
– 0.010 tonnes of CO₂ per square foot of occupied space

Market-based method:
– 1.7 tonnes of CO₂e per employee
– 0.008 tonnes of CO₂ per square foot of occupied space

Read more on Syncona’s full Streamlined Energy and Carbon Reporting (SECR) disclosures: Annual Report and Accounts 2022 Pages 56-71
Sustainability Report 2022

Summary TCFD disclosure

We understand that climate change represents a systemic risk to our societies and economies. We agree with the signatories to the 2015 Paris Agreement that our collective approach needs to limit climate change to within a 1.5 degree Celsius global temperature increase by the end of the 21st century. This means reaching a point where there are net zero emissions associated with human activity released into the atmosphere by 2050 at the latest, as advised by the latest scientific advice.

We found and build companies to deliver transformational treatments to patients in areas of high unmet need. As such, we indirectly bear the potential transition and physical risks to which the portfolio companies and other investments are exposed. In addition, we also benefit the most from any potential opportunities which are associated with the transition to a low-carbon economy that the portfolio companies are able to take advantage of.

We believe that our business, and the portfolio companies in which we invest, are not materially exposed to climate change and that neither the risks nor opportunities (individually or collectively) materially impact our strategy or viability, or financial results, either in the short or longer term. However, we remain convinced that it is important for everyone to contribute to addressing the challenges of climate change. We have therefore chosen to address the climate-related issues in our business within our wider sustainability framework. Although the Company is not required to provide a TCFD disclosure as the legislation does not currently apply to it, we are voluntarily providing disclosures consistent with the recommended disclosures of the Task Force on Climate-related Financial Disclosures to illustrate our commitment to climate-related issues given their increasing importance to our stakeholders.

Goverance
Goverance of climate-related issues is an important aspect of our wider management framework for governance of sustainability issues. The Board is ultimately responsible for governance of climate-related issues. The Board approves relevant climate-related policies, oversees the implementation of the Sustainability Policy and considers, and oversees the monitoring of, risks, arising from sustainability issues. The Sustainability Committee acts as a cross-function group to coordinate the implementation of our sustainability policies, horizon-scan for sustainability developments or changes in risks, and support and advise the business on sustainability issues, including climate-related issues. The Sustainability Committee is also responsible for coordinating reporting through the Corporate Team and forwards to the Board.

Strategy
This year we undertook a climate scenario analysis with support from an external consulting firm to consider the potential impact that certain physical and transitional climate-related risks and opportunities could have on our business and portfolio companies, in a range of different climate scenarios and on a short, medium and long-term time horizon.

We identified four potential risks and one potential opportunity for evaluation by the business. We assessed the potential impact of physical risks taking account of physical locations/logistics routes, and of transition risks by analysing internal data and publicly available data to look at the impact of sustainability factors on cost of capital. Our view is that neither the risks nor opportunities (individually or collectively) materially impact our strategy or viability, or financial results, either in the short or longer term. Accordingly we do not consider there should be any impact to our financial results. However, we intend to keep the risks and opportunities under review.

Risk management
Our process for managing risk around climate-related issues forms part of our wider risk management framework. The Audit Committee has ultimate responsibility for reviewing the scope and effectiveness of internal controls and risk management systems for climate-related issues and reviews and assesses risks and associated frameworks to manage and mitigate such risks.

As noted above, during the year we carried out a risk identification process and concluded that climate-related risks have not been included as a principal risk of the business. The Sustainability Committee takes a lead on horizon-scanning for sustainability developments or changes in risks, including climate-related issues, which inputs into the wider risk management process. The Investment Committee is responsible for considering sustainability issues in Syncona investment transactions. The Corporate Team is responsible for considering sustainability issues within Syncona’s own business and operations.

Metrics and targets
We consider metrics and targets separately for Syncona’s own business and operations and the activities of our portfolio companies. We collect and report annually on the Scope 1 to 3 emissions arising from Syncona’s own business and operations (excluding portfolio companies). Given the type of business we operate and the steps already taken, including adoption of 100 per cent green electricity supply to our head office in London, our emissions are already relatively low, and our aspiration is to achieve a net zero by 2050.

At portfolio level, we expect each of our portfolio companies to report on their Scope 1 to 3 emissions and encourage them to adopt a net zero strategy. We have provided assistance to a number of our portfolio companies this year by giving them access to an environmental consultancy firm who have helped these portfolio companies obtain relevant data to report on their Scope 1 to 3 emissions as a first step.
### Responsible and ethical business

**Our approach to TCFD**

<table>
<thead>
<tr>
<th><strong>Governance</strong></th>
<th><strong>Work in 2022</strong></th>
<th><strong>Plans for 2023</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Formally incorporated climate-related concerns into our existing risk management and internal controls frameworks.</td>
<td>Set further targets and measure progress as we hope to have a fuller data set of Scope 1 to 3 emissions from our portfolio companies over the next year.</td>
</tr>
<tr>
<td></td>
<td>Collected Scope 1, 2 and limited Scope 3 emissions data from the majority of our portfolio companies – see below for further details – to allow us to monitor and measure progress.</td>
<td>Continue to monitor climate-related risks to ensure our policies and procedures remain fit for purpose.</td>
</tr>
<tr>
<td></td>
<td>Intended to become a signatory to the NZAM initiative and adopt the NZAM commitments which are available on their website.</td>
<td>Work with our external advisers to progress our aspiration to be net zero throughout our full value chain (including our portfolio companies) by 2050.</td>
</tr>
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<table>
<thead>
<tr>
<th><strong>Strategy</strong></th>
<th><strong>Work in 2022</strong></th>
<th><strong>Plans for 2023</strong></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Conducted a climate scenario analysis of our business which highlighted key climate-related risks and opportunities. This allowed us to consider how we managed such risks and opportunities.</td>
<td>Continue to keep climate-related risks and opportunities under review to ensure our policies and procedures remain fit for purpose.</td>
</tr>
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<table>
<thead>
<tr>
<th><strong>Risk management</strong></th>
<th><strong>Work in 2022</strong></th>
<th><strong>Plans for 2023</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Implemented the Responsible Investment Policy to help manage climate-related risks which are inherent in our business model. Alongside this, we worked with our portfolio companies to implement key policies and principles – see pages 20-31 for further details.</td>
<td>Continue to work with our portfolio companies to implement key policies and principles.</td>
</tr>
<tr>
<td></td>
<td>As detailed above, we conducted a climate-related risk identification process through the climate scenario analysis and incorporated any material resulting climate-related concerns into our existing risk and control frameworks.</td>
<td>Continue to keep climate-related risks and opportunities under review through horizon-scanning primarily led by the Sustainability Committee.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Metrics &amp; targets</strong></th>
<th><strong>Work in 2022</strong></th>
<th><strong>Plans for 2023</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Provided assistance to our portfolio companies to help them obtain relevant data to allow them to report on Scope 1 to 3 emissions – see pages 20-31 for further details.</td>
<td>Continue to monitor portfolio company emissions data and assist our companies with their progress towards setting a net zero strategy.</td>
</tr>
<tr>
<td></td>
<td>Reported on our Scope 1 to 3 emissions.</td>
<td>Continue to consider what further sustainability and climate-related targets are appropriate and should be implemented.</td>
</tr>
</tbody>
</table>

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*Read more on our full TCFD disclosure: Annual Report and Accounts 2022 Pages 72-75*
GRI content index

General disclosures
GRI 102-1 Name of the organisation Syncona Limited, and its group including Syncona Investment Management Limited (SIML), its subsidiary and investment manager
GRI 102-2 Activities, brands, products, and services Annual Report and Accounts: At a glance, pages 2-3
GRI 102-3 Location of headquarters London (SIML)
GRI 102-4 Location of operations Sustainability Report: Location of Syncona, page 2
GRI 102-5 Ownership and legal form Annual Report and Accounts: Company summary, page 140
GRI 102-6 Markets served Sustainability Report: Sustainability at Syncona, page 2
GRI 102-7 Scale of the organisation Sustainability Report: Our approach to diversity and inclusion, page 36; Annual Report and Accounts: 2022 Highlights, page 1; At a glance, pages 2-3
GRI 102-8 Information on employees and other workers Sustainability Report: Employment and remuneration, pages 32-33; due to the size and scale of our business, we do not report all data breakdowns
GRI 102-9 Supply chain As an office-based business Syncona’s supply chain is relatively small and is primarily IT, office equipment, travel and professional services. Our portfolio companies manage their own supply chains which consist primarily of specialist medical and scientific equipment and supplies. We are encouraging our portfolio companies to have policies in place to manage risks in their individual supply chains relative to their business size and activities. Details of improvements of progress in the visual tier our portfolio companies can be found in the Responsible investor and partner section of this report, on pages 20-31
GRI 102-10 Significant changes to the organisation and its supply chain No significant changes during the financial year
GRI 102-11 Precautionary Principle or approach We take a risk based approach to managing our impacts, focusing on the areas that pose the greatest risk or where we have the greatest impact. Building on the deep scientific knowledge within our teams, we act on risks as they emerge as demonstrated by our action to climate impact, which has seen us report this year for the first time against the recommendations of TCFD
GRI 102-12 External initiatives Sustainability Report: Our approach to sustainability reporting, pages 8-9. Responsible investor and partner, pages 20-21. We align to the UN SDGs, and have become a signatory to the UNPRI
GRI 102-13 Membership of associations Syncona is a member of the Biotechnology Industry Association (BIA)
GRI 102-14 Statement from senior decision-maker Sustainability Report: Message from the Chief Executive Officer of Syncona Investment Management Limited, page 4
GRI 102-15 Key impacts, risks, and opportunities Sustainability Report: Our materiality matrix outlines the sustainability issues which are most material to Syncona, page 5; Annual Report and Accounts: Risk management and Principal risks and uncertainties, pages 44-53; TCFD Report, page 73-75
GRI 102-16 Values, principles, standards, and norms of behavior Sustainability Report: Developing our people strategy, page 34. Syncona policies and practices, pages 42-44 Annual Report and Accounts: Chair’s statement, pages 6-8. Corporate governance report, pages 76-79
GRI 102-17 Mechanism for advice and concerns about ethics Sustainability Report: Syncona’s policies and practices, pages 42-44
GRI 102-18 Governance structure Sustainability Report: Governance framework for sustainability at Syncona, page 4; Annual Report and Accounts: Board of Directors, pages 76-79; Board of Directors, pages 80-81. Report of the Audit Committee, pages 87-91
GRI 102-21 Consulting stakeholders on economic, environmental, and social topics Sustainability Report: Our materiality matrix outlines the sustainability issues which are most material to Syncona, page 5; Annual Report and Accounts: Our stakeholders, pages 82-83
GRI 102-23 Chair of the highest governance body Annual Report and Accounts: Corporate governance report, pages 76-79; Board of Directors, pages 40-41
GRI 102-25 Conflicts of interest Sustainability Report: Syncona policies and practices, pages 44-49
GRI 102-26 Role of highest governance body in setting purpose, values, and strategy Sustainability Report: Governance framework for sustainability at Syncona, page 4; Annual Report and Accounts: Corporate governance report, pages 76-79. Our stakeholders, pages 82-83
GRI 102-28 Evaluating the highest governance body’s performance Sustainability Report: Performance report for Syncona, page 4. Our materiality matrix outlines the sustainability issues which are most material to Syncona, page 5; Annual Report and Accounts: TCFD report, pages 72-75. Report of the Nomination and Governance Committee, pages 84-86
GRI 102-36 Process for determining remuneration Given the company’s structure, and that it has no Executive Directors and is managed by the Investment Manager, the Board and Remuneration Committee consider that this Code provision is not relevant to the company. Further details are set out in the Corporate governance report, Annual Report and Accounts, pages 76-79, as well as the Report of the Remuneration Committee, pages 80-81
GRI 102-37 Stakeholders’ involvement in remuneration Grant the company’s structure, and that it has no Executive Directors and is managed by the Investment Manager, the Board and Remuneration Committee consider that this Code provision is not relevant to the company. Further details are set out in the Corporate governance report, Annual Report and Accounts, pages 76-79, as well as the Report of the Remuneration Committee, pages 80-81
GRI 102-40 List of stakeholder groups Annual Report and Accounts: Our stakeholders, pages 82-83
GRI 102-41 Collective bargaining agreements Use to the small size of the team, as well as the nature of our business, SIML’s employees are not, in practice, unionised and do not engage in collective bargaining agreements
GRI 102-42 Identifying and selecting stakeholders Sustainability Report: Our materiality matrix outlines the sustainability issues which are most material to Syncona, page 5; Annual Report and Accounts: Section 172 statement, page 9. Our stakeholders, pages 82-83
GRI 102-43 Approach to stakeholder engagement Sustainability Report: Our materiality matrix outlines the sustainability issues which are most material to Syncona, page 5; Annual Report and Accounts: Section 172 statement, page 9. Our stakeholders, pages 82-83
GRI 102-44 Key topics and concerns raised Sustainability Report: Our materiality matrix outlines the sustainability issues which are most material to Syncona, page 5; Annual Report and Accounts: Section 172 statement, page 9. Our stakeholders, pages 82-83
GRI 102-45 Entities included in the consolidated financial statements Our sustainability reporting covers activities for the 2021/22 financial year at Syncona, the same boundaries as our Annual Report and Accounts
GRI 102-46 Defining report content and topic boundaries Sustainability Report: Our materiality matrix outlines the sustainability issues which are most material to Syncona, page 5
GRI 102-47 List of material topics Sustainability Report: Our materiality matrix outlines the sustainability issues which are most material to Syncona, page 5
GRI 102-48 Retaliation of information Syncona has not made any retaliations of information in the reporting period and the scope for reporting remains the same as in the 2020/1 financial year
GRI 102-49 Changes in reporting During the 2021/22 financial year, Syncona has reviewed its sustainability matrix and concluded that it remains appropriate for the company’s current size, scale and risk profile. The sole change to the matrix during the year has been to amend the position of “climate risk and disclosure” on the matrix, following a review carried out by the team during its project to report for the first time in line with the recommendations of TCFD
GRI 103-10 Reporting period Sustainability Report: Syncona’s first Sustainability Report in the 2020/21 financial year
GRI 103-11 Date of most recent report Syncona published its first Sustainability Report in the 2020/21 financial year
GRI 103-12 Reporting cycle Sustainability Report: Introduction, page 1
GRI 103-13 Conflict of interest point for questions regarding the report Sustainability Report: Introduction, page 1
GRI 103-14 Compliance of reporting in accordance with the GRI Standards Sustainability Report: Introduction, page 1
GRI 103-15 GRI content index Sustainability Report: GRI content index, pages 50-53
GRI 103-16 External assurance We are not seeking assurance of our sustainability reporting at this time

Syncona Limited Sustainability Report 2022

INTRODUCTION OUR SOCIAL IMPACT RESPONSIBLE INVESTOR AND PARTNER INSPIRING AND EMPowering OUR PEOPLE RESPONSIBLE AND ETHICAL BUSINESS GRI CONTENT INDEX 50 51
High quality governance of the Syncona business, relevant policies and training in place
GRI 103-1, 2, 3 Management Approach Sustainability Report: Responsible investor and partner, pages 20-31, Responsible and ethical business, pages 40-41 Annual Report: Corporate governance report, pages 76-79
GRI 207-1 Approach to tax Syncona publishes an Approach to Taxation Policy which is available on its corporate website: https://www.synconatx.com/sustainability/sustainability-policy

Minimising our environmental impact
GRI 103-1, 2, 3 Management Approach Sustainability Report: Responsible investor and partner, pages 20-31, Responsible and ethical business, pages 40-41 Annual Report and Accounts: TCFD report, pages 72-75
GRI 305-1 Direct (Scope 1) GHG emissions Sustainability Report: Minimising our environmental impact, pages 45-46 Annual Report and Accounts: Sustainability, pages 68-71
GRI 305-2 Energy indirect (Scope 2) GHG emissions Sustainability Report: Minimising our environmental impact, pages 45-46 Annual Report and Accounts: Sustainability, pages 68-71
GRI 305-3 Other indirect (Scope 3) GHG emissions Sustainability Report: Minimising our environmental impact, pages 45-46 Annual Report and Accounts: Sustainability, pages 68-71
GRI 305-4 GHG emissions intensity Sustainability Report: Minimising our environmental impact, pages 45-46 Annual Report and Accounts: Sustainability, pages 68-71

High quality relationships with our people, maintaining a strong culture and a diverse and inclusive team
GRI 103-1, 2, 3 Management Approach Sustainability Report: Inspiring and empowering our people, pages 32-39
GRI 401-1 New employee hires and employee turnover Significant new hires to Syncona during the reporting period are referenced on page 13 of the Business review in the Annual Report and Accounts. Due to the size and type of our business we do not report on employee turnover
GRI 403-1 Occupational health and safety management system Sustainability Report: Syncona policies and practices, pages 42-44
GRI 403-9 Work-related injuries No reportable incidents took place during the year. Due to the size and type of our business we do not report all data breakdowns

Commitment to the development of our people
GRI 103-1, 2, 3 Management Approach Sustainability Report: Inspiring and empowering our people, pages 32-39
GRI 404-3 Percentage of employees receiving regular performance and career development reviews 100% of the team receive regular performance reviews

Providing a supportive working environment, attracting high quality and diverse teams
GRI 103-1, 2, 3 Management Approach Sustainability Report: Inspiring and empowering our people, pages 32-39
GRI 405-1 Diversity of governance bodies and employees Sustainability Report: Developing our people strategy, page 34. Due to the size and type of our business we do not report all data breakdowns
GRI 406-1 Incidents of discrimination and corrective actions taken No incidents of discrimination were reported in 2021/22 financial year. We have appropriate policies in place for reporting and managing incidents of discrimination

Good clinical practice and patient safety
GRI 103-1, 2, 3 Management Approach Sustainability Report: Responsible investor and partner, pages 20-31
Bespoke Indicator: Commit to Good Laboratory Practice and Good Clinical Practice and disclose any breaches of GCP and GCP
Sustainability Report: Responsible investor and partner, pages 28, 30-31 Syncona has collected and reported on data relating to portfolio companies who have established Standard Operating Procedures, and have developed or are developing good R&D practices
Bespoke Indicator: Ensure patient data privacy and disclose breaches of security for clinical data Sustainability Report: Responsible investor and partner, pages 28, 30-31, Syncona policies and practices, page 42-44 This is emerging practice in our business. We will report more fully on how our portfolio companies are implementing these requirements in future reports

Animal welfare
GRI 103-1, 2, 3 Management Approach Sustainability Report: Responsible investor and partner, pages 28, 30-31
Bespoke Indicator: Adhere to 3Rs principles (or local equivalent)
Sustainability Report: Responsible investor and partner, pages 28, 30-31
a. Sign up to 3Rs principles (or equivalent) (if applicable)
b. Breaches of principles
c. Number of animals used in research, used in breeding, and procedures performed, by species
Syncona has collected and reported on data relating to portfolio companies who comply with the 3Rs principles

Access to medicines
GRI 103-1, 2, 3 Management Approach Sustainability Report: Responsible investor and partner, pages 25, 30-31
Bespoke Indicator: Ensure alignment with stated goals of the European Biotech Social Pact (or US equivalent)
Sustainability Report: Responsible investor and partner, pages 25, 30-31
Syncona has collected and reported on data relating to the number of portfolio companies who have or intend to sign up to the European Biotech Social Pact (or US equivalent), as well as detail on portfolio companies who are developing access to medicines policies
Bespoke Indicator: Number of patient access programmes in place? How many patients lack access to medicines due to absence of a programme?
Sustainability Report: Responsible investor and partner, pages 25, 30-31
This is emerging practice in our business. We will report more fully on how our portfolio companies are implementing these requirements in future reports
Bespoke Indicator: Does your company have an initial or up-to-date position statement on access to medicines in Low and Middle Income Countries?
Sustainability Report: Responsible investor and partner, pages 25, 30-31
This is emerging practice in our business. We will report more fully on how our portfolio companies are implementing these requirements in future reports
Bespoke Indicator: Has your company performed a health economic analysis to support:
Sustainability Report: Responsible investor and partner, pages 25, 30-31
- b) Any price movements that exceed inflation?

Improving the lives of patients and families
GRI 103-1, 2, 3 Management Approach Sustainability Report: Our social impact, pages 12-19
Bespoke Indicator: Narrative description of how the treatments developed by our companies improve the lives of patients and families
Sustainability Report: Our social impact, pages 12-19

Contributing to the wider UK life science community
GRI 103-1, 2, 3 Management Approach Sustainability Report: Our social impact, pages 12-19
Annual Report and Accounts: Our strategy, pages 14-15
Bespoke Indicator: How we partner with others, jobs created, facilities and lab space
Sustainability Report: Our social impact, pages 12-19
Annual Report and Accounts: Our strategy, pages 14-15