

SYNCONA SUSTAINABILITY POLICY

Our purpose is to invest to extend and enhance human life. We do this by creating and building companies to deliver transformational treatments to patients in areas of high unmet need.

Our strategy is to create, build and scale companies around exceptional science to create a dynamic portfolio of 20-25 globally leading healthcare businesses for the benefit of all our stakeholders. We focus on developing treatments for patients by working in close partnership with world-class academic founders and management teams. Our strong 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.

We aim to have high quality 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, seeking to build sustainable businesses and in turn creating long term value, whilst contributing to our wider stakeholders and society.

This policy sets out our 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 in a sustainable way.

We are committed to monitoring the implementation of this policy on an ongoing basis as well as to reporting on progress annually to relevant stakeholders.

1. Scope

This policy covers Syncona Limited, including its investment manager Syncona Investment Management Limited (SIML). It also reflects certain key principles and guidelines we will expect our portfolio companies to adhere to.

2. Governance

We are committed to promoting consistent practices and adherence to this policy by providing the necessary support for employees to ensure sustainability factors are effectively managed. All are required to be familiar with, and understand, the obligations that apply to them with regard to the management of sustainability factors.

Sustainability factors form an integral part of our investment management process, including initial screening, due diligence, investment approval and ongoing portfolio company management. The life sciences investment team also give consideration to these factors at the point of exit.

We are committed to:

- Strong, open and transparent governance, which drives our business to operate responsibly and ethically, in a way appropriate for a listed company with public shareholders as well as the wider stakeholders we interact with.
- High quality relationships across our business, inspiring and empowering our people and maintaining a strong culture and a diverse and inclusive team.
- 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 throughout a company's lifecycle.
- Engaging with our wider stakeholders and society through our work in life sciences and our support for charity.
- Reporting to our stakeholders on progress against our sustainability objectives.

The Syncona Board has ultimate oversight and accountability for our sustainability approach and how it is implemented. The implementation of the approach within the investment process and at the portfolio company level will be the responsibility of the SIML executive team. All members of the Syncona investment team receive sustainability related training and are responsible for engaging with portfolio companies to support them to achieve the goals of Syncona's sustainability policy. Their remit also involves monitoring, reporting and management of sustainability risks and opportunities.

Sustainability responsibility and accountability is taken into account in the Syncona team's performance reviews, which informs decisions on remuneration.

3. Strategy and Risk Management

Materiality Assessment

Our approach to sustainability is driven by a materiality assessment that identifies the issues of greatest importance in terms of potential impact to the business and stakeholder concern. The materiality matrix is reviewed on an annual basis, and may be subject to change based upon Syncona's ongoing assessment of the sustainability issues which are most material to the business.

The resultant focus areas for our business, which form the basis of our approach, are as follows:

Our social impact	A responsible partner and investor	Inspiring and empowering our people	A responsible and ethical business
<ul style="list-style-type: none"> • Improving the lives of patients and families • Contributing to the wider UK life science community • Support for charity 	<ul style="list-style-type: none"> • Good clinical practice and patient safety (including conducting clinical trials responsibly) • Animal welfare • Access to medicines • Diversity and inclusion • Environmental impact • Compliance and governance • Sustainability factors integrated into the management of our capital pool and other life science investments • Investing in line with our tobacco exclusion policy 	<ul style="list-style-type: none"> • High quality relationships across our business, maintaining a strong culture and a diverse and inclusive team • Commitment to the development of our people • Providing a supportive working environment 	<ul style="list-style-type: none"> • High quality governance of Syncona • Relevant policies and training in place • Minimising our environmental impact

How we seek to address our sustainability focus areas

3.1. Our social impact

We make a positive social impact through extending and enhancing human life, by building companies to deliver transformational treatments to patients in areas of high unmet need. These companies support the UK life science sector, providing jobs, developing the next generation of industry practitioners, advancing the knowledge economy and in doing so, strengthen the foundation for the success of our future businesses. Our charitable commitment allows us to support patients, their families and research institutions beyond our core activities.

3.1.1. Improving the lives of patients and their families

Focusing on the development of transformational treatments for patients in areas of high unmet medical need means that we tend to operate in selective areas of science where the potential for a dramatic impact is high - for example in intractable diseases with no treatment options. We are highly motivated by the potential impact of the treatments that our companies develop and believe that if we succeed in the development of these treatments, we will also see long-term value and benefits for all stakeholders.

3.1.2. Supporting the UK life science community

The UK has a globally significant scientific research base and historically, has not developed globally competitive scaled biotech companies that are set up to take products to market and treatments to patients. Our model of taking a hands-on partnership approach, combined with deep, long-term and expert capital means that companies are being built here at scale and this results in a full suite of available jobs from clinicians to product development specialists and manufacturing experts. The creation and development of these companies, which are led and funded by Syncona, leads to the formation of jobs and wealth creation throughout communities. We believe we have a broad societal role in supporting the creation of a vibrant biotech industry in the UK.

3.1.3. Our charitable donations

Each year we donate 0.35% of our group Net Asset Value (NAV) to charity via the Syncona Foundation. The Syncona Foundation was set up in 2012, with charitable objectives focusing on the prevention, treatment, cure and ultimately eradication of cancer and other diseases, as well as other charitable activities. The Trustees of the Foundation and the Syncona team work with charities which are currently supported with funding as well as prospective charities, with a focus on ensuring funding reaches places where it can have the greatest impact.

We are proud of our efforts in this important area and look forward to continuing to increase the impact our funding can have on seeking treatments for, or supporting patients with, disease.

3.2. A responsible partner and investor: stewarding our companies to deliver transformational treatments for patients in a sustainable way

Our core business is to create leading life science companies in partnership with world class academics by identifying exceptional science that can deliver dramatic efficacy for patients and around which we can build a company with a long-term opportunity to take products to market.

This approach means that when we make an initial investment, we generally set up the company and put in place the team, processes and infrastructure. Our strategy is to hold significant ownership positions in our companies and, importantly, work in partnership with them as they scale, actively driving business strategy. 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 partner and investor for our portfolio companies. We aim to help our companies enhance their positive impacts, and particularly to set the right culture, values and processes to help the 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 to us on their progress in implementing and applying them.

We also seek to apply appropriate responsible investment approaches for our capital pool and other life science investments, while recognising that these are not our core business.

3.2.1. Good R&D practices

Syncona believes that its portfolio companies should achieve high standards in how they carry out the clinical development process. The clinical development process inherently includes risks as any new medicine has the potential to produce adverse events. We expect those 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. We also have high expectations for data stewardship and patient privacy.

To do this, we support our portfolio companies to build appropriately skilled teams who can implement these requirements and encourage the board and senior management of the companies to have clear oversight of these procedures.

3.2.2. Animal welfare

Currently, scientific research involving animals in the early stages of testing 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 an innovative medicine in a human being for the first time. We are sometimes required by regulatory authorities to conduct animal testing as a mandatory requirement of new drug development.

With this in mind, we seek to ensure that our portfolio companies use animals in research in line with all legal and regulatory requirements, when there is a clear justification for doing so, and ensuring the humane and ethical treatment of the animals concerned.

More specifically, we ask our portfolio companies' use of animals in research to be guided by the widely-recognised "three Rs" principles:

1. Replacement: promoting the use of other methods wherever possible.
2. Reduction: reducing the number of animals used.
3. Refinement: minimising pain, suffering, distress or lasting harm, as well as improving the welfare of the animals

3.2.3. Access to medicine

Our portfolio companies are typically developing transformational treatments based on innovative science in areas of high unmet medical need for patients. We believe that true innovation in these activities will contribute meaningfully to the health of society by offering new options for patients.

At the point of founding a company, we set in place a development strategy to target specific patient groups to test whether the treatment being developed delivers dramatic efficacy and therefore whether the company can pursue accelerated development. As part of this approach, we encourage and support our companies to consider and design strategies to address larger patient groups as the company progresses its treatment through the development cycle and the therapy has been de-risked.

Many of the treatments that our companies are developing are highly complex and can be very expensive to develop. In some cases, the patient groups who will benefit are not large. This can result in the individual costs of these products being high. We expect that our portfolio companies will develop suitable policies, at an appropriate point in their development, to describe their approach to providing access to individuals or groups for whom the normal pricing is unattainable. The investment team work with our companies to support them as required on these initiatives.

3.2.4. Diversity and Inclusion

As part of our hands-on partnership approach to building our companies, we work closely with our portfolio companies as they recruit world-class teams. We expect the portfolio 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 encourage our portfolio companies to be proactive with respect to widening diversity and inclusion, including thinking laterally about participating in schemes beyond and outside the company, and addressing any issues identified. We also encourage our portfolio companies to track their progress against defined diversity and inclusion metrics on an ongoing basis, at both executive and Board level.

3.2.5 Environmental impact

In alignment with Syncona's commitments to environmental responsibility and climate action, we ask our portfolio companies to commit to minimising their overall environmental footprint wherever possible, focusing not only on reducing their carbon footprint but also reducing other environmental impacts.

In support of our commitment to environmental responsibility portfolio companies are asked to:

- Start data collection of Scopes 1 and 2¹ emissions to report in year one.
- Develop Scope 3² data collection strategy and understand reporting methodology for disclosure from year two.

As a responsible partner, the Syncona team strives to work with portfolio companies to support their approach to reducing emissions and share best practice with them in this area. Specifically, in support of our own aspiration to achieve Net Zero across our full value chain by 2050, the team works with portfolio companies to understand best practice in tracking and reducing carbon emissions.

3.2.6 Compliance and Governance

In alignment with our commitment to a strong governance framework, we expect that our portfolio companies have robust policies, internal controls and management processes covering all of the areas for our business to operate responsibly and ethically. The policies that we expect our companies to have at foundation are as follows:

- Anti-fraud, Bribery and Corruption.
- Approach to Taxation.
- Conflicts of Interest.
- Data Protection and Information Security.
- Ethical Procurement.
- Health and Safety.

¹ Scope 1: Emissions from activities under direct control of company (company vehicles, gas boilers, onsite fuel combustion) and Scope 2: Indirect emissions from purchased energy

² Scope 3: Indirect emission from sources not owned or controlled by the company (employee commuting, business travel, investments)

- Modern Slavery.
- Whistleblowing.

We provide standard policies and other materials for the companies to support them in establishing a best practice approach.

3.2.7 Sustainability factors integrated into the management of our capital pool and other life science investments

For life science investments outside our life science portfolio companies, we will consider at investment, and continue to monitor, whether any material issues arise (using the same list of issues as apply to our life science portfolio companies). However, we are typically less hands-on in managing these investments and so may engage on key areas of interest and potential risks.

We integrate sustainability analysis into the selection, appointment, and ongoing monitoring of externally managed mandates or funds within the capital pool. We do not have specific sustainability criteria for these externally managed mandates or funds, other than our tobacco exclusion policy, but instead focus on the approach and expertise of the manager in integrating sustainability into investment decision making.

3.2.8 Investing in line with our tobacco exclusion policy

Syncona will not make any direct investment in any tobacco company and will not knowingly make or continue to hold any investments in funds which would result in exposure to tobacco companies exceeding one per cent of the aggregate value of funds invested within Syncona's capital pool.

3.3. Inspiring and empowering our people

Our purpose to invest to enhance and extend human life is a core part of what attracts the best talent to Syncona. People with specialised expertise, highly motivated by making a difference, are attracted to our platform and the opportunity to improve the lives of patients and their families.

The life sciences investment team members have deep technical scientific background, supplemented by strong commercial experience ranging from venture capital investment to pharmaceutical launch and the operational expertise required to create and build companies around exciting innovation. This multi-disciplined skill set is fundamental to our business model and the team's track record has resulted in a strong network in life science, enabling the best talent to be attracted to our portfolio companies.

We have a culture of excellence, driven by data and are curious and creative to bring about the change we seek to make. We are entrepreneurial, driven, persistent and resilient. We take personal responsibility for delivering our mission, although we ultimately believe collaboration and transparency are important values that form part of our strong culture and are vital to our success.

We are an equal opportunities employer and aim to recruit, promote and reward based on merit. We believe that a diverse and inclusive team is vital to our success and strive to create an inclusive culture that promotes diversity.

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. Each team member is trusted and empowered to progress their own development within this structure.

We believe providing a supportive working environment is crucial to the wellbeing and satisfaction of our team. In line with the desire to attract and retain our talented team, the team are provided with

competitive remuneration, a long-term incentive scheme linked to the performance of our investments, together with employee benefits including life assurance, income protection, private healthcare, pension contributions, and enhanced maternity and paternity leave. We also strive to have flexible working policies that meet the needs of our people and support our business.

3.4. A high quality, responsible and ethical business

We believe that our long-term organizational success is built on acting in a high quality, responsible and ethical way, consistent with our values.

We aim to have a robust set of policies, internal controls and management processes covering all of the areas for our business to operate responsibly and ethically. The policies and training include anti-fraud, bribery and corruption, conflicts of interest, tax strategy, data protection and information security, health and safety, modern slavery, ethical procurement and whistleblowing. These policies are critical to ensure business integrity and compliance with laws and regulations.

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. Day-to-day implementation of the strategy, including the areas outlined above, is the responsibility of the Syncona team led by the SIML executive team and Board. The Syncona team is also responsible for engaging with the portfolio companies, in line with the published engagement policy, to ensure they are building businesses in line with our strategy.

We are also committed to monitoring and minimising our environmental impact and seek to operate our business in an environmentally responsible and sustainable manner. Syncona has an aspiration to be net zero throughout its full value chain (including portfolio companies) by 2050. Given the relatively small nature of our operations, our environmental impact relative to other sectors is relatively small, and we believe that Syncona is currently exposed to a relatively low level of risk from the physical or transition risks associated with climate change.

4. Reporting and disclosure

As part of our commitment to strong, open and transparent governance, we are committed to continuous improvement in our sustainability reporting and disclosure. We will make this Sustainability Policy publicly available on our website and will provide an update, on an annual basis with our Annual Report and Accounts, on the key activities we have engaged in under the policy. We also report on key performance indicators relating to the material areas that we are focusing on within our policy to demonstrate our ongoing progress.

5. Review

We will review this Sustainability Policy on an annual basis and update as necessary to ensure the policy remains valid and aligned with the business strategy.

Last updated: March 2023

Signature: Melanie Gee