

RESPONSIBLE INVESTMENT POLICY

Introduction

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

Our strategy is 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. We 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 aim to take sole or majority positions in our initial investments in portfolio companies, as we look to maximise our ability to influence the company's strategy in the crucial early years of their development. Our long-term approach is supported by our capital pool, which enables us to have control and flexibility over the management of our portfolio companies, as well as to respond to new opportunities as they arise.

We believe Syncona's vision of unlocking the potential of truly innovative science to transform patients' lives is a positive and sustainable one, and that a responsible approach to growing and managing this portfolio will add value to our businesses.

Our commitments

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 throughout a company's lifecycle.
- Integrating sustainability factors into the management of our capital pool and other life science investments, recognising that we have a responsibility to ensure that all of our investments should be managed in a sustainable way.
- Investing in line with our tobacco exclusion policy (set out in the schedule).

Scope and Governance

This Responsible Investment Policy provides the overall code for our approach to responsible investment. It is complemented with a Sustainability Policy, which covers the issues of greatest importance to our business and stakeholders.

The Syncona Board has ultimate oversight and accountability for ensuring we invest responsibly. The implementation of the approach within the investment process and at the portfolio company level will be the responsibility of our subsidiary and investment manager, Syncona Investment Management Limited. All members of the Syncona investment team are required to adhere to this Responsible Investment Policy.

Syncona's responsible investment approach to our life science portfolio companies

Syncona's purpose is fully integrated with our investment approach. Fundamental to each investment is the potential impact of the technology to deliver a transformational impact for patients in an area of high unmet medical need.

Our core model is to create, build and scale companies based around transformational science. The result is that in many cases, we are involved in a company from the very outset. Even when we invest in an existing business, it will often only have a handful of employees. Accordingly, in practice we would not

typically exclude a company from investment outright as a result of sustainability concerns; instead, we would address any material issues upon investment and proactively look to shape the business as it grows.

Our responsible investment approach is focused on setting clear expectations for the following key issues for our portfolio companies:

- Access to medicines.
- Animal welfare.
- Good R&D practice.
- Diversity and Inclusion.
- Environmental impact.
- Compliance and governance - in particular, in the areas listed in the schedule.

At the company's foundation, there are typically key academic founders working for the company, alongside a small number of employees. The companies may grow over a few years to 100 employees or more as their operations progress. It is therefore recognised that there should not be a "one size fits all" approach and that processes and initiatives should be proportionate, focused and not overly prescriptive. However, at all stages we expect and encourage our portfolio companies to achieve our core standards.

Initial screen of investments

When founding a Syncona company, we are focused on delivering transformational impacts for patients and delivering on our purpose to extend and enhance human life. By nature, our investment strategy means we primarily invest in technology that has the potential for a positive social impact.

In our initial screen of investments, the investment team will consider whether there are any immediate issues, such as ethical considerations related to conducting trials in the proposed patient group or concerns in relation to founders or other parties involved in the investment. Where these concerns are raised, we may decide not to proceed or carry out further due diligence to see if they can be addressed.

Investment approval

For any new investment being considered, the final investment recommendation will include a section outlining the key beneficial impacts of the company in line with our purpose and any notable sustainability issues identified in the due diligence. These considerations will form a part of the investment decision and an investment may be precluded on this basis.

Active Ownership

Our approach to responsible investment is focused on the key issues described above. We will work with our portfolio companies to support them in achieving our expectations in these areas, while maintaining a flexible approach that recognises the different stages of development and issues of these companies. Our activities split into two main areas.

1. We ensure that our expectations and objectives are made clear to the teams at our portfolio companies at the outset. While each company is different and has flexibility to develop its own approach, we provide standard policies and other materials for the companies to consider where this is helpful. We can also provide support such as helping to make connections between portfolio companies or with our wider network where this would be useful to a company in addressing any questions.
2. We encourage each company to put in place reporting frameworks to monitor progress on the key sustainability issues, and to provide that information to their board and Syncona. Asking them to put these frameworks in place helps to ensure that the board of each company gives proper

consideration to these issues. The data in turn forms part of our own regular internal reporting and management processes.

These data in turn form part of our own regular internal reporting and are embedded into our processes for managing our investments. We also use the data to support reporting to the Syncona Board.

Exit

We hope that many of our companies will become thriving, independent businesses, and continue to grow in future, even after we are no longer shareholders.

However, in some cases, there may be an opportunity to sell a company outright, most commonly to a larger pharmaceutical or biotech business who will want to acquire the products and pipeline that have been developed with a view to taking products to market. During any sale process, Syncona considers whether potential acquirers will continue to exercise appropriate stewardship and what steps it can take to address any concerns.

Syncona's responsible investment approach to life science investments

Beyond Syncona's core portfolio of life science portfolio companies it has a number of "Life Science investments" where we have smaller ownership positions. These investments tend to be in areas where we have deep domain expertise but we take a less hands-on approach to managing them.

In line with that approach, at the point of investment we consider whether we see any material concerns relating to our key issues set out above. Following investment, we monitor whether any material concerns arise; we engage management teams on any material concerns, and may exit an investment where these cannot be addressed. We do not expect alignment with our detailed expectations, but we may engage with them on key areas of interest and potential risks where we see opportunities to do so.

Syncona's responsible investment approach within its capital pool

Syncona aims to maintain a liquid capital pool sufficient to provide at least 2-3 years' funding for the life science portfolio plus its expenses. The objective of the capital pool is to provide Syncona with access to liquidity in all market conditions as we look to fund our core business and respond to new investment opportunities as they arise, whilst targeting limited annualised volatility across the capital pool as a whole. The capital pool may be held in a combination of cash, short-term deposits, and other liquid assets with an acceptable volatility profile, including certain externally managed mandates or funds.

Syncona integrates 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.

Initial selection and appointment of external managers

As part of our selection and appointment process we seek to understand how the manager integrates sustainability matters into its decision-making processes, both at a corporate level and within any specific mandate or fund being considered. This includes understanding the experience of the team, the investment processes used including any responsible investment policy, their adherence to external sustainability standards or organisations, and their approach to stewardship and reporting.

These factors are taken into account in determining which managers to appoint, alongside our risk, liquidity and return objectives. Where we are not satisfied with the approach or expertise of the manager to sustainability issues, we will not make an appointment.

Ongoing monitoring of external managers

Following investment, Syncona continues to engage with each manager to understand how its approach to sustainability has been applied in practice, including any changes to its sustainability processes. This takes place through our routine monitoring of the manager, with a more focused sustainability appraisal at least once each year where the manager is expected to provide information to Syncona across a range of sustainability criteria. We also review any public reporting that the manager provides that is relevant to our investment.

Where we are not satisfied with how the manager is addressing sustainability issues in practice, we will engage with the manager on those issues, and may exit from the mandate or fund.

Reporting

We recognise that the management of sustainability issues, including how we invest responsibly, is of interest to many of our stakeholders and we are therefore committed to continued monitoring and reporting of our performance.

We issue an annual Sustainability Report in which we provide an update on progress against our sustainability priorities, with other materials accompanying this in the relevant section of the website.

Review

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

Last updated: March 2023

Signature: Melanie Gee

Schedule

Compliance and Governance policies

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

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.

"Tobacco company" means a company (or member of a group of companies) whose business other than for an insignificant part (less than 10% of its revenue), is the development, production, promotion, marketing, or sale of tobacco in any country of the world.