

1. Introduction: the biotech sector

Arecor Therapeutics plc ('Arecor') is part of a biotech sector which has a fundamental social purpose of improving people's lives.

The Biotechnology Industry Association (www.bioindustry.org) is the trade association for innovative life sciences in the UK. Its stated goal is to *'secure the UK's position as a global hub and as the best location for innovative research and commercialisation, enabling our world-leading research base to deliver healthcare solutions that can truly make a difference to people's lives'*.

A report issued by the BIA in February 2021 (<https://www.bioindustry.org/news-listing/uk-biotech-success-continues-as-sector-secures-a-record-year-of-investment-in-2020.html>)

stated that the biotech industry was *'at the forefront of scientific progress in our understanding of biology, health and disease which makes it possible to introduce life-saving new drugs and life-changing technologies. The industry's response to the COVID-19 pandemic included mobilising R&D resources to tackle COVID-19, alliances and coalitions with peers to accelerate the development of potential therapeutics, vaccines and diagnostics to combat the pandemic.'*

2. About Arecor

Arecor is a globally focused biopharmaceutical group whose business strategy is to enhance existing therapeutic products to enable healthier lives. Arecor's broad, innovative pipeline, which includes both proprietary products and partner programmes, is underpinned by the Arestat™ proprietary technology platform. Arestat enables the conversion of sub-optimal products to superior product formats.

The company's lead products are designed to improve the quality of life for people living with diabetes, by developing rapid acting insulins to enable better control and management of the disease. Rapid acting insulin is also necessary for the next generation of miniaturised insulin pumps.

The company's speciality hospital franchise is developing ready-to-administer and ready-to-use injectable medicines. A key differentiator is the company's know-how and expertise in stabilising proteins in solution to avoid the need for cold chains where items are refrigerated or maintained at constant temperatures, which has a significant energy footprint. This is particularly important for proteins and vaccines.

Arecor's formulations use active pharmaceutical available ingredients which are already available and so the environmental footprint of additional manufacturing processes is very low.

Arecor is also engaged in the development of biosimilar products which improve the access (and costs) to advanced healthcare for underserved populations.

3. Environmental

As Arecor has grown as a business, so too has our dedication to behaving responsibly and introducing more formal processes to demonstrate our commitment to managing our environmental obligation and creating a sustainable environment.



In addition to the potential environmental benefits of our products as described above, a key factor for basing our business at the Chesterford Research Park was the commitment of the Park's management to environmental sustainability. This includes:

- Water and waste-water management. All water supplied to the park occupants is sourced from two local boreholes on site and the waste-water is managed by an onsite treatment plant
- Coach services, electric vehicle charging and cycle to work schemes
- Electricity is sourced from REGO backed suppliers
- Sustainable expansion and building construction
- 250 acres of parkland including meadow grassland offering an important ecological resource for birds, invertebrate, reptiles and small mammals. Together with bee hives which are supported and managed by the Park.

Transforming the workplace

As our business grows, we are committed to ensuring that building enhancements are ethical and sustainable. This includes the installation of new LED lighting, presence sensors and replacement doors to improve heat retention.

We have a commitment to zero landfill and during a recent office refurbishment all redundant office furniture was recycled.

Managing Waste

We have carefully selected suppliers who share our commitment to recycling and zero landfill. Over 30% of our waste is recycled and where possible, we prioritise the sourcing of raw materials from suppliers who offer bottle, pipette, pod and printer cartridge recycling services.

Our hazardous and chemical waste is managed via Grundon Services whose collections are fully compliant and certified Carbon Neutral.

Outlook

To support the increasing demand for green energy, the Park have submitted plans for the installation of a Green Energy Hub comprised of PV solar tables.

Arecor will continue to review our operation to identify areas of improvement, including

- Switch off monitors and desktops when not in use
- Further improve recycling, including the removal of under desk bins
- Supply chain evaluation, including how raw materials are sourced and transported

4. Social

Employees

Arecor is committed to the equal treatment of all employees and applicants regardless of their gender, marital status, sexual orientation, age, race, colour, nationality, ethnic origin, disability, or religious or philosophical beliefs.



Areacor's responsibilities as a company and the expectations of employees as representatives of the company are included in the Employee Handbook. This handbook is provided to all employees as part of their induction training and is regularly reviewed and updated.

Areacor provides employees with a competitive remuneration package, which is regularly benchmarked against the market. Remuneration exceeds the living wage.

Areacor's Anti Bribery and Corruption and Whistleblowing policies are published as part of corporate policies and also referenced in the Employee Handbook.

We also support a cycle to work scheme and many employees cycle into the Park as part of their daily commute.

Health & Safety committee

Areacor's Health and Safety committee, comprises employee representatives, whose objectives are i) maintain a safe and healthy working environment for employees and ii) ensure, so far as is reasonably practicable, that Areacor is fulfilling its legal responsibilities.

Committee members are provided with appropriate training. The committee provides a quarterly update to employees on all aspects of health and safety, as well as regular training and induction for new employees.

GDPR

Areacor collects and processes personal data in accordance with the UK Data Protection Act 1998 (DPA) and the UK General Data Protection Regulations (UK GDPR). The UK GDPR's seven key principles lie at the heart of Areacor's approach to processing of personal data:

- Lawfulness, fairness and transparency
- Purpose limitation
- Data minimisation
- Accuracy
- Storage limitation
- Integrity and confidentiality (security)
- Accountability

Charity fundraising events

Areacor employees take part in charity fundraising events including events which reflect the company's business focus and local projects. Such events have included a cycle ride which raised funds for [JDRF](#), a charity which funds research, campaigns and provides support to raise awareness of Type 1 Diabetes. Employees have also raised money for [Sports Relief](#) and [The British Hen Welfare Trust](#).

Planned initiatives include quarterly coffee mornings for local charities. Nominations are made by employees and four charities are selected. The company will match employee contributions.

The company also supports opportunities for employees to volunteer in the local community, including conservation projects or working parties, e.g. [The Wildlife Trusts](#) and the [Rivercare/Beachcare](#) project.



5. Governance

Board diversity

The Board seeks to understand and challenge its own diversity, including gender balance, as part of its composition. Arecor has a gender diversity ratio of 42.9% which is above the target of 33% set in the Hampton-Alexander Review of 2016.

Board independence

Under the QCA Code board independence is a board judgement. Christine Soden, Jeremy Morgan and Sam Fazeli are considered by the Board to be independent Non-Executive Directors. They bring experience and independent judgement to the Board. Andrew Richards, Sam Fazeli and Alan Smith bring extensive knowledge of the business, the sector it operates in and experience of public markets.

Audit rotations

The Audit & Risk Committee is responsible for the appointment, re-appointment and removal of the Company's auditor. The Committee considers and makes recommendations to the Board which is put to shareholders for approval at the AGM.

Shareholder engagement

The Chief Financial Officer is the primary contact for the company's shareholders and for ensuring efficient communication between the Board and shareholders. This engagement includes an Annual General Meeting where the Board engage with shareholders to develop a good understanding of their needs and expectations and to understand the motivations behind voting decisions.

Arecor also uses the investor centre of its website to provide contact details and communicate with shareholders.

A s.172 statement is not required due to the size of the company.