



ESG Annual Report

Year ended 31st December
2023



We are delighted to publish our annual 2023 Environment, Social and Governance (ESG) report for the CatSci group

At CatSci, our mission is to break down the silos in drug development to accelerate the delivery of life changing medicines to patients in need. It is the driving force in everything we do as an organisation.

We are extremely proud of our people for carrying out this mission every day, through the work they do for our customers.

At CatSci, we commit to take care of our team, protect the environment and actively contribute to the betterment of our communities.

We believe this is the right thing to do, aligning with our values but also positions us as a strong partner, employer of choice and a responsible community member.

CatSci publishes an annual ESG report to share the activities that make up our ESG strategy and detail our progress on key targets with our customers, partners and communities.

Advancing our ESG performance is an interconnected effort requiring cross company alignment and collaboration. To enable this to happen an ESG committee has been established in the year bringing together the following six areas of focus and associated workstreams:

Areas of Focus

- 1) Vision and Governance
- 2) Business Ethics
- 3) Human Resources
- 4) Value Chain
- 5) Environment
- 6) Societal Relations

Our progress is addressed in more detail in this report. Whilst we have made great strides in many areas, we recognise there is still much to be done and will be looking to continue these advancements as we move into 2024.

The achievements in this report are only made possible by the hard work and dedication of our people in embracing sustainable and ethical practices as we continue our growth story.





Vision and Governance



Good Corporate Governance is fundamental to the CatSci Group

At CatSci, we recognise that building a strong corporate governance structure and practices is important in driving growth, enhancing stability and fostering integrity, accountability and transparency.

To do so we have created a structure we believe to be fitting of a business of our size and complexity of operations.

Board of Directors

Our commitment to corporate governance starts at the top with the Group’s Board of directors who set our strategic direction and have overall responsibility for providing oversight of the business.

The Board of directors consists of the following individuals who meet monthly:

Rod Howe Chairman	Ross Burn CEO	Simon Tyler CCO
Mark Bate CFO	Jerome Theobald COO	James Mitchell Investor director
Andy Jones Board Advisor	Claire Madden-Smith Board Advisor	

Senior Leadership Team

The extended leadership team includes the Director of Operations, Technical Directors, Head of People and Culture, Head of Site and Head of Finance. They meet on a weekly basis to address the operational issues of the business.

ESG Committee

During the year, an ESG committee has been established led by the CFO reporting to the Group board of directors. The committee has the overall responsibility for the effective operation of the company’s ESG policy and has delegated responsibility for seeing its implementation.

The purpose of the committee it to integrate sustainable practices, social responsibility and strong governance into our business operations, ensuring a positive impact on the environment, society and stakeholders.

Alongside the establishment of an ESG committee we have made significant progress in setting the foundations in being able to effectively track and monitor performance

Formal establishment and tracking of KPIs

A formal workstream of the ESG committee has been to identify and start to track a range of relevant KPIs across the business. This will be formally reported to the Group board of directors via the ESG committee. These include but are not limited to:

- Electricity consumption
- Waste consumption
- Gender and other pay gaps
- Estimate Carbon footprint
- Equality, Diversity and Inclusion data
- Employee retention
- Sickness absence levels
- Engagement pulse survey responses

Employee Handbook

2023 saw the issue of the CatSci Employee handbook designed to allow our people to clearly understand our vision and policies.

The handbook reminds our people that all of our core values link to CatSci's commitment to ESG and that all colleagues are expected to demonstrate behaviours that are aligned to this commitment.

ESG tracking and Assessment

We ensure accountability through our ESG committee and governance structures. Additionally, we evaluate our performance by comparing it to industry best practice and norms. Over the past three years, we've utilised the Ecovadis platform to inform our focus and areas of improvement.

Furthermore, PwC conducted a formal review this year, in collaboration with our investment partner Keensight Capital, which involved benchmarking against our peers.

Although we acknowledge that there is still a substantial amount of work ahead, we are confident that we possess the necessary structures, personnel, and commitment to sustain the excellent work that has already begun.



Business Ethics



We maintain the highest ethical standards and expect the same from our business partners

We believe in ethical business practices, not just because it's required by law, but because it's essential for our organization's success. We maintain the highest ethical standards and expect the same from our business partners.

Our commitment to ethical business practices is set out in a number of policies which are contained within our employee handbook, including the following:

- ***Business Ethics Policy (including Anti-corruption and Bribery)***
- ***Confidentiality Policy***
- ***GDPR Policy***
- ***Social Media Policy***

We are committed to ensuring that our people are able to report any suspected breaches of legal or regulatory obligations or any related concerns. To do this, we have a Whistleblowing policy in place which provides guidance on how employees can raise any concerns in a safe and confidential manner.

Employee Code of Conduct

2023 saw the introduction of a code of conduct designed to outline the standards of conduct and behaviour expected from all our team in alignment with our core values of Integrity, Commitment and expertise. All employees have signed up to this code and annual code of conduct refresher training and workshop sessions will be held annually.

Safeguarding data privacy and corporate cyber security

Cybersecurity remains a growing issue for companies worldwide with a large number of high profile attacks in the last year. We have continued to develop our Information security management systems to ensure they are appropriate for the changing risk environment. Actions in the year include:

- 1) **Cyber Essentials Accreditation** – we are working through the self audit pack for accreditation and expect formal accreditation to be achieved in quarter one of 2024.
- 2) **Training on Acceptable use of IT** – A policy has been issued to all staff with all staff required to sign up to acceptance and compliance of the policy.
- 3) **Phishing Email training** – We have completed training to ensure staff are aware of what such emails may look like and measures they should take.



Human Resources



HUMAN RESOURCES

Our team is essential to our success. If our employees are happy, motivated and healthy we can better serve our customers and ultimately achieve our mission of helping patients in need.

Engaging and listening to our people

We actively engage with our people on an ongoing basis to shape the development of our business. We hugely value their input and want to ensure the reward scheme and policies we put in place are relevant to their needs and challenges.

Our main forms of engagement are through quarterly staff surveys and regular “town hall” meetings. To gain a better insight of how we can continue to develop the business our CEO has recently conducted 1to1s with all 120 staff members, the results of which will feed into our future strategy.

Reward and Recognition

We continually monitor our reward offering and in addition to annual salary increases and annual bonus structure, we pay a £500 wellbeing bonus to all staff annually to use on anything that will benefit their mental health.

We believe that all employees should share in the success of the company and as a result all employees hold share options to enable them to benefit from the future success of the business.

Staff Wellbeing

The wellbeing of our staff is essential to the success of our business. To support staff we offer a flexible working policy that allows employees to work flexibly to the extent of business requirements.

An Employee Assistance programme (EAP) is available to all staff providing confidential information and advice. In addition, we have 5 trained Mental Health First aiders and intend to further expand this out wider in 2024. Alongside this we have a dedicated Wellbeing Partner designed to work with our people through any wellbeing issues they may have. Evidence of our efforts can be seen in our Shortlisting for the Best Wellbeing Initiative Award in the CIPD Wales Awards 2023.

Diversity, Inclusion and Equal treatment

CatSci is fully committed to maintaining a culture where diversity, inclusion and equality of opportunity are actively promoted free from any form of discrimination, harassment or bullying, where employees are respected, treated fairly and able to give their best.

In the year, we have held a number of sessions around diversity and inclusion focussed on belonging and ensuring that everyone feels that they belong within the CatSci community.



We are committed to creating opportunities to help our people grow and build their careers within CatSci

Training and development

We are proud that people can grow their careers alongside the growth of our company. Career progression pathways provide a roadmap for moving upwards and between functions. Within the year 16% of the company have been promoted into a new role.

We have reviewed and updated our Professional development process in the year to harmonise the process across the whole company and embed into our new HR system, HiBob.

We recognise the importance of ensuring that our people are equipped with the relevant skills and understanding to meet the needs of our customers. We have a structured Learning and Development offering to support the ongoing need to have a workforce that possesses the most up-to-date skills to support customer expectation and demand. We also support the development of our people managers by running line manager training. This encompasses not only procedures and policies but also the development of coaching and mentoring skills to support a learning culture and develop our leaders of the future.

As part of our DE&I strategy and to support future change, we have a Women in Leadership programme to support our future female leaders and to encourage better diversity across all levels in the business.

Occupational Health and Safety

The safety of our people is integral to how we operate as a business. In the year, to ensure we continue to maintain our high safety standards levels we appointed a dedicated EHS (Environment, Health and Safety) Manager to ensure that as we continue to grow its in a safe and healthy manner.

Our EHS Manager is supported by a cross - functional safety committee that meets monthly. Its responsibilities include setting HSE policies, reviewing accidents, sharing best practices and identifying relevant training.

Value Chain

incorporate the key
to generate the key
of the new supplier
aligned to CatSci's

proportional to their
proportional to their
2024, ensuring that the

We have made changes to ensure that our key suppliers have appropriate policies and procedures around key ESG considerations

Supplier Code of Conduct (CoC)

In this year, we have established a supplier code of conduct which outlines our minimum expectations for suppliers providing goods and/or services to CatSci. This covers ethical practices, environmental stewardship and compliance and reporting. Agreement to this CoC will form part of our future onboarding process for all suppliers, and CatSci has already initiated a process to ensure legacy suppliers also agree to meet these requirements which will be completed in 2024.

Some suppliers may choose not to sign up to the code of conduct; in these cases, alternative evidence of compliance with the key provisions and spirit of the good practices documented in the CoC are sought. For suppliers who are unable to provide this evidence, or those who breach (or are suspected to have breached) the CoC, CatSci may decide not to use their goods or services, or to withdraw approved supplier status.

Supplier Corporate Social Responsibility (CSR) policy

CatSci has re-written its supplier approval policy to incorporate the key elements of CSR, to enable these to be assessed as part of the new supplier onboarding process. This ensures that all suppliers are aligned to CatSci's vision of CSR and sustainability best practice.

A process to review all suppliers on a rolling basis (proportional to their importance to CatSci and risks) will be introduced in 2024, ensuring that the compliance is regularly reviewed and updated.

Responsible Purchasing policy

2023 saw the introduction of the CatSci procurement policy, which sets out how CatSci makes decisions related to purchasing goods and services, and ensures our people are able to meet CatSci's corporate and legal responsibilities, ethical commitments and support best practice in sustainability.

The policy clarifies how purchases may be made by CatSci employees, ensuring that these are only made for business-related purposes, by an authorised person, with approval of the budget holder, and using an approved payment method.

This policy also introduces the concept of Approved and Preferred suppliers (managed by our procurement team), setting out how all employees should use these by preference.

By using approved and preferred suppliers, CatSci can ensure that suppliers are suitable, capable of meeting our requirements (e.g. delivery deadlines). It can also ensure that the supplier's ESG credentials have been confirmed, and any delays in order fulfilment (removing a key bottleneck from our value chain) are minimised. This will deliver better value for our customers and shareholders.





Environment



We are committed to reducing our impact on the environment whilst continuing to deliver for our customers

Environment Policy

2023 saw the introduction of a new Environment policy for CatSci. The policy describes our approach to how we assess the impact of our activities on the environment and how we seek to reduce our impact whilst continuing to deliver for our customers.

We remain an active participant of the My green Lab certification program. The CatSci Cardiff Laboratories were first certified in 2021 and have been re-certified in 2023 with the Gold, my Green Lab certification. In the coming year we intend to expand the certification to our Dagenham site.

Recently, we have taken the first steps to be able to measure our Carbon footprint as a company by collecting data from energy usage, waste generated and commuting methods of our team members.

In the coming year, we expect this methodology to evolve as we look to develop long term strategies to reduce our impact on the environment.



Efforts to reduce our impact on the environment

Our commitment to reducing our impact on the environment focusses on using resources wisely and protecting the planet as we operate and grow our business. We strive to reduce greenhouse gas emissions, minimise waste and conserve water resources.

We recognise that even the smallest of efforts amongst all our team members can have a large result on our impact on the environment. Areas of focus have included :

- Scientists urged to consider the use of single use lab consumables
- A composting waste stream introduced
- Energy efficient procedures from closing fume hood sashes when not in use to end of day shutdown procedures to ensure only the required equipment is left running overnight.
- We aim to minimise the use of travel where video conferencing is deemed appropriate and CatSci staff have the option to work remotely where their role allows and to the extent of business requirements.

In addition to this, carefully managing how our waste are transported and processed can deliver huge benefits. During 2023, CatSci chose to use an alternative contractor for all laboratory hazardous waste, which has resulted in a reduction in transport miles from approx. 3,500 miles per year to less than 1,000 miles per year (almost a 75% reduction).

Additionally, CatSci is regularly seeking to improve how wastes are processed and will always seek to classify them at the highest possible point of the waste hierarchy. This ensures that energy can be retained whenever possible.





Societal Relations



Throughout our community engagement initiatives, we are committed to making an impact in our local communities

We are committed to working with the local community at all levels. We have established a volunteering program which allows each staff member to complete two paid volunteering days each year.

Activities and charities supported this year include:

- **Ty Hafan** – volunteering in their resale shop and helping to sort items for their shops
- **Oasis** – preparing food parcels and helping in the community kitchen
- **Breast Cancer Awareness** – providing guidance and support for individuals who have been diagnosed.
- **Park Clean** – Litter picking/ gardening in local parks

We recently hosted the free 30th SCI Young Chemist In Industry Conference at our new HQ site in Cardiff. This provides a valuable opportunity for early stage chemists to come together, network and share ideas, and augment their scientific knowledge by listening to a variety of talks across different topics. We are committed to the next generation of STEM and supporting the future chemists of tomorrow.

We host virtual open days and participate at Careers Workshops. Furthermore, we have hosted virtual Poster Competitions for PhD students to give them an opportunity to share their research and engage with the community. We also sponsored the Empowering Women in Organic Chemistry Europe Conference 2023 as we are dedicated to supporting gender equality in the sector.

In addition, we have established a **STEM ambassador program**, which provides support to local schools in the community; we are an Official “**Valued Partner**” of two local schools

Activities under the ambassador program have included the following:

- Being part of Yr 12 Welsh Bacc Dragon’s Den Panel
- Inviting local GCSE classes from local schools into our labs
- Holding mock interview sessions to allow students to experience what future interviews could be like
- Being a part of a number of Careers days and events

