



## Message from our Chief Executive Officer

Since early 2020, the world has faced unprecedented challenges, from the COVID-19 pandemic to the increasingly visible impacts of climate change.

We recognise that how we deliver on our core purpose, Science for a Safer World, will have an important role in addressing recent and future societal challenges. As a result, we have worked to formalise and further embed our approach to responsible business. We are committed to focusing on the environmental, social and governance (ESG) topics which matter most to our stakeholders and fulfil our role in, and responsibility to, wider society. We have created a new ESG department, and are involving teams across our business to address these topics and provide our stakeholders with timely and robust information relating to our ESG performance and the links to our wider business objectives. As part of this expansion of our ESG approach, we are utilising the Global Reporting Initiative (GRI) Standards as a framework for this report.



## Highlights

#### Our response to the COVID-19 crisis

Our core purpose, Science for a Safer World, has never been more relevant. We are involved in many aspects of the global COVID-19 pandemic response, including measurement standardisation efforts, providing the chemistry that goes into testing kits and quality control materials for diagnostic testing, and supporting the development of vaccines and medicines. In addition, through our technological innovations, we have driven a step-change in PCR testing capacity, by utilising our high throughput and ultrahigh throughput testing workflows.

This extraordinary work is underpinned by our world-leading science and our contribution to international standards and research, which support consistent and accurate measurements around the world.

#### Our colleagues

I would like to thank all my colleagues at LGC for their continued commitment and hard work throughout this challenging year. Our colleagues have demonstrated that a diverse and inclusive work environment is an essential part of delivering extraordinary science to the world. As part of our diversity, inclusion and belonging (DIB) roadmap, we focused this year on women in leadership, publishing a diagnostic and white paper on gender balance at LGC. We are undertaking tangible actions going forward to support women's progress into leadership positions, such as equal gender slates for all management roles and tracking data on representation, pay and development across the organisation.

In parallel, we have enhanced our support for colleagues' well-being, providing all colleagues with free access to programmes, education and benefits to support the development of healthy habits to manage both physical and mental health.

#### The environment

The past year has witnessed a change in the way we have delivered our work, including remote working and new COVID-19 working requirements. Whilst this has reduced the environmental impact associated with commuting and international travel, changes in business activities relating to the pandemic have raised new challenges, such as the disposal of increased volumes of personal protective equipment and biomedical plastic waste.

We are committed to continuing to improve our environmental performance, with a focus on sustainable buildings, green chemistry and renewable energy. For example, 100% of the electricity used during the year at our UK sites (where we are responsible for purchasing electricity) was from certified renewable sources. Over the next 12 months, we aim to increase the use of renewable energy in our sites around the world.

#### Responsible business

For over 175 years, we have maintained our commitment to the highest professional and ethical standards, as embodied in our code of ethics and our health and safety governance.

Our teams continue to achieve the highest levels of quality in our products and operations. For example, during the year, our facility in Nanjing, China, received certification by the China National Accreditation Service (CNAS) relating to reference material production (ISO 17034) and proficiency testing (ISO 17043), joining a large number of other facilities around the world which have already been accredited to these quality systems.

During the past 12 months, LGC demonstrated outstanding resilience and agility in pursuing our core purpose, Science for a Safer World. I am proud we rose to the challenges over this past year whilst supporting our colleagues, customers and our commitment to the environment.

The following report captures our ESG performance in the year ending 31 March 2021\*.

**Euan O'Sullivan**President and Chief Executive Officer





### Who we are

We are a leading, global life science tools company, providing mission-critical components and solutions into high growth application areas across the human healthcare and applied market segments.

Our high quality product portfolio is comprised of tools for genomic analysis and for quality assurance applications. These are typically embedded and recurring within our customers' products and workflows and are valued for their performance, quality and range.

Our tools play a key role in customer workflows from discovery applications through to commercial manufacture and enable our customers to:

- Bring new diagnostics and therapies to market;
- Progress research and development;
- Optimise food production and;
- Continuously monitor and enhance the quality of food, the environment and consumer products.

#### Company highlights (as at 31 March 2021)

- Headquartered in Teddington, UK;
- Operations in **19** countries;
- World-class team of around 4,000 colleagues (over 27% holding advanced degrees);
- £692 million in revenue (FY21 based on unaudited financial results);
- Number **25** overall and number **1** life science company, in the UK's Sunday Times PwC Top Track 250.



## Our approach to ESG

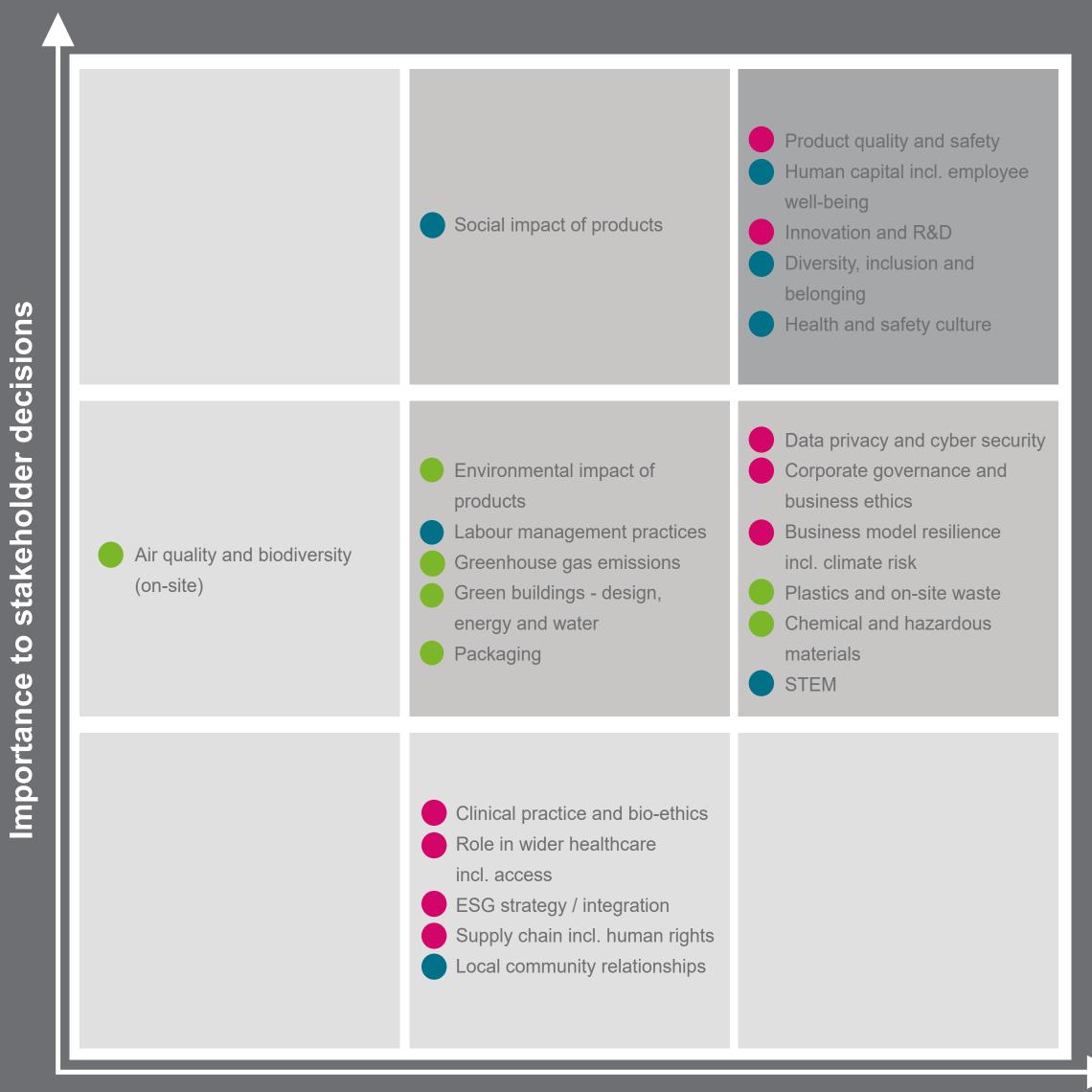
Over the past 12 months, we have reviewed our approach to responsible business, to ensure we are focusing on the ESG topics which matter most to our continued commercial success, that will strengthen our stakeholder relationships, fulfil our role in wider society and drive shareholder value.

This assessment began by engaging key internal stakeholders, including our Executive Leadership Team (ELT) and 60+ internal senior leaders. This enabled us to build a comprehensive picture of the topics which are relevant to how LGC does business. This analysis was further developed through a desk-based review of the priorities of our colleagues, customers, industry and investors as well as sustainability reporting standards and requirements\*. In parallel, we assessed our impacts on global societal goals, including the United Nations 17 Sustainable Development Goals (SDGs) both directly, through our operations, and indirectly, via our supply chain and customer solutions.

Through this process, we identified 23 topics that matter most to our business, our stakeholders and contribution to society\*\*. Our senior leadership teams ranked these topics as illustrated (right) in our initial materiality assessment. Over the forthcoming year, we plan to refine and update this assessment by engaging with external stakeholders. This is to ensure the continued relevance and alignment of our business priorities and our ESG activity, measurement and reporting.

We also established a new ESG Policy Committee. Chaired by Euan O'Sullivan, Chief Executive Officer, this committee is comprised of senior leaders from across our operations, to provide guidance on strategic plans, embed ESG activities across the organisation and review progress on a quarterly basis. The Committee reports into LGC's ELT and Board of Directors on an annual basis.

#### Materiality assessment



#### Importance to ongoing commercial success



## Our offering

Our high quality product portfolio is comprised of tools for genomic analysis and quality assurance applications. We serve our customers through our Genomics and Standards divisions.

#### **Genomics**

Our Genomics offering has been built around core capabilities which are integral to a wide range of genomics applications:

- Nucleic acid production: high value, complex and modified oligonucleotides and related specialty raw materials, products and analytical services for molecular diagnostics and advanced therapeutics;
- Molecular biology: reagents, kits and other critical components including enzymes, sample preparation solutions, instruments and consumables for use in PCR and NGS workflows;
- Complete PCR workflow solutions: integrated systems targeting high and ultra-high throughput capacity applications with compelling performance and economics in industrialised lab settings.



#### **Standards**

Our Standards offering has been built around core capabilities which are integral to a wide range of quality assurance applications:

- Quality control materials for use by clinical and molecular diagnostics customers to support assay development and commercialisation, as well as the delivery of consistently accurate measurements in clinical laboratories, while proficiency testing schemes provide a framework for regular, independent assessment of laboratory performance;
- Reference materials and analytical standards for pharmaceutical and applied market segments to enable the development, validation and quality control of analytical testing methods, from applied research and discovery through to analytical testing laboratories and the final manufacturing of drug products;
- Supply chain assurance solutions for customers in the food, beverage and consumer safety market segments to support consistent quality criteria through the supply chain, including management system standards used by food manufacturing sites, proficiency testing schemes, consumer facing endorsement marks and provision of digital supply chain management solutions.





















Alongside and underpinning this work is our role in delivering a number of services on behalf of the UK Government. This includes managing and operating the National Measurement Laboratory for chemical and bio-measurement, the Medicines and Healthcare Products Regulatory Agency (MHRA) laboratories and managing grants for the National Institute for Health Research (NIHR) on behalf of the UK Department of Health and Social Care (DHSC). In addition, our experts regularly play a crucial part in global collaboration projects and hold key roles in international scientific bodies.

We also host the unique function of the Government Chemist, which provides independent resolution of technical appeals in the UK food and feed enforcement system and advice to government, the public sector and the wider analytical community on measurement science, particularly relating to legislation and regulation.

GRI 102-2

# Expanding our portfolio through strategic acquisitions

Over the past 12 months, we have welcomed new colleagues from the following organisations to the LGC family.

#### The Native Antigen Company (TNAC)

One of the world's leading suppliers of high quality infectious disease antigens and antibodies for the in-vitro diagnostic, pharmaceutical and academic sectors, TNAC was one of the first companies globally to offer antigens for SARS-COV-2. TNAC's team and products complement our existing portfolio of quality assurance tools within our Clinical Diagnostics unit.

#### Safefood 360°

A leading food safety and supplier management solutions platform, Safefood 360° supports compliance with food safety regulations globally. This acquisition expands our supply chain assurance programme.

#### **Technopath Clinical Diagnostics**

A global leader in the development and manufacture of quality control solutions for clinical laboratories, Technopath's quality control products and software are used by laboratories in over 120 countries. This acquisition augments our Clinical Diagnostics unit and complements our wide breadth of manufacturing capabilities.

#### **Paragon Scientific**

A leading manufacturer of reference materials, Paragon further expands our global offering for applied markets, enabling, for example, customers to measure their impact on the environment.

As part of our investment approach, we are committed to investing in the people and technology of these businesses to accelerate their unique capabilities, as well as strengthening our wider commercial and customer services.



## Our leadership team

#### At 30 September 2021\*, of the ELT:

- 11% are women and 89% are men;
- 56% are between 30-50 years old and 44% are above 50 years old.





Simon Parsons

Chief Financial Officer



Dr Derek Craston

Chief Scientific Officer



Lisa Amaya Price
Chief People Officer



Manjeet Aujla
Chief Digital and
Information Officer



Mark Dearden

Managing Director, Genomics



General Counsel and Company Secretary



SVP Corporate Strategy,
Development, Communications



Managing Director, Standards

\* Due to changes to the ELT during 2021, the data on this page has been updated to reflect the organisational structure as at 30 September 2021.

GRI 102-18; GRI 405-1

## Our core purpose, Science for a Safer World

#### Clinical and molecular diagnostics

#### Improving cancer screening

Each year, there are over 18 million new cancer cases around the world\*.

We help healthcare professionals accurately detect and diagnose cancers earlier and save lives. We do so through developing innovative enzymes for biopsy-based cancer screening tests and via oligonucleotides, which enable non-invasive cancer screening tests to be performed in the privacy of a patient's home.

#### Helping fight infectious disease pandemics

There are an estimated 390 million new Dengue infections every year, the Zika virus is still present in more than 87 countries, whilst Ebola epidemics are still prevalent across Africa\*\*.

We collaborate with partners and clinical laboratories around the world to respond rapidly to infectious disease outbreaks. This includes through our proprietary Accuplex recombinant viral materials which resemble the virus, yet are safe to handle and non-infectious, thereby enabling faster detection of illnesses while supporting new vaccines development.

#### Improving the outcomes of fertility treatment

Getting pregnant is not always simple and in-vitro fertilisation (IVF) can be an important option for some would-be parents.

We provide reference materials that enable healthcare experts to screen and test embryos for the presence of important genetic alterations which, if undetected, can reduce the embryo's viability or affect the health of the foetus. We also help train healthcare staff to ensure consistent testing, thereby improving the outcomes of IVF treatment for future parents.

#### Pharma and biotech

#### Making sure medicines are safe and effective

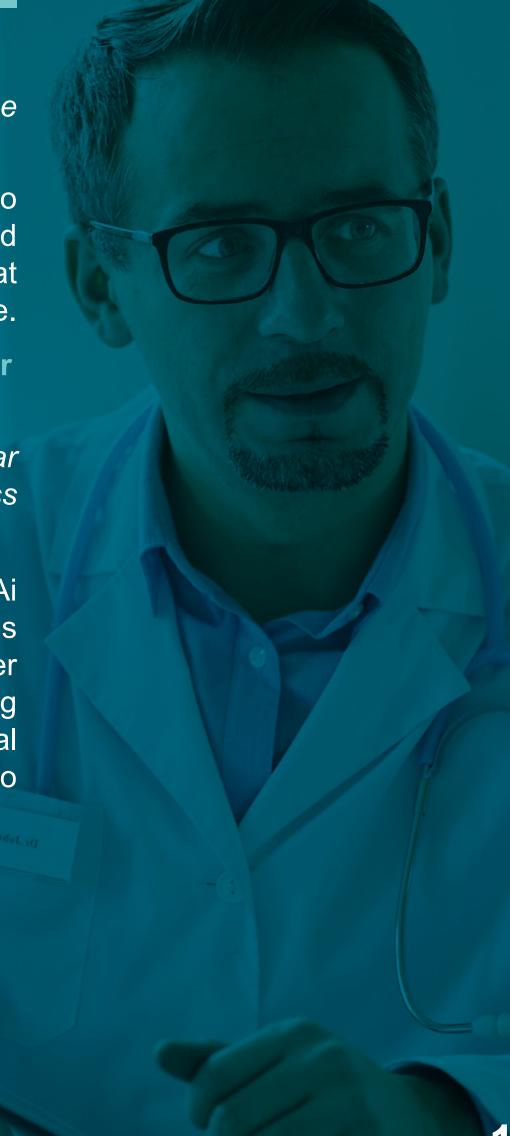
In the UK, 1 in 4 people take a prescribed medicine each year\*\*\*.

Our products enable pharmaceutical companies to detect and analyse potential impurities in new and existing medicines. This is critical in ensuring that everyday medicines are both effective and safe to use.

Collaborating to support innovative therapies for vision loss

An estimated 196 million people live with macular degeneration, one of the leading causes of vision loss around the world\*\*\*\*.

We work with developers of innovative RNAi therapeutics for the treatment of sub-retinal fibrosis and wet macular degeneration, a chronic eye disorder that causes blurred vision. This includes providing active pharmaceutical ingredients for the preclinical and clinical study for new treatments and support to scale-up therapeutic solutions.



## Our core purpose, Science for a Safer World

#### **Applied**

#### Increasing agricultural productivity sustainably

Population growth and increasing prosperity will place further strain on global food production systems over the next 50 years.

Meeting this demand whilst protecting our fragile natural ecosystems is one of the most pressing challenges facing our society. We work with agricultural companies to identify important variants between different crop varieties and animal breeds. This in turn provides vital information for farmers on how they can improve crop yields or animal husbandry, thereby increasing sustainable agricultural productivity.

## Enabling the responsible use of pesticides to protect global food supply and biodiversity

Without current pesticides and herbicides, we could lose up to 40% of global crops to pests and weeds. However these products can have harmful effects on natural ecosystems and human health.

As a result, regulators limit the use of certain pesticides. We help laboratories to test food and beverages for pesticide residue, thereby allowing food companies to be confident in the accuracy of their testing and to ensure their products meet regulations, protecting our health and future food supply and ecosystems.

## Helping consumers be confident in the safety, quality and integrity of their food

The Chinese city of Xiamen is one of the largest food export hubs in the world.

To ensure the quality and safety of the food passing through the city, the local food safety and surveillance office tests over 20,000 batches a year. We work with the local government in Xiamen, to provide proficiency testing schemes across the city. This supports the monitoring of quality and accuracy of testing carried out to safeguard food quality and protect consumers in China and globally.

#### Keeping sport fair, safe and clean

Sports nutrition is a vital component for achieving optimum performance, both professionally and for amateurs. However, 1 in 10 supplements could be contaminated with banned substances\*.

We provide a global quality assurance testing programme for sports supplements, testing over 20,000 products and supplements each year, thereby reassuring athletes that their supplements do not contain substances which are banned in sport or could be a risk to their health.

#### Research and government

#### Improving sepsis survival rate

Sepsis is a life-threatening complication of infections responsible for about six million deaths a year\*\*.

To improve the speed and accuracy of sepsis diagnoses, measurements of established biomarkers need to be traceable and techniques need to be compliant with EU regulations. Through the National Measurement Laboratory, we are leading metrology studies to determine methods for rapid detection of sepsis, improving patient survival rates.

#### Improving quality of life for allergen sufferers

Globally, 220-250 million people may suffer from a food allergy\*\*\*.

Analysis of food and food ingredients for allergens is vital to protect the supply chain, support businesses and secure safe food for people with allergies. However, allergen analysis can be challenging. Through the UK Government Chemist, we are working with regulators and food producers to improve the science of allergen risk assessment, ultimately improving quality of life for allergen sufferers.

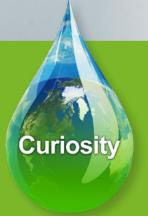
GRI 102-6

### **Our values**

Our core purpose of Science for a Safer World and our five values of passion, curiosity, integrity, brilliance and respect, drive our culture.



We expect our colleagues to strive to continuously push boundaries, challenge the norm and come to work with an infectious energy to do their best every day.



Our curiosity for today's discoveries makes tomorrow's innovations possible. We expect our colleagues to share their knowledge and expertise with each other and challenge the status quo. We anticipate our colleagues will discover creative and innovative solutions that will enable our customers and LGC to grow and evolve.



A commitment to high ethical standards has been at the heart of LGC, since we started testing the integrity of products in 1842. We demonstrate transparency and openness in all our actions.



We strive to be brilliant and the very best in everything we say and do. We exceed customers' expectations through innovation and pioneering science. We set the bar high for success and keep raising that bar.



We respect gender, age, nationality, religion and individuality, our diversity is our strength. We appreciate the skills, knowledge and strength of colleagues, teams and the Group as a whole, and respect our customers and our environment at large.

# COVID-19: Supporting the global response to the pandemic

We are involved in many aspects of the global COVID-19 pandemic response and recovery, including:

#### **Testing kits**

We provide critical components and reagents that go into COVID-19 testing kits which are used for public testing around the world.

#### Reliable and accurate testing

Our proficiency testing schemes help laboratories ensure their application of COVID-19 testing methods and subsequent results are reliable and accurate. Our quality control reference materials are used by clinical laboratories, governments and regulators to verify that results are robust and consistent.

#### High and ultra-high throughput testing

We provide governments and clinical laboratories with fully integrated, scalable instrumentation workflows for high and ultra-high throughput COVID-19 testing. These unique workflow solutions are capable of processing between 4,500 to 150,000 tests per day in a single location\*.

#### **Supporting research**

We provide SARS-CoV-2 antigens and antibodies to support a range of applications, from fundamental research to the development of diagnostic tests and vaccines. Through our role supporting the UK's NIHR, we managed funding for COVID-19 research projects and direct support in vaccine development with primer synthesis in the early development phase.

#### **International standards**

As the UK National Measurement Laboratory, we are leading global efforts to ensure tests made around the world are standardised and deliver accurate measurements with clear performance criteria.



## **COVID-19: Supporting our people**

During the COVID-19 pandemic, ensuring the safety of our colleagues remained our number one priority. We implemented a variety of measures including remote/flexible work, shift work, social distancing and additional personal protective equipment to enable our people to work safely whilst delivering for customers in the workplace.

While we are able to control the workplace, our employees have continued to face the challenges of community outbreaks, homeschooling and care of family members impacted by the pandemic. To support our employees, we implemented a global COVID-19 emergency leave policy, which allows colleagues to request up to 10 days paid emergency leave to deal with exceptional, unplanned COVID-19 related emergencies. This is in addition to colleagues' contractual leave allowances.

Colleagues may also take time off to receive their COVID-19 vaccination, without having to use annual leave or make up the time lost.

I'm proud to work for a company that continues to provide such exceptional support during the COVID-19 pandemic. People have always been at the centre of decision-making and it is encouraging that this continues, even in a time of external crisis.

Lorie, Laboratory Director, Lexington

**80%** of employees either strongly agree or agree that LGC has taken the necessary steps to look after employees during the pandemic.

#### Coronavirus response network

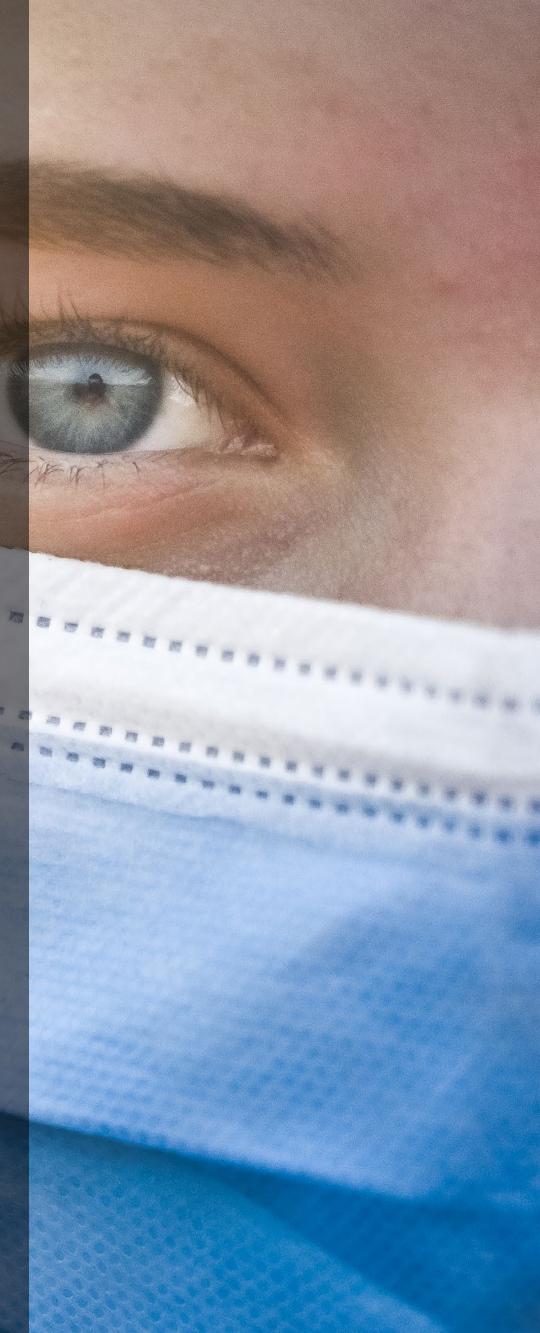
In March 2020, as the scale of the global COVID-19 pandemic became apparent, we set up the LGC Coronavirus response network (CRN).

The CRN comprises representatives from across all our sites. It is co-ordinated by our Enterprise Risk Management team.

The purpose of the CRN is to ensure the health, safety and well-being of all our colleagues by enabling members of the network to:

- Be supported on the development of their local COVID-19 risk assessments and response plans;
- Collaborate on and share COVID-19 related best practice across sites;
- Discuss the impact of the pandemic on colleagues and operations;
- Share the results of local site initiatives and research that have been carried out;
- Act as a central point to disseminate information to colleagues across the business;
- Share guidance and related information from governmental and health authorities websites.

To date, more than 100 CRN virtual meetings have taken place.





## **Employee well-being**

We believe when our colleagues can address their well-being and have the flexibility to manage their lives, they can thrive and achieve great things at work and home. We are committed to giving every colleague the tools and support to thrive mentally and physically at LGC.

#### Physical health and well-being

Over 1,600 colleagues took part in the Virgin Pulse GO Challenge in 2021. It is a flexible well-being programme, which helps equip our colleagues with the knowledge, tools and support to build healthy habits with friendly, team-based competition and collaboration across the organisation.

#### **Celebrating our colleagues**

257 Cheers awards were received and over £33,000 has been awarded to our colleagues in 2020, as part of our peer-to-peer recognition programme for exceptional actions, achievements or behaviours.





#### Mental health and well-being

In response to the impact of the COVID-19 pandemic on the mental well-being of many of our people, we introduced a series of mental health webinars. In October and November 2020, 800 colleagues attended 22 webinars, which provided guidance on how people can support themselves and one another during the pandemic, with practical information about mental health, mental illness and spotting signs of distress. They also offered tips on talking to others about mental health and resources for getting help and support. In addition, our employee assistance providers offer 24/7 mental health helplines for those in need.

We also established a partnership with Headspace, giving colleagues free access to this meditation and mindfulness platform. As of 31 March 2021, over 1,220 colleagues were actively using Headspace.

We recognise each person has unique needs and challenges. Therefore, we encourage all our colleagues to discuss with their managers or human resources teams where they may need additional support.

77% of employees either strongly agree or agree that their manager supports their work-life balance. An increase of 11% from the 2020 survey.



## **Engaging our colleagues**

We strive to give all our colleagues the opportunity to collaborate and communicate with their peers, no matter their location or seniority.

We have a number of initiatives and channels that enable better communication and collaboration across our business:

- Our employee communication network spans the entire company and is designed to foster dialogue between our sites;
- Our intranet includes discussion boards, blogs from management and an "Ask the Executive Leadership Team" forum;
- Our internal, science-focused, intranet discussion board, enables colleagues to ask peers in the wider LGC scientific community for expertise and advice.

**81%** of employees either strongly agree or agree that employees are encouraged to share their thoughts and views with their manager.

Our colleagues*	2020 (as at 31 March 2020)	2021 (as at 31 March 2021)
Number of employees	3,435	3,944
EMEA	55%	52%
Americas	42%	41%
APAC and other regions	3%	7%
Full time	90%	87%
Part time	10%	13%
New employee hire rate	28%	28%
Employee turnover rate	18%	14%

#### **Employee training and development**

Learning and development is critically important at LGC. We provide our colleagues opportunities at every career stage to develop essential skills and build a portfolio of experiences to fuel their career growth and advancement. We aim to attract, develop, engage and retain the best people for every role and we have a policy of promoting from within, wherever possible. The development of all colleagues is crucial to our organisation, and we offer extensive on-the-job experience and formal training courses to meet short- and long-term development needs. Personal performance development reviews are conducted during April each year with a half year check-point in October.

This year, we launched an enhanced global management and leadership development framework delivering three new programmes for first line and middle managers. These courses were adapted for virtual delivery in response to the pandemic and are open to our management community across the organisation, ensuring a consistent learning experience and opportunities for networking and knowledge share. We also offer targeted development campaigns based on specific divisional or global needs.

Over the next 12 months, we will continue to review and build on our current leadership offering to include content on leading hybrid teams, diversity and well-being, as well as expanding our development pathways for senior leaders.

\* EMEA includes Africa; part time employees refers to all non full time employees
GRI 102-7; GRI 102-8; GRI 401-1

## Diversity, inclusion and belonging

We know a diverse and inclusive work environment is an essential part of making LGC a great place to work and a successful, innovative business. It is our aspiration to create and maintain a place of work where all colleagues feel a sense of belonging and are confident to be themselves.

This year, we launched our three-year DIB roadmap, an approach that is engaging, action-based and consultative, supporting a combination of global and local initiatives. The initial stages of the roadmap have already been realised and cover:

- Building further understanding and awareness of the challenges facing women via the publication of a white paper on gender balance in leadership at LGC, supported by a private screening of the documentary film 'Picture a Scientist' with discussion groups;
- Communicating the targeted initiatives to support women to progress into leadership. This includes tracking data on gender representation, pay and bonus on a global, divisional and site level; implementing sponsorship and development programmes for high potential females; introducing diversity slates for recruitment and promotions into senior roles; and promoting the possibilities and benefits of flexible working;
- Exploring broader DIB challenges beyond gender, via specific feedback from our annual engagement survey.

Success comes when efforts involve both local and corporate initiatives in tandem. Our DIB roadmap aims to complement and align local and global efforts and provide support for on-going DIB work that already happens at site level. For example, our site in Oxford piloted neurodiversity training with the view to roll this out across the organisation.

**72%** of employees either strongly agree or agree we have an inclusive environment that makes them comfortable being at their best at work.

79% of employees either strongly agree or agree they feel respected and valued by their manager and colleagues.

Over the next 12 months, we will continue to adopt a considered and thoroughly researched approach to understand and overcome the challenges to further building inclusivity. We will launch our DIB statement to underpin our approach and define our position. We will continue to implement the targeted initiatives to support women to progress into leadership. We will be researching our recruitment processes and practices, building an effective DIB governance and expanding our training on leading diverse and inclusive teams. Employee feedback and data will continue to inform our efforts and direction.

Our colleagues - diversity	<b>2020</b> (as at 31 March 2020)	<b>2021</b> (as at 31 March 2021)
All employees Male Female	48% 52%	47% 53%
Management* Male Female	67% 33%	66% 34%

\* Management is defined as job band 1 and executive level
GRI 102-8

# Science for a Safer World in action: sharing our science

#### The LGC Annual Science Conference 2020

Our virtual Annual Science Conference was themed around our response to the COVID-19 pandemic. Across five days, scientific experts from across the business presented virtual sessions, which employees could attend:

**Day 1**: Therapies relating to COVID-19

**Day 2**: Tools and instruments for COVID-19

**Day 3**: Antibodies and tests for COVID-19

**Day 4**: Proficiency testing in COVID-19

**Day 5**: The future of how epidemiology can be used in managing diseases and pandemics.

The sessions were viewed over **4,000** times. We held a scientific poster competition, open to all employees. In total, over **50 posters** were entered from across the LGC scientific community, which were assessed on quality, impact and innovation by a judging panel which included colleagues' votes.

#### **Countering COVID-19**

This year we set up a new podcast to help assay developers, scientists and clinicians gain behind-the-scenes insight into the technologies around SARS-CoV-2 testing. Through conversations with the scientists that are building, implementing and reconfiguring technologies to address SARS-CoV-2 challenges, the podcast helps to highlight how, working together, we can make the world a safer place.

#### **Engaging future leaders and scientists**

Across LGC, over 1,500 colleagues are under the age of 35. They represent the future of our business and will be instrumental in addressing the challenges facing our society. To engage young people in our science, we undertake a number of activities across our business:

- We are a member of the WISE campaign, supporting their mission for gender balance in science, technology and engineering in the UK;
- We offer placement 'year in industry' roles for university students;
- Our partnership with Learning Science, Praxis, delivers new e-learning assets for a STEM industry workplace.

Over the next year we plan to expand our programme of science outreach.

83% of employees either strongly agree or agree that they understand the connection between their work and LGC's core purpose.

## **Community impact: corporate charity**

LGC colleagues have a strong history of supporting our corporate charity, raising money through various fun and creative activities across the company. LGC boosts these charitable contributions by matching the funds raised when five or more colleagues participate in a team event.

For the first time, in 2019, LGC held an entirely employee-led nomination and vote process to determine which corporate charity to support for the next two years. WaterAid was the winner and our partnership ran from April 2019 - March 2021.

COVID-19 had an undeniable impact on fundraising efforts in 2020 - 2021 and we had to find new ways to respond positively to these challenges. Traditional bake sales, sports days and team activities were no longer possible and the majority of our fundraising had to take place virtually. However, our colleagues stepped up to the mark and continued our fundraising online, raising c. £30,000 for WaterAid.



#### The chilli growing challenge

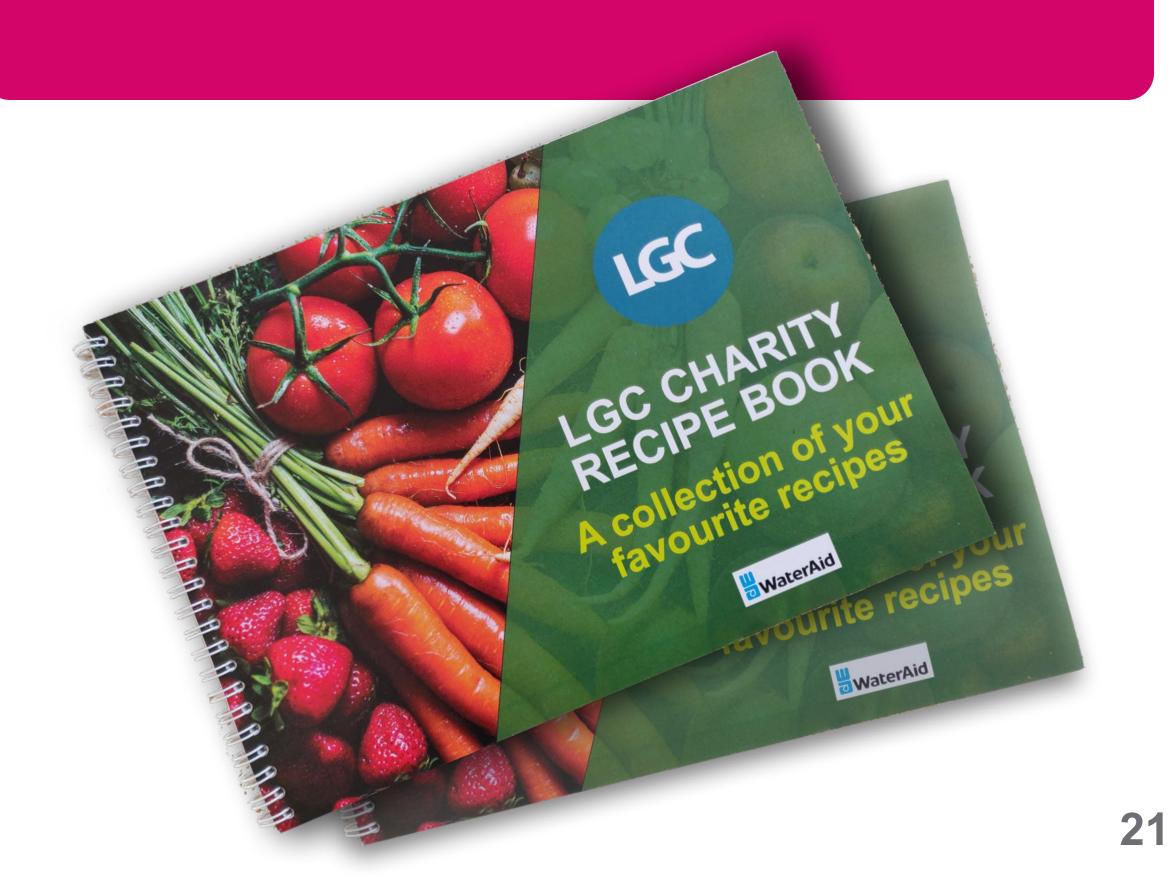
In February 2020, colleagues at 10 LGC sites across four countries (Denmark, Germany, UK and US) joined the LGC chilli growing challenge to see who could grow the first fully ripe chilli. 600 chilli seeds were planted. There was much friendly competition between teams and departments with growing hints and tips exchanged. Our green-fingered challenge raised £1,600 for WaterAid.

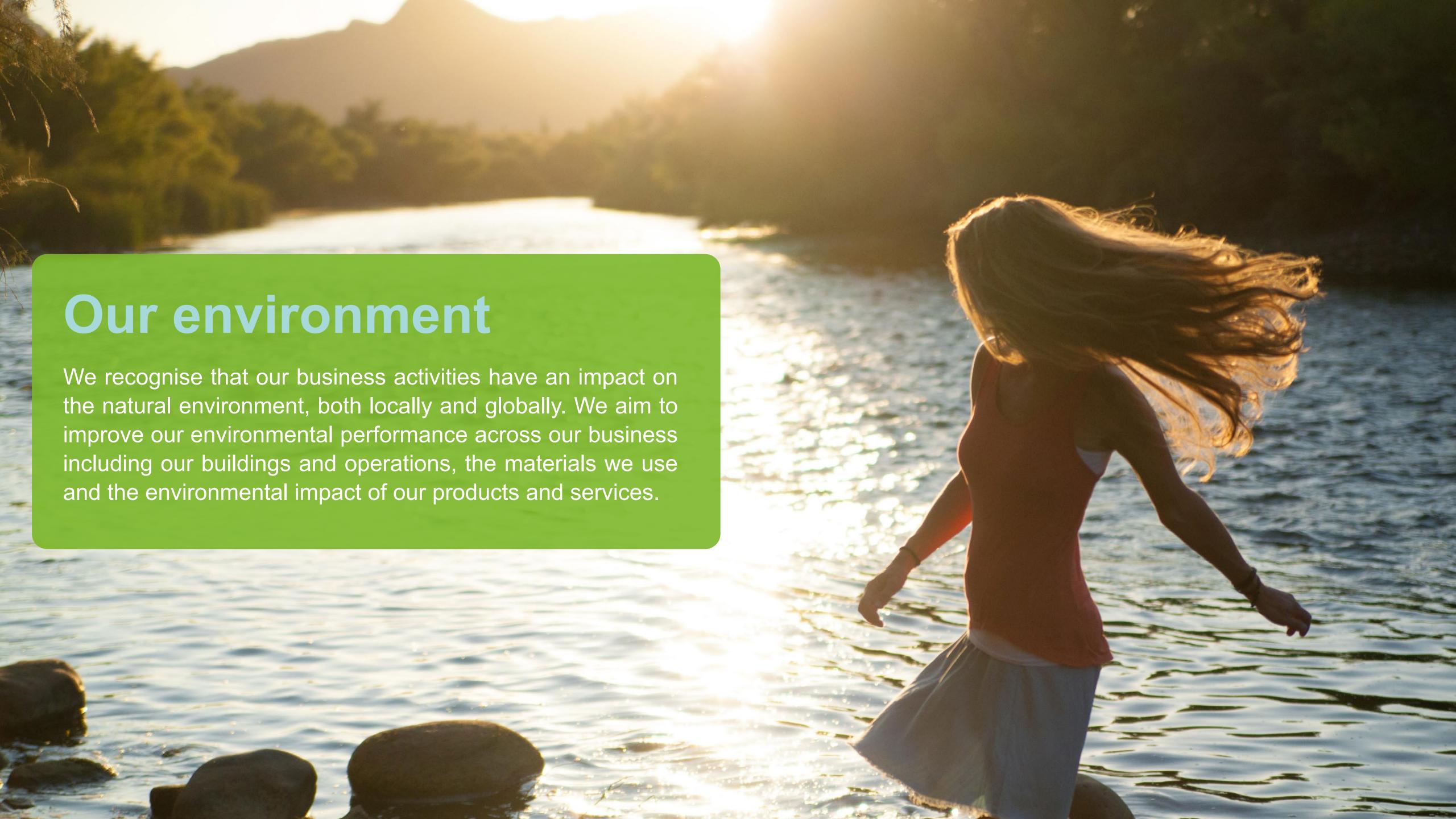
#### The LGC charity recipe book

A fantastic array of over 60 recipes were donated by colleagues across 18 LGC sites. The resulting recipe book includes Brazilian cheese bread, veggie biryani, Italian tortellini soup to freestyle brownies, plum dumplings and peach cobbler, and raised just under £1,000 for WaterAid.

Thank you very much for the recipe book. This book is really amazing! I think it's one of the best in the world! Because it's the first recipe book I've ever seen in my life so far with recipes from all over the world!!!

Cindy, Team Assistant, Luckenwalde, Germany.





## **Environmental management**

The LGC Environmental Management System (EMS) sets out our approach for the continuous improvement of our environmental performance. It is aligned with ISO 14001:2015 certification\* and includes the precautionary principle of identifying risk and taking preventative measures.

Looking ahead, we are expanding our monitoring and reporting systems with the aim of improving our environmental performance and establishing relevant environmental targets. Our renewed focus will include addressing potentially adverse environmental impacts related to:

- Climate change including our energy use and greenhouse gas (GHG) emissions;
- Our buildings and facilities including water use, effluents and waste generation;
- Our technical operations and laboratory practices including the use of chemicals and packaging;
- The environmental impact of our products and services.

### Did you know:

We support plant-based foods as part of the transition to a low carbon economy, through the following offering:

- Our BRCGS team, working with food industry experts, has established a new plant-based global standard providing clarity in what is a plant-based product;
- **Dr. Ehrenstorfer reference standards** provide support to laboratories testing for plant-based compliance;
- Informed Sport & Informed Choice provide testing to ensure plant-based materials do not contain naturally occurring steroidal or stimulant compounds which could result in a failed drug test or health risk.



\* ISO 14001:2015 specifies the requirements for an environmental management system that an organisation can use to enhance its environmental performance
GRI 102-11; GRI 207-1

## **Climate change**

Climate change is internationally recognised as one of the biggest challenges facing society. Over the past 12 months, we have worked with external consultants to understand our emissions or carbon footprint. This included an analysis of the carbon footprint of our sites (scope 1 and 2) and an initial assessment of the emissions generated from across our supply chain (scope 3). This is an important first step in identifying where our most significant emissions occur and the focus areas for future reduction targets.

#### Energy\*

The primary sources of energy used by our sites are electricity and natural gas. We currently measure and track monthly energy use relating to our operations in the UK and the rest of Europe, and over the past 12 months, our sites in these locations (excluding acquisitions made in the period) used 20,607 MWh of energy. Given the changing nature of our operational footprint, we also track our energy use intensity (per m²).

Energy performance	2019-2020 (1 April 2019 - 31 March 2020)	<b>2020-2021</b> (1 April 2020 - 31 March 2021)
Energy consumption (MWh)	19,317	20,607
Energy intensity (MWh per m2)	0.58	0.62

Over the next year, we aim to expand our systems for the monthly measurement of energy to our acquisitions and our sites in North America.

#### \* Energy, GHG emission and water intensity is calculated based on site area to align with scope and boundaries of current utility reporting. Utility data is collated by an external partner based on utility bills, for sites where LGC is responsible for purchasing energy.

#### **GHG** emissions\*

100% of the electricity used during the year at our UK sites (where we are responsible for purchasing electricity) is from certified renewable sources, and over the next 12 months, we aim to increase the use of renewable energy in our sites outside of the UK. We currently measure GHG emissions relating to our use of energy across Europe, and over the next year, we aim to expand this measurement to include all sites and facilities in North America, and use this insight to set reduction targets.

GHG** emissions performance	2019-2020 (1 April 2019 - 31 March 2020)	2020–2021 1 April 2020 - 31 March 2021)
Direct GHG emissions from energy (scope 1) (tCO <sub>2</sub> e)	1,397	1,519
Indirect GHG emissions from energy (scope 2) (tCO <sub>2</sub> e)	2,873	1,905
Direct and indirect GHG emissions (scope 1 and 2) (tCO <sub>2</sub> e)	4,270	3,424
GHG emission intensity (scope 1 and 2) (tCO <sub>2</sub> e per m <sup>2</sup> )	0.13	0.10



Data reported refers to cumulated energy for electricity, heating, cooling and steam. Further break-down is not available.

Data is calculated using market-based emission factors and does not include transmission and distribution emissions (scope 3)

<sup>\*\*</sup> GHG emissions calculated based on market-based approach. GRI 302-1; GRI 302-3; GRI 305-1; GRI 305-2; GRI 305-4

## Our buildings and facilities

We operate across 53 sites and 19 countries. As a result, the management and operations of our buildings have a significant impact on our environmental performance. A key priority is to improve efficiency and reduce resource consumption at our sites, in particular when we open new or upgrade existing facilities.

As part of future site renovations, we actively look to incorporate international sustainability accreditation, such as LEED<sup>®</sup>, BREEAM<sup>®</sup> and WELL<sup>™</sup> as part of the design brief and project development. This includes incorporating sustainability criteria such as:

- Site selection and sustainable building design;
- Water and wastewater management;
- Energy use and efficiency;
- The use of sustainable and recycled materials in construction;
- Improving indoor environmental quality, such as ventilation and natural lighting.

## Did you know

Our office and laboratory in Maine, US, is a LEED<sup>®</sup> Silver certified building. This accreditation by the US Green Building Council relates to the building meeting a wide range of sustainability criteria.

The design and construction of this building reduced annual potential water consumption by up to 70% and energy use by over 30%.



Luckenwalde (Germany)



Cumberland Foreside, Maine (US)



Fordham (UK)

GRI 102-7

#### Water and effluents

Responsible water use and wastewater management is a central part of our EMS and is therefore considered in the design of new buildings and the refurbishment of existing buildings. We currently track water use across our UK sites and are in the process of collecting this data from our facilities globally. All sites have established processes and procedures for the management of wastewater discharge.

Water use performance	2019-2020 (1 April 2019 - 31 March 2020)	<b>2020-2021</b> (1 April 2020 - 31 March 2021)
Water consumption – UK (m³)	16,643	17,797
Water intensity - UK (m³ per m²)	822	879

#### **Waste management**

At all our sites, waste management is based upon the waste hierarchy principles of reduce, reuse, recycle, recover and dispose. When waste is unavoidable, we operate a segregation policy and where possible, waste is reused or sent for recycling rather than disposal.

Our team in Lexington, US, has been working with our suppliers to recycle personal protective equipment such as nitrile gloves, protective clothing and safety glasses, which are converted into new consumer goods. Over the past year, the Lexington team has recycled 48kg of nitrile gloves. In the UK, our teams at Sandwich and Fordham are in the process of establishing a similar recycling programme for plastic gloves. Our teams at Teddington have established a recycling programme for pipette tip boxes.



## **Our operations**

Laboratory operations are an intensive energy user. For instance, one laboratory fume hood can use as much energy in a year as three homes combined\*.

To reduce the environmental impact of our everyday operations, we have set up different channels and forums to help our teams around the world share best practices between sites:

- Site-specific environmental management systems including our Teddington and Twickenham sites which are certified to ISO 14001:2015;
- Site-based environmental groups at our Lexington, Petaluma, Sandwich and Fordham sites;
- Communications programme to share relevant environmental initiatives such as Earth Day.

#### **Chemical management**

We supply reagents and consumables that comply with relevant local or international chemical guidelines and regulations relating to hazard classification, labelling, packaging and information. All sites which use hazardous chemicals have established processes and procedures aligned with local regulations for the management of wastewater discharge, with the general principle that waste should be collected by approved waste contractors and not disposed of via sinks or drains.

#### **Packaging**

Packaging plays a critical role in the life science industry, fulfilling a number of technical requirements:

- Safe transportation of products;
- Protection from light, temperature and cross-contamination;
- Ensuring safety and preventing incorrect use and counterfeiting;
- Meeting regulatory requirements;
- Preserving the efficacy of the product at end-use;
- Ensuring material compatibility with manufacturing processes and sterilisation processes.

However, we also recognise that packaging can have a negative environmental impact relating to its sourcing and disposal. Over the next year, we plan to extend our measurement system to understand and report packaging use and explore opportunities to reduce primary and/or secondary packaging or use more sustainable materials.

## Did you know

#### Reducing packaging at our sites

A colleague at Teddington noticed that forms sent with products were placed inside the boxes alongside the dry ice used in packaging. This meant they had to be put in plastic sleeves to protect them. She suggested the forms be placed outside the box, in the delivery pouch instead, so that the additional plastic was not needed. It was trialled for a month with no complaints and is now the new process, saving more than 1,000 plastic sleeves a month.

## The environmental impact of our products for our customers

In addition to supporting our customers to deliver environmental outcomes, we consider how our products and services can reduce the environmental impact of their operations, for instance:

- KASP Master Mix<sup>™</sup> and genotyping technology is a critical tool for plant and livestock breeders. Our KASP product uses a universal reporting system, which simplifies assay design and eliminates the need to design assay-specific fluorescent probes, requiring lower reaction volumes (1 uL). The mix is also formulated without Triton <sup>™</sup> X-100 for REACH compliance.
- Array Tape<sup>TM</sup> Platform is a thin (0.3 mm) and flexible continuous polymer strip, serially embossed with reaction wells. This array tape requires seven times less plastic, 80-90% less reagent and 11 to 35 times less energy than traditional individual well plate approaches.
- **The oKtopure™** is a robot platform which combines high-throughput DNA extraction from plant tissue with the proprietary sbeadex™ magnetic bead-based extraction chemistry. As a result of its offline tip washing feature, tips can be reused up to 40 times, which reduces waste generation as well as realising up to 50% cost savings.





## **Health and safety**

Our colleagues are our greatest asset and ensuring a safe working environment is crucial to our operations.

Our health and safety (H&S) policy and manual provide a set of overarching procedures and guidance to ensure a robust and consistent approach across our businesses. All colleagues and contractors working at our sites have to adhere to relevant site specific management systems, which are based on and aligned to our global H&S policy and manual. LGC H&S leaders are appointed at every site to promote colleagues' safety. All colleagues are trained on occupational H&S, with specific modules and training tailored to their activities and environment, for instance, the safe handling and disposal of chemical solutions.

As part of our commitment to ongoing improvement, we regularly review the effectiveness of our H&S systems, including site-based risk assessments and job hazard analysis. This in turn provides a framework for setting and reviewing H&S objectives and targets.

We record and investigate all accidents and near-misses, in line with local regulatory requirements and communicate openly our H&S performance. This includes reporting on a monthly basis to executive management and to colleagues through our Safety, Health and Environment committees across the business.

Over the past year, there were 12 reported injuries, there were no fatalities.

Health and safety performance*	<b>2019-2020</b> (1 April 2019 - 31 March 2020)	<b>2020-2021</b> (1 April 2020 - 31 March 2021)
Number of recordable work-related injuries	8	12
Rate of recordable work-related injuries	1.2	1.5

## Did you know

We support the safety of the wider public, through, for example:

- Safer aeroplanes: Our ARMI MBH teams work with customers to support the introduction of safer 3D printing processes of metal products to be used in aerospace applications;
- Safer food packaging: AXIO Proficiency Testing, through our CONTACT programme, assists laboratories with the detection of dangerous compounds in food contact materials, such as printing inks from packaging;
- Safer ways to stop smoking: Dr. Ehrenstorfer reference materials support safer ways to stop smoking through identifying potentially harmful ingredients in vape technologies. This provides reassurance to users, allowing them to be more informed about the products they are purchasing.

## **Product quality**

The integrity and quality of our products and services are essential to our core purpose, Science for a Safer World.

Our approach to quality\* starts with our quality manual and quality policy, which each site uses to establish their own quality management system (QMS) based on their site and business requirements. The objective is that every product or service is produced to the highest applicable standards. This approach is aligned to the ISO 9001 requirements and includes a commitment to continuous improvement, through setting and reviewing quality objectives and targets. Our quality policy is communicated to all colleagues, made publicly available on the LGC website and requires all suppliers to meet the criteria of ISO 9001 or other applicable standards.

Individual sites and manufacturing operations are also compliant and accredited to best practice standards relating to their specific operations. Compliance to legal requirements and industry standards is regularly assessed by external independent and authorised bodies. There were zero incidents of non-compliance in relation to the health and safety of our products and services in the past year.

Number of accredited sites	2021 (as at 31 March 2021)
ISO 9001: Quality Management System	19
ISO 13485: Medical devices - quality management systems	6
ISO 17025: Requirements for the competence of testing and calibration laboratories	7
ISO 17021: Requirements for bodies providing audit & certification of management systems	1
ISO 17034: Requirements for the competence of reference material producers	5
ISO 17043: Requirements for proficiency testing	4
Good Laboratory Practice (GLP), Good Manufacturing Practice (GMP); Good Distribution Practice (GDP) – number of certifications	8

#### \* ISO 9001:2015 specifies requirements for a quality management system

Industry standards include: OECD Principles of Good Laboratory Practice (GLP); ICH Guidelines for Good Clinical Practice (GCP); UK Human Medicines Regulations Good Manufacturing Practice (GMP); International Laboratory Accreditation Cooperation Criteria for Laboratories (ILCA G7); European Medicines Agency's Good Distribution Practice (GDP); Current Good Manufacturing Practices ("CGMP") requirements as set out in the FDA's Quality Systems Regulation ("QSR") All sites that hold additional accreditation, certification and/or registration also work to LGC's QMS.

GRI 416-2

#### **Quality in China**

This year, we were pleased to announce that our proficiency testing facility in Nanjing, China, received certification by the China National Accreditation Service (CNAS) relating to:

- ISO 17034 accreditation for reference material producer
- ISO 17043 accreditation for proficiency testing.



## Did you know

It is estimated that over \$17 billion of global R&D spend can be attributed to the ineffectiveness of biological reagents or reference materials\*.

We work with over 13,000 laboratories in more than 160 countries, conducting over 2,300 proficiency tests each year. AXIO Proficiency Testing schemes enable participants to assess the accuracy of their measurement methods. This demonstrates the effectiveness of their quality management systems, supported by independent inter-laboratory comparison results.

## Did you know

Through our role as the National Measurement Laboratory, we are currently involved in the development of new ISO standards. These standards are developed by international experts, to help foster innovation and address global societal challenges.

Our recent work includes:

- Developing the new standard for quantification of nucleic acids (ISO 20395:2019);
- Leading on the major revision of the standard for the statistical determination of repeatability and reproducibility of results for inter-laboratory comparison studies (ISO 5275-2:2019);
- Providing expert input into ISO Technical Specification, for determining the size distribution and concentration of nanoparticles in aqueous samples (ISO TS 19590:2017).



#### **Business ethics**

A commitment to the highest ethical standards has been at the heart of LGC since our inception, in 1842, testing the integrity of products. Today, we retain this commitment throughout our business, as embodied in our code of ethics.

We actively encourage a culture within which all colleagues feel empowered to raise concerns about actual or potential misconduct, without fear of reprisal. We operate a whistleblowing procedure, allowing colleagues to report concerns about the actions of suppliers, managers and other colleagues anonymously and in confidence. This includes concerns of corruption, unethical or illegal action or human rights infractions. All reports are assessed to determine the scope and need for an investigation. Over the past 12 months, there were no employee grievances raised.

#### Anti-bribery, corruption and competition

LGC does not tolerate bribery, corruption or any action which fails to comply with competition law.

To ensure complete clarity of our zero tolerance expectations, our anti-bribery and corruption policy and procedures are communicated to our leadership team and colleagues, who are all required to undertake regular training on these procedures. Relevant portions of our policies and procedures are included in our supplier code of conduct, which is communicated to all our suppliers. Over the past 12 months, there were zero confirmed incidences of corruption or legal actions relating to anti-competitive behaviour or violations of anti-trust and monopoly legislation.



## Cyber security

Cyber risk is one the most rapidly growing and pervasive risks facing businesses today.

We have established a wide range of policy, training and technological measures to address this risk. This includes regular updates and improvements to our cyber security programme and independent programme assessments, penetration testing, scanning of our systems for vulnerabilities and third party risk management. At its core, our approach to cyber security is based on a layered approach, which is aligned to NIST framework of identify, prevent, protect, detect, respond and recover.

The cyber security team provides regular updates and briefings to the ELT and the LGC Board, to review the management of cyber risks and the progress of cyber controls. Over the past 12 months, there were zero serious incidents relating to our cyber security.

## Data privacy

We adhere to all privacy guiding principles and requirements under the local laws of the countries where we operate, including the European Union General Data Protection Regulation (EU GDPR).

All policies, procedures and guidelines are reviewed on an annual basis. Our code of ethics and employee training outline several topics related to data security and privacy, including:

- Proprietary and confidential information of LGC and our customers;
- Personal data and privacy intellectual property;
- Preparing and maintaining accurate records.

## Did you know

Phishing emails continue to be one of the most significant information security threats facing individuals and businesses around the world.

Recognising this threat, our Enterprise Risk Management team has put in place a comprehensive training programme which includes phishing simulation emails. We actively encourage and record colleagues responses to these simulations and make a donation to our corporate charity for every test email correctly reported.



## Supply chain responsibility

We work with suppliers around the world, many of which provide unique and bespoke products, services and solutions to our teams.

The quality, resilience and sustainability of our supply chain are essential to our continued success and ability to deliver the mission-critical components to our customers and partners. Key components of our supply chain include:

- High end analytical measuring technology and scientific instruments;
- Reagents and consumables for laboratory processing;
- Standard reference microorganisms, cell lines and other materials for research and development;
- Computer and digital software and services;
- Office and safety equipment;
- Packaging products and materials.

As part of our commitment to the highest ethical standards, we require all our suppliers to adhere to our supplier code of conduct as a condition of doing business with LGC. This code sets out the standards which LGC expects its suppliers to follow, including those related to modern slavery, the provision of safe working environments and reducing environmental impact. Our suppliers must not use forced, compulsory or child labour and must comply with all applicable health, safety and environmental standards and laws. All suppliers are contractually obliged to communicate their obligations under the supplier code of conduct to their employees and subcontractors. Finally, we expect suppliers to adhere to our core values in all business transactions.

Due to the highly specialised nature of our business, the vast majority of our suppliers are located in low risk sectors and geographies. As part of our initiative to identify and mitigate risk, we conduct due diligence, including financial checks on all new suppliers, contractors, sub-contractors, distributors and agents. These checks help identify and verify that such parties are not involved with, or suspected of, modern slavery, bribery, corruption or other unlawful activity.



## Report profile

#### **Ownership structure**

LGC has been privately owned since 1996. On 21 April 2020, a consortium led by Astorg and Cinven purchased LGC from KKR. Founded in 1998, Astorg is an independent private equity group with offices throughout Europe. Founded in 1977, Cinven is a global private equity firm, with offices in nine international locations.

Please see our annual report for further information relating to our organisational structure and our financial performance.

#### Reporting period and scope

This report covers data and information relating to the period of 1 April 2020 – 31 March 2021 for all LGC operations, unless otherwise noted. In preparing this report, we have followed the Global Reporting Initiative (GRI) Standards and have also reviewed the reporting requirements of the Sustainability Accounting Standards Board (SASB), the 'Medical Equipment and Supplies' Standard and the United Nations Global Compact (UNGC). Reference numbers against the GRI Standards have been included throughout and further detail is provided in the GRI index. We intend to further embed GRI, SASB and UNGC-aligned approaches and metrics into our reporting in the future.

No data in this report has been externally assured with the exception of financial information as referenced within the LGC annual report. There have been no restatements within this report of information published in previous reports. For further details, see our previous CSR reports. The data gathered in this year's report marks our first step towards assessing, monitoring, measuring and enhancing our impact.

Please refer to the LGC website for supporting policies and further information.

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