

“Our purpose – to serve life scientists to help them achieve their mission, faster – drives everything we do and sits at the heart of our value creation model. As we deliver on our purpose, we remain steadfastly committed to creating an ethical and sustainable business; a business which generates returns for our shareholders; and a business which strengthens our relationships with key stakeholders over time. As Abcam grows it feeds a virtuous circle – improving speed and quality, driving innovation, and achieving scale – ultimately enabling us to serve more life scientists with more of the biological tools and reagents needed to enable breakthrough research.”

Alan Hirzel, CEO



Overview

Superior reagents, capable of accelerating and de-risking research, used by more scientists across a wider section of the scientific community – and ultimately resulting in more people with better health and wellbeing – lie at the heart of our value creation model.

Underpinning our model is a long-term commitment to creating an ethical and sustainable business, which in turn generates returns for shareholders and enhanced relationships with our stakeholders. Therefore, the more successful we can be as a business, the greater the positive difference we can make in the world. That extends to doing business the right way. Our vision to be the most influential life sciences company in the world comes with a commitment to the highest ethical standards, not just in our own conduct but across our value chain.

Our section 172 statement

How we discharged our s172 duties

In accordance with the Companies Act 2006 (the Act) as amended by the Companies (Miscellaneous Reporting) Regulations 2018, the Directors provide this statement to describe how they have engaged with and had regard to the interests of our key stakeholders when performing their duty to promote the success of the Company, under section 172 of the Act. The Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172 of the Companies Act 2006) in the decisions taken during the 18 months ended 31 December 2021.

Given the importance of our stakeholders and the impact they have on our strategy, reputation and the Company's long-term success, consideration has been given to them throughout this Annual Report and the table below identifies where they are discussed.

Section 172 responsibility	Where you can read more
(a) The likely consequences of any decision in the long term	Pages 4 to 45
(b) The interests of the Company's employees	Pages 6 to 8, 19, 40 to 41 and 119
(c) The need to foster the Company's business relationships with suppliers, customers and others	Pages 6, 18, 20, 39 and 42
(d) The impact of the Company's operations on the community and the environment	Pages 6, 21, 33 to 38 and 43 to 45
(e) The desirability of the Company maintaining a reputation for high standards of business conduct	Pages 6 to 8 and 28 to 45
(f) The need to act fairly between members of the Company	Pages 22 and 77

Understanding the views and values of all our stakeholders is critical to Abcam's success, and we value their broad range of perspectives. The Corporate Governance Code also highlights the importance of effective engagement with shareholders and other stakeholders. Details on how the business and the Board engage with our stakeholders are outlined over the following six pages.

At every Board meeting, each agenda item is specifically cross-references all relevant responsibilities under section 172 of the Act and also to our key risks. The Board recognises that each decision made will not always result in a positive outcome for each of our stakeholders. However, by having good governance procedures in place for decision making, the Board aims to make sure that its decisions maintain a high standard of business conduct.

Some of the decisions made by the Board this year which demonstrate how section 172 matters have been taken into account in discussions and decision-making are outlined on pages 18 to 23.

Our stakeholders

To deliver on our purpose, and for our business to thrive, we need to have strong relationships with our stakeholders – our customers, employees, partners, shareholders and communities and wider society.

We have to understand the needs of these stakeholders, and the most effective way to engage with them, as meeting and exceeding their expectations is an essential part of our value creation model and strategy.

Stakeholder engagement during the period

The following table sets out how we engage with our key stakeholders. Not all information is reported directly to the Board and not all engagement takes place directly with the Board. However, the output of this engagement informs business-level decisions, with an overview of developments and relevant feedback being reported to the Board.

Our Customers

Who they are and why they matter to us?

We serve a global population of approximately 750,000 research scientists based within academic, research, government and biopharmaceutical organisations.

We exist to serve our customers. They are vital to the continued growth and development of our business. It is critical that we listen to them and offer the products and services they need.

How we engage with them

We engage with customers through the use of industry surveys delivered after interactions to obtain close to real-time feedback on our performance. We also regularly conduct focus groups with our customers and have key account managers who proactively engage with key customers to assess their needs and the challenges they face.

The Board receives updates on customer engagement at each board meeting. All major decisions take the impact on the customers into consideration.

What has mattered to them this year and our response

Customers continue to tell us that product quality, service response speed and quality scientific support remain key drivers of loyalty and advocacy.

Due to COVID-19, researchers around the world were impacted by reduced time in the lab and also faced shortages of workflow components. At the same time, many researchers faced pressure to speed up research projects due to the delays caused by the pandemic.

These challenges increased researchers' need for access to secure and reliable supply of high-quality products, with detailed and reliable data to save time and ensure that experiments are conclusive, consistent and repeatable.

Customers increasingly want an efficient and streamlined ordering experience that allows them to place and receive their orders, whether standard products or more customised solutions, quickly and conveniently.

We have responded to these requirements by:

- continuing to innovate and improve the tools, data and purchasing experience for customers;
- offering new digital engagement channels, including our LiveChat and eProcurement;
- expanding our product offering through the acquisition of BioVision to add complementary and adjacent technologies; and
- investing in our customer service and scientific support teams.

Our Employees

Who they are and why they matter to us?

We currently employ around 1,750 people globally, including full-time, part-time employees and contractors.

Our people are our most important asset. They are fundamental to our continued success, as their skill and dedication enable us to fulfil our vision and purpose.

How we engage with them

We carry out 'pulse' employee surveys every month to hear feedback and receive timely and actionable data on employee engagement. This is both qualitative and quantitative feedback.

We operate seven Employee Resource Groups aligned to our Diversity & Inclusion strategy. A sponsor from the Executive Leadership Team sits in each group.

We provide an anonymous service to allow employees to ask questions and raise issues with the CEO on any topic, known as 'Ask Alan'. Replies are provided in an open response.

Our CEO, CFO and other members of the Executive Leadership Team hold regular virtual town halls where the conversation is two-way.

The Board receives updates on employee engagement at each board meeting and hold an annual 'Meet the Board' session which gives all employees the opportunity to hear directly from, and ask questions of, Board members.

What has mattered to them this year and our response

Our employees continue to tell us they want a great career, and a positive and motivating work environment, all underpinned by a supportive culture in a sector that has positive impact in society.

This year our employees, like many throughout the world, have been returning to working in our facilities in greater numbers as the COVID-19 pandemic has progressed and have wanted reassurance that our facilities are 'COVID' secure. This has been alongside the large numbers of employees who have not been able to work from home throughout. We have put significant safety measures in place across all of our global sites, evolving measures continually to reflect the latest guidance, whilst maintaining high levels of communication and engagement with all groups of employees to help make sure we can offer a safe and secure working environment for all.

Our efforts give confidence to those returning to work, and demonstrate to those who have been working in our facilities throughout that increasing numbers will not affect our COVID security.

Diversity and inclusion has always been important to our employees and we have seen an increasing focus from our employees on these areas and how we are promoting a more inclusive environment to realise the full potential of our workforce.

During this year we have appointed a new Head of Diversity and Inclusion, we have increased participation and engagement with employees through our Employee Resource Groups, with each group focused on different areas of diversity and inclusion, including gender equality, the LGBTQ+ community, multiculturalism, disabilities and family. We have also linked an element of management's compensation to improving diversity and inclusion throughout Abcam.

Having an attractive total rewards package remains important for our global team and we were delighted that this year our award-winning all employee share ownership plan, 'AbShare', vested, making over 90% of our people shareholders in the company. This year we introduced the Abcam Profitable Growth Incentive Plan, for approximately 150 senior leaders across the business, and also announced the Abcam Growth Plan, for all other permanent employees. These plans align employees' rewards with Abcam's strategic goals.

Listening to the needs of our employees and responding has helped to sustain our strong employee engagement, including being recognised for the second successive year in the top five employers in the UK in the Glassdoor Employees' Choice Awards.

Our Partners

Who they are and why they matter to us?

Our partners include those who have a direct working or contractual relationship, or share a mutual interest with us. This includes our strategic business partners, our suppliers, service providers, industry organisations, and local and central governments.

The vital contributions our partners provide to the business range from providing products, raw materials, services and advice through to the joint development and co-marketing of products to the life science community.

How we engage with them

We engage with our partners through relationship meetings with key partners and suppliers, through attending and running conferences and seminars on key issues, and through the use of questionnaires and due diligence.

We also engage through market insight and technologies, for example we have been able to propose and develop content for some of our partners' proteomics platforms.

Our industry partners receive access to our products and technologies, supporting the development of antibodies and immunoassays that they are able to take to market for diagnostic and therapeutic use.

The Board receives updates on performance at each board meeting.

What has mattered to them this year and our response

Our partners have looked to Abcam's ability to support them as they develop and launch new products including clinical diagnostics to market. Our partners also expect a high-quality product to develop consistent solutions from early research to clinical diagnostic solutions.

This year we have responded by further developing new products and innovations, in particular in conjugation, which help our partners maximise their product development by combining our content with their conjugates.

Our commitment to quality reassures our partners that they will achieve content portability from early research to clinical diagnostic solutions.

We have also been working with our proteomic platform partners to co-market and co-develop programmes that enable easy translation of Abcam content from early discovery through to clinical diagnostics.

We continue to increase the alignment of our product development pipeline to the needs of our partners to ensure they get the earliest access to our content portfolio and new products for testing and validation to help drive new disease research forward.

Our partners are increasingly interested in the sustainability of our supply chain and gaining access to sustainability data. We have increased our disclosure and reporting in this area as a result, through the publication of our Impact Report and our partnership with EcoVadis.

Our Communities

Who they are and why they matter to us?

Those who live and work in areas where we operate – and society as a whole.

We need to develop positive local relationships and understand local people’s needs in order to attract talent and deliver our goals.

How we engage with them

The Board receives updates on our sustainability and ESG initiatives and has appointed the CEO as the Board member responsible for ESG matters. It receives updates from the CEO at each board meeting.

We promote access to STEM careers through our partnership with In2Science and other initiatives.

What has mattered to them this year and our response

Our communities expect us to generate a positive impact on science and ultimately health and wellbeing. Our communities also want us to act responsibly, reduce environmental impact and help them thrive.

This year COVID-19 has brought us closer to our communities who want to feel connected to the response and the role that we have played. We have also seen increasing engagement from our communities on diversity and inclusion, in particular how we can create opportunities in STEM for those that are often overlooked.

Charitable giving and partnering with charities has been particularly important this year as many local charities closed their doors during 2020 and needed help – not just in donations, but in profile and partnerships.

Our ‘Employee Resource Groups’ which are employee-led, leader-sponsored forums, educate on and champion the topics of gender, race, sexual orientation, mental health, social mobility, family networks and diverse abilities. They have organised partner events and speakers from the community, as have our charity committees. In our global charity event ‘move against cancer’ last year, we raised the most money we have ever raised in one calendar year for cancer charities in the UK, US and Asia.

We also partnered with several local charities and agencies (such as Maggie’s, myGwork and Work180) with employees getting to see firsthand how we have impact in our communities.

We’ve continued to strengthen our partnerships in promoting STEM careers, adapting global onsite events to a digital format. Apprenticeships, work experience, career talks and insight days have all been delivered with In2Science, Form the Future and Cambridge Launchpad & selected education establishments around the globe.

We’ve expanded our outreach into community schools in and around Boston and have maintained our Co-ops and internship programmes both in the US and UK.

We are in our fourth year partnering with In2Science in the UK and our second year of funding STEM education for Henrietta Lacks’ great great grandchildren, through The Henrietta Lacks Foundation.

Our environmental impact is low but we continue to make incremental improvements. Last year we moved to green energy in the UK and redesigned our packaging to be more recyclable. We offered incentives for combined deliveries to save on carbon emissions and used EcoVadis to assess our suppliers on things that our communities care a lot about (sustainability), so that we can work with them to improve their (and our) impact.

Our shareholders

Who they are and why they matter to us?

Our shareholders comprise institutional fund managers, individual holders and, following the vesting of the Group's AbShare equity plan in November 2021, over 90% of our employees. They are the ultimate owner of the business.

They are a key source of efficient capital, enabling the business to invest and grow.

How we engage with them

Throughout the year our Vice President of Investor Relations coordinates ongoing communication with shareholders and analysts and the Board receives regular updates on the feedback and views of shareholders.

The CEO and CFO meet with major shareholders through the year to discuss the Company's strategic direction and ensure that their opinions are heard, both in one-to-one meetings and at industry conferences.

In addition, the Chairman and, as appropriate, Senior Independent Director, and the Chairs of each Board Committee, meet with shareholders to discuss the Company's strategy and performance, as well as environmental, social and governance matters.

What has mattered to them this year and our response

Having launched a new five-year plan and growth strategy in 2019, a major focus of discussions with shareholders during the year has been to understand the progress of our long-term strategy, including our investment plans, drivers of growth, expected financial returns and how we plan to sustain value creation.

Other major areas that have been raised by shareholders include:

- The short- and longer-term impact of COVID-19 on our business, including our five-year plan discussed above, and how we have responded;
- Corporate governance topics, including Board composition, management succession and remuneration;
- Sustainability and ESG matters, including climate change;
- Capital structure and capital allocation, including the Group's approach to M&A, the acquisition of BioVision and raising equity; and
- The Group's US listing and how this could positively impact the Group in the future.

The Board is committed to maintaining an appropriate level of communication with shareholders. The Executive Directors and Vice President of Investor Relations are available throughout the year for investor meetings, and work with advisors to give investors the opportunity to engage with management at a range of forums, the most important being the year end and interim results presentations.

During the year, we also undertook consultations with our major shareholders with regards to the potential US listing and executive compensation arrangements. In November 2020 we published our first sustainability publication 'Our Impact 2020' which set out the Group's sustainability framework following a completion of a review to understand our impact and prioritise areas of action.

Our website (corporate.abcam.com) includes all of our regulatory announcements, financial results and news stories. Our ESG policies and disclosures can be found on corporate.abcam.com/sustainability

Timeline of major IR activity in the 18 months to 31 December 2021:

2020

July

- Trading update

September

- Final results and presentation
- Investor results roadshow
- Investor healthcare conference

October

- US Nasdaq listing of ADRs

November

- 2020 Impact report published

December

- Annual General Meeting

2021

January

- Trading statement
- Investor healthcare conference

February

- Investor healthcare conference

March

- Interim results presentation
- Investor results roadshow

May

- Investor healthcare conference

June

- Investor healthcare conference

June

- General Meeting

July

- Trading update

September

- Second interim results presentation
- Investor results roadshow
- Investor healthcare conference