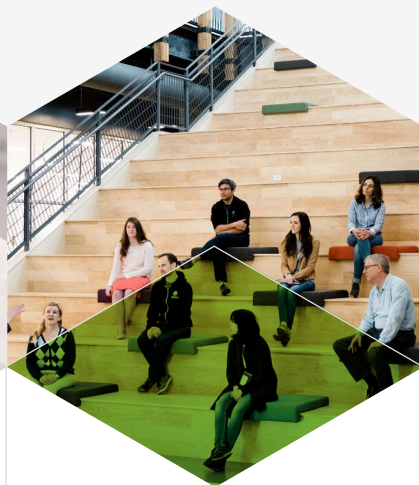


# Global Environmental, Social & Governance Report 2022



TABLE OF CONTENTS





# A Letter from Our Co-Founder and CEO



Chris Gibson, Ph.D.

**We set bold, ambitious goals — and we don't shy away from the hard work needed to achieve them.**

Recursion was founded to use science and technology to change the world for the better. Our mission **to decode biology to radically improve lives** is purposefully audacious, expansive and impactful. We are — and always will be — a company that dares greatly to serve humanity.

We recognize that our Environmental, Social and Governance (ESG) stewardship is both an integral part of our mission and essential to achieving it. We believe deeply that committing to and investing in these areas will have a positive effect on our long-term success, and we approach them with the same boldness, urgency and rigor that fuels our science and our company.

We are deliberate in our decisions to give back to our communities, reduce our environmental impact, invest in our people and culture and support patient communities in ways that far exceed expectations for a company like ours. Our commitment to ESG is reflected in some of our earliest decisions as a start-up and continues to guide our actions, and is embodied in this publication, our inaugural ESG Report, less than a year after becoming a publicly traded company.

As I reflect on our ESG journey so far, I'm encouraged by the progress we've made and motivated by the opportunities before us. As we continue to lead the technology-enabled drug discovery revolution, so too will we lead in responsible company building. We aim to set the bar for not only the science of a 21st century biopharma, but for corporate and social responsibility among peer companies. We will act like the company we aim to be. **This is how:**

**We have a strong foundation that has been a part of our company DNA from the start.**

Recursion has a rich history of asking ourselves what role we can best play in addressing some of society's most pressing problems. **Two recent examples:**

- When we outgrew our previous headquarters, we partnered with the University of Utah to convert the space into a new life sciences incubator called Altitude Lab, which is dedicated to developing the next generation of diverse healthcare entrepreneurs and growing the ecosystem of innovative life science companies around us. Since opening in the Fall of 2020, Altitude Lab has been home to seven start-ups and an investor coalition that has committed at least \$50M to the cause.
- When the COVID-19 pandemic hit, we acted boldly by partnering with a biosafety level 3 facility to infect a variety of human cells with live SARS-CoV-2 virus and using our platform to investigate the therapeutic potential of a library of approved drugs, which we released as an open-source dataset for the scientific community in April of 2020.

We Care is one of our core values — and it comes to life in remarkable ways across our company. [Read more about our social impact.](#)

**We set bold, ambitious goals — and we don't shy away from the hard work needed to achieve them.**

One of Recursion's core values is **We Act Boldly with Integrity**. Underlying this value is our approach of making bold bets in pursuit of our mission to accelerate progress. The threats that jeopardize the future of our planet and our society — to name a few, climate change, racial and social injustice, economic inequality — are too great to rely on status quo thinking and action. Solving these seemingly intractable problems requires



ambitious action from all of us, and we at Recursion recognize and embrace the opportunity to be a part of the change we hope to see in the world by addressing these challenges head-on. In the report that follows, you'll find we have been intentionally ambitious in the goals we set, even in areas where we acknowledge we have more work to do. This is by design. In doing so, our aim is to be transparent in our ambition and to commit to providing regular updates on our path to achieving our goals. [Read more about our goals](#)

**We love to learn and build upon the successes of companies we admire.**

Over the last two decades, we have all watched the proliferation of technology disrupt industry after industry. In building Recursion and learning to map and navigate biology, we mimicked leading technology innovators by applying the same disruptive changes and inventing a new approach to drug discovery. Similarly, as we continue to formalize our ESG strategy and commitments, we looked to our most admired peers — across both biopharma and technology — to understand how leading companies are doing this work. And because our company sits at the intersection of science and technology, we intentionally included metrics from external reporting frameworks, such as the Sustainability Accounting Standards Board (SASB), that span both the biopharma and technology industries. Read more about our [ESG strategy](#) and the [metrics](#) we're reporting.

I'm excited to share our ESG priorities, commitments and progress in our inaugural ESG Report. While our work in these areas will never be done, I'm proud of the progress we have made together as a team already and the rigorous standards to which we hold ourselves. Behind these efforts is the full commitment and passion of our Board of Directors, Executive Team and more than 400 Recursionauts.

Together with your support, we have the potential to radically improve the lives of the patients we aim to serve, the families who care for them, our employees and the communities in which we are building the next generation biopharma company.

Thank you,

**Chris Gibson, Ph.D.**  
Co-Founder and Chief Executive Officer



# Our Grand Challenges 2022

## Build the Atlas

---

- BUILD** a NeuroAtlas that spurs totally novel insights and bucks dogma in neuroscience
- BUILD** the chemistry tools to navigate the map to medicines rapidly
- BUILD** actionable patient datasets or insights into the Recursion OS

## Follow the Atlas

---

- EXPAND** our pipeline at every stage
- BUILD, EXPAND AND RECURSIONIZE** infrastructure and workflows to translate insights into medicines at scale
- RECURSIONIZE EVERYTHING**; do what only we can to have the impact only we can

## Serve Humanity

---

- KEEP BUILDING** the company that delivers on our mission
- ADVANCE AND REPORT** on meaningful initiatives that minimize our environmental impact and maximize our social impact while governing Recursion for long term success
- PUT PATIENTS, THEIR FAMILIES, OUR EMPLOYEES, AND OUR COMMUNITIES AT THE FOREFRONT** of everything we do while planting the seeds of even broader humanitarian impact



# About Recursion

**Our Mission:** Decode biology to radically improve lives

We are a clinical pharmatech company building the world's largest proprietary biological and chemical data atlas and applying machine learning to distill hundreds of billions of searchable relationships across biology and chemistry, unconstrained by human bias.

We are uniting technology, biology and chemistry in an effort to bring novel medicines to patients faster, at lower costs and at a scale not seen within the biopharma industry to date. Our definition of what it means to "radically improve lives" has always been expansive to include culture, community and environment. We believe that being a good corporate citizen has a flywheel effect on accelerating our efforts to decode biology — and it's the right thing to do.

**We're industrializing drug discovery and development in pursuit of changing lives forever.**

## Quick Facts\*

### Numbers

**2013**

FOUNDING YEAR

**400+**

TEAM MEMBERS

75% work in R&D with even split between life sciences and computational experts

**150+**

biologists, chemists and drug developers

**150+**

data scientists, software programmers and engineers

**100+**

company builders

### Strategic Partners

**Bayer  
Roche/Genentech**

### Headquarters

**SLC**

SALT LAKE CITY, UT

### Additional Sites

**USA**

MILPITAS, CA

**CAN**

TORONTO, ONTARIO  
MONTREAL, QUEBEC

### Values

**We Care, We Learn, We Deliver,  
We Act Boldly with Integrity,  
We are One Recursion**

### Therapeutic Areas

**Oncology,  
Rare Disease,  
Neuroscience,  
Fibrosis,  
Inflammation &  
Immunology**

### Recursion OS

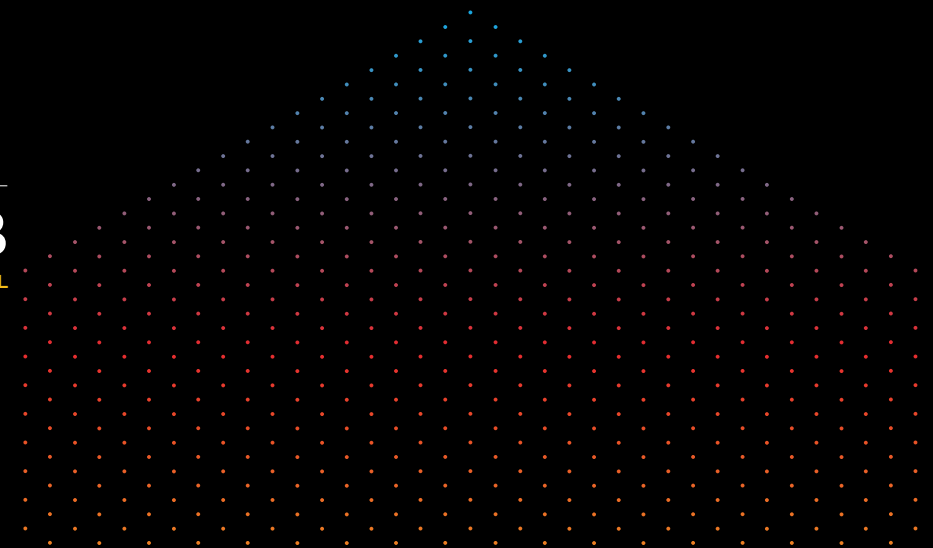
**13PB**

OF PROPRIETARY  
BIOLOGICAL AND  
CHEMICAL DATA  
AND GROWING FAST

**>200B**

INFERRED BIOLOGICAL  
RELATIONSHIPS  
to mine using our maps  
of biology

\*As of December 31, 2021

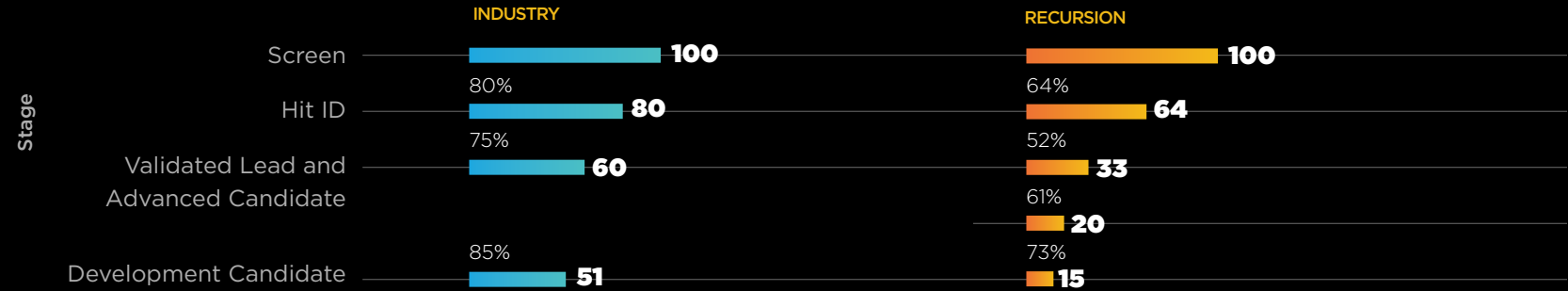




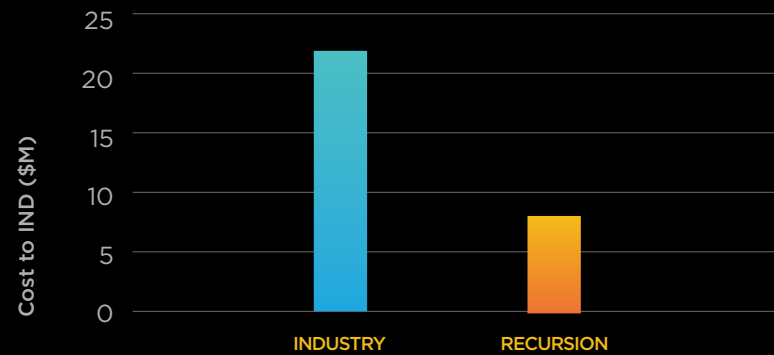
Our approach relies on using automation to assist us in building massive proprietary biological and chemical datasets in our own laboratories and vivarium, and machine learning and other sophisticated computational techniques to turn the digital data we generate into maps of biology and chemistry.

Finally, we are creating a new kind of culture where biologists work side-by-side with data scientists, chemists and software engineers to learn how to navigate our maps of biology to predict novel relationships that could become exciting new medicines, all while minimizing human bias. We believe that over decades and with tireless investment, learning and passion, this unique approach will industrialize drug discovery and lead to higher rates of clinical success. Success in this massive technical challenge could enable new business models in our industry, where companies like Recursion could bring more, better drugs to patients faster and at costs commensurate with their value to society. Given the political and economic pressure on drug pricing, companies in our industry who do not make rapid progress in aligning the cost to discover and develop medicines with the value to society may cease to exist.

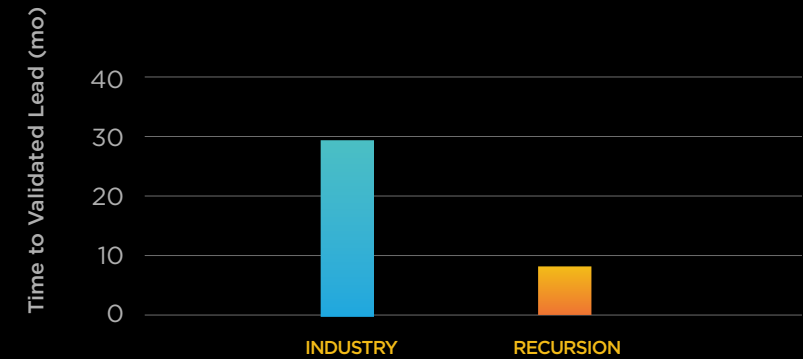
Failing faster and earlier to...



...spend less



...and go faster



Data shown are the average of all our programs from 2017 through 2021.



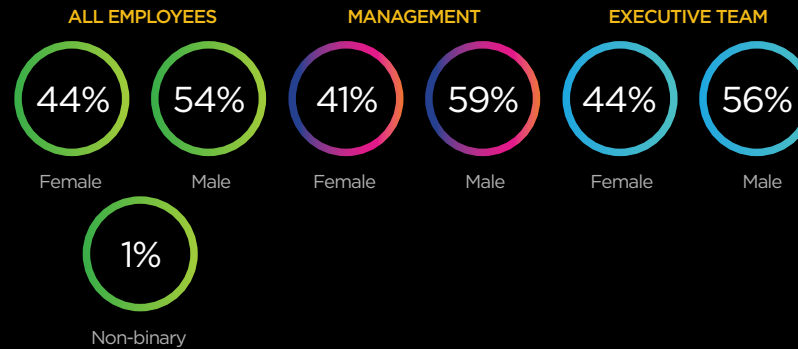
# Our Approach to ESG

Recursion grew rapidly in the past year since becoming a publicly traded company in 2021. While we are still in the process of developing comprehensive procedures in some areas, we are proud of the progress we have made and are committed to advancing our ESG capabilities in the years to come.

This inaugural ESG report marks our first effort to share our approach, practices and highlights in several important areas. Our reporting is guided by key ESG frameworks and standards, notably the Sustainability Accounting Standards Board (SASB) and the United Nations Sustainable Development Goals (UN SDGs).

## ESG Highlights

### Gender Representation\*



### Parity Pledge signer

GENDER PARITY AND PEOPLE OF COLOR PARITY

### 100%

#### RENEWABLE ENERGY

Fuels BioHive-1, our wholly-owned and operated supercomputer, which was one of the top 100 most powerful supercomputers in the world as of November 2021



#### FOUNDING MEMBER

Utah's life science collective of more than 1,100 companies

### altitude ▶ lab

#### JOINT COLLABORATION

An incubator for diverse health care entrepreneurs, launched as a joint collaboration between The Recursion Foundation and University of Utah.

### The Recursion Foundation

#### ESTABLISHED IN 2019

A key vehicle for our corporate social responsibility activities

## Our ESG Commitments

### 2030

#### ACHIEVE NET-ZERO GREENHOUSE GAS (GHG) EMISSIONS BY 2030

By 2023, perform and disclose a detailed measurement of our Scope 1 and 2 GHG emissions.

#### ACHIEVE EQUAL GENDER REPRESENTATION BY 2030

By 2030, we aim for roughly equal representation of female and male genders (50/50 after non-binary representation) for (1) the whole company and (2) Vice President and above.

#### DIRECT 1% OF OUR EQUITY INTO THE RECURSION FOUNDATION TO:

Help build sustainable, diverse and equitable life science and tech hubs in the communities in which we work

Contribute to improving socio-economic, gender and racial inequalities by helping to create STEM opportunities for diverse youth in the communities in which we work

Direct and amplify the charitable and volunteer energy of our employees into causes aligned with our company mission and the needs of the communities in which we work

\*Percentages may not add up to 100 given employees who choose to not disclose their gender identity are excluded. Data as of December 31, 2021



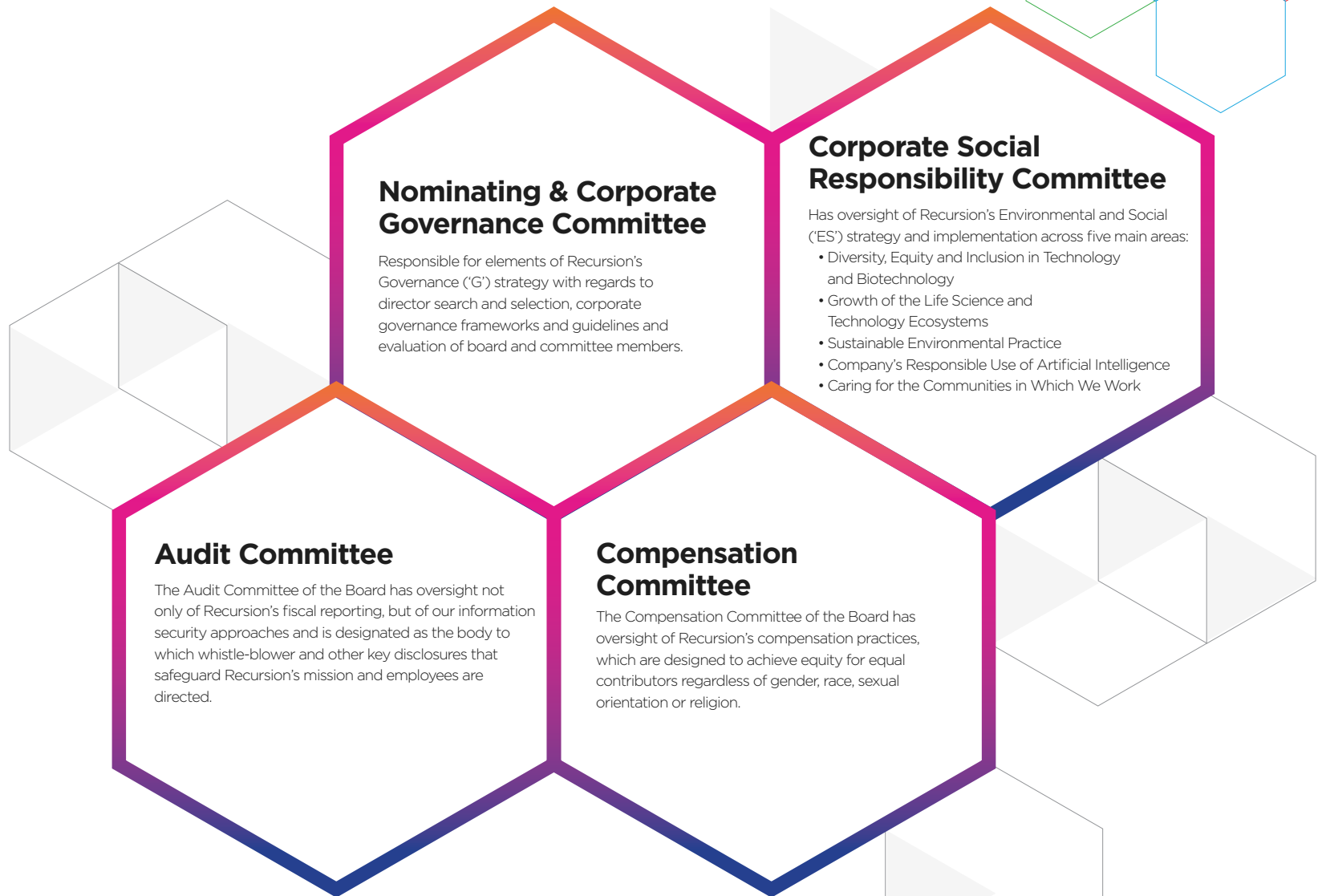
# ESG Oversight

We believe in integrating our ESG strategy with our corporate strategy to benefit the long-term sustainability of Recursion. This starts with our Board of Directors, who is responsible for guidance and oversight of ESG within the organization.

## ESG Factors in Compensation

To further align Recursion’s mission with performance, we set annual goals that drive our company’s strategy for the year. 100% of employee annual cash performance bonuses are tied to company performance against goals, some of which are related to employee engagement and diverse hiring practices. The design of our annual cash bonus structure is intentionally values-based and One-Recursion-oriented in that the same percentage of salary drives cash bonus for all employees, including our CEO and members of Executive Management.

### Board of Directors



### ESG Working Group

Our management-level ESG Committee is an executive-sponsored working group charged with implementation of our ESG strategy. The committee has cross-functional representation from our People, Communications, Legal and Finance divisions and meets regularly.

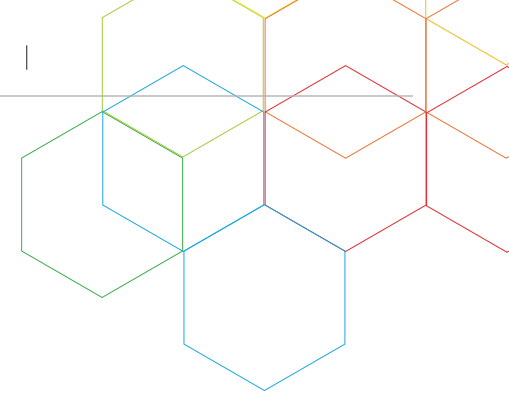




# Stakeholder Engagement

Achieving our audacious mission of decoding biology to radically improve lives will not be possible without the support, guidance and commitment of all our stakeholders.

We care deeply about the work we do and the expansive impact we can have on humanity, and we take seriously our responsibility to engage regularly with our stakeholders to inform and drive various aspects of our business strategy. The table to the right provides more details on our stakeholder engagement.



| Stakeholder Group                      | Examples of Stakeholders                                                                                                                                                                                  | Methods of Engagement                                                                                                                                                                       | Owners                                                                                                                                                                                                          | Outcomes                                                                                                                                                                                                                                                        |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recursionauts</b>                   | <ul style="list-style-type: none"> <li>Employees</li> <li>Management</li> <li>Board of Directors</li> </ul>                                                                                               | <ul style="list-style-type: none"> <li>Weekly All-Hands</li> <li>Digital communications</li> <li>Surveys</li> <li>Events</li> </ul>                                                         | <ul style="list-style-type: none"> <li>Management team</li> <li>People Operations</li> <li>Communications</li> </ul>                                                                                            | <ul style="list-style-type: none"> <li>Achieving goals</li> <li>Building culture</li> <li>Improving benefits and employee services</li> <li>Learning &amp; development</li> </ul>                                                                               |
| <b>Patients + Healthcare Providers</b> | <ul style="list-style-type: none"> <li>Patients</li> <li>Patient advocacy organizations</li> <li>Physicians</li> <li>Investigators</li> <li>Hospitals</li> </ul>                                          | <ul style="list-style-type: none"> <li>Patient speakers</li> <li>Sponsorships</li> <li>Grants</li> <li>Therapeutic Advisory Board</li> <li>Medical conferences</li> <li>Meetings</li> </ul> | <ul style="list-style-type: none"> <li>Clinical Development</li> <li>Medical Affairs</li> <li>Regulatory Affairs</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>Ethical and effective design of clinical studies and protocols</li> <li>Medicines that meaningfully improve the things patients care about</li> <li>Medicines that are valuable to society and patients alike</li> </ul> |
| <b>Investors</b>                       | <ul style="list-style-type: none"> <li>Shareholders</li> <li>Banks</li> <li>Venture Capitalists</li> <li>Analysts</li> </ul>                                                                              | <ul style="list-style-type: none"> <li>Conferences</li> <li>Meetings</li> <li>Press releases</li> <li>Website</li> </ul>                                                                    | <ul style="list-style-type: none"> <li>Investor Relations</li> <li>Communications</li> <li>Management team</li> </ul>                                                                                           | <ul style="list-style-type: none"> <li>Disclosure strategy</li> <li>Information transparency</li> <li>ESG strategy</li> </ul>                                                                                                                                   |
| <b>Partners + Collaborators</b>        | <ul style="list-style-type: none"> <li>Biopharma companies</li> <li>Academic institutions</li> </ul>                                                                                                      | <ul style="list-style-type: none"> <li>Meetings</li> <li>Website</li> <li>Conferences</li> </ul>                                                                                            | <ul style="list-style-type: none"> <li>Business Development</li> <li>Project teams</li> </ul>                                                                                                                   | <ul style="list-style-type: none"> <li>OS platform expansion and development</li> <li>New disease areas</li> <li>New assets and programs</li> </ul>                                                                                                             |
| <b>Suppliers + Vendors</b>             | <ul style="list-style-type: none"> <li>Contract research organizations</li> <li>Laboratory and office suppliers</li> <li>Third-party manufacturers</li> <li>General business service providers</li> </ul> | <ul style="list-style-type: none"> <li>Meetings</li> <li>Service and quality agreements</li> <li>Audits</li> <li>External committees</li> <li>Strategic partnerships</li> </ul>             | <ul style="list-style-type: none"> <li>Procurement &amp; Supply Chain</li> <li>Business Operations</li> <li>Quality Assurance</li> <li>Relevant functional areas</li> </ul>                                     | <ul style="list-style-type: none"> <li>Enabling company growth and goal achievement</li> <li>Risk mitigation</li> <li>Supply chain management</li> </ul>                                                                                                        |
| <b>PharmaTech Industry</b>             | <ul style="list-style-type: none"> <li>Employee candidates</li> <li>Peer biopharma companies</li> <li>Peer tech companies</li> <li>Incubator companies</li> </ul>                                         | <ul style="list-style-type: none"> <li>Trade organizations</li> <li>Conferences</li> <li>Events</li> <li>Recruitment activities</li> <li>Altitude Lab</li> <li>Website</li> </ul>           | <ul style="list-style-type: none"> <li>Management team</li> <li>Communications</li> <li>Technology</li> <li>Science</li> <li>Clinical Development</li> <li>Talent Acquisition</li> </ul>                        | <ul style="list-style-type: none"> <li>Talent acquisition</li> <li>Strengthen innovation ecosystem</li> </ul>                                                                                                                                                   |
| <b>Local Community</b>                 | <ul style="list-style-type: none"> <li>Communities and citizens near or impacted by our facilities/operations</li> </ul>                                                                                  | <ul style="list-style-type: none"> <li>Recursion Foundation</li> <li>Events</li> <li>Donations</li> <li>Volunteerism</li> <li>Sponsorships</li> </ul>                                       | <ul style="list-style-type: none"> <li>Facilities management</li> <li>Sponsorship committee</li> <li>Management team</li> <li>People Operations</li> <li>Business Operations</li> <li>Communications</li> </ul> | <ul style="list-style-type: none"> <li>Philanthropy strategy</li> <li>Community partnerships</li> <li>Sustainability strategy and environmental impact</li> </ul>                                                                                               |
| <b>Government</b>                      | <ul style="list-style-type: none"> <li>Health authorities</li> <li>Local and federal policymakers</li> </ul>                                                                                              | <ul style="list-style-type: none"> <li>Meetings</li> <li>Company educational materials</li> </ul>                                                                                           | <ul style="list-style-type: none"> <li>Regulatory Affairs</li> <li>Management team</li> </ul>                                                                                                                   | <ul style="list-style-type: none"> <li>Compliance</li> <li>Regulatory strategy</li> <li>Strengthen innovation ecosystem</li> </ul>                                                                                                                              |



SECTION 1

# Our People and Culture

SECTION HIGHLIGHTS





# Our People and Culture

Culture is the character and personality of Recursion. It's the sum of everything we do — big and small — traditions, beliefs, behaviors and attitudes.

We intentionally sought extraordinary talent and created an environment where our Recursionauts can do their best work. Our deliberate approach is critical to our future success because of the audacity of our mission and building an industry-defining company headquartered in Salt Lake City.

## Recursion Values



### WE CARE

We care about the patients we aim to serve, their loved ones, each other, our work and our community. Because we ask so much of our team, this value also manifests in a commitment to our employees and their families that we will reward our team with strong compensation and benefits alongside an exciting culture and challenging problems.

### WE LEARN

We approach our work with curiosity and humility and are fueled by a growth mindset. This value manifests in our dedication to teaching each other, career development and a culture of learning from failures and setbacks to advance the mission.

### WE DELIVER

We have a bias for action, choosing progress over perfection (unless perfection matters). We work hard, embracing a 'sprint and recover' mentality and acknowledge that planning is work that helps us best achieve our mission. Our team has an owner's mindset, driven by 100% of our employees and most contractors having Restricted Stock Units (RSUs) or stock options in Recursion, meaning that anyone and everyone will lend a helping hand when their colleagues need it.

### WE ACT BOLDLY WITH INTEGRITY

Our mission requires us to respect but challenge convention and take bets. This is our most engrained core value, reflected in the audaciousness of our founding, and a recognition that the biggest impact requires risk-taking and big vision. We never compromise our integrity to achieve the mission, which means always doing the right thing, even when no one is looking.

### WE ARE ONE RECURSION

Our strength is in our differences. Recursion first, Departments second. We created an environment of care and learning, which enables us to deliver on bold ambitions while always maintaining integrity. This culture both requires and creates a one Recursion mindset.

## Awards

# 2021

**TOP WORKPLACE**

By the Salt Lake City Tribune, including two Culture Excellence Awards for Diversity, Equity and Inclusion and Professional Development

# 4X

**SHATTER AWARD**

Four-time recipient of the Shatter Award by the Women's Tech Council

# Woman to Watch

**2021 UTAH BUSINESS MAGAZINE**

Chandana Haque, Executive Director of Altitude Lab

# 40 Under 40

**2022 UTAH BUSINESS MAGAZINE**

Becca Levin, Director of Program and Pipeline Strategy

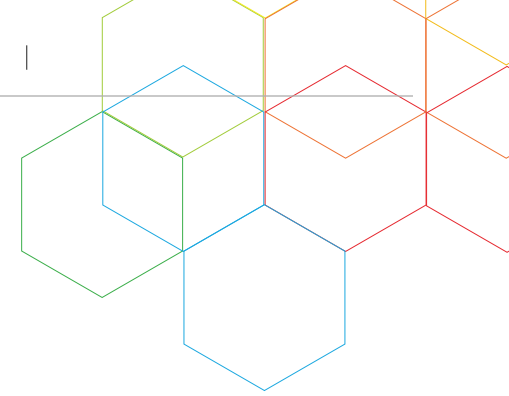


# Diversity, Equity, Inclusion & Belonging

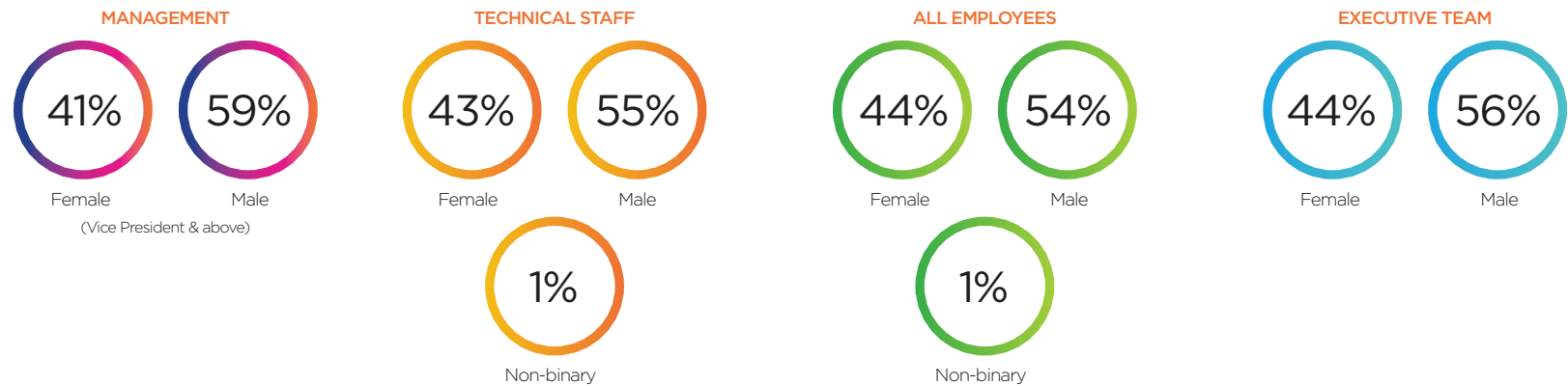
At Recursion, we believe in the moral and business case for diversity. The research-based evidence is unequivocal that diverse perspectives support better complex decision-making, foster greater innovation and ultimately result in greater company success.

As a Utah-based company we aspire to be a diversity, equity, inclusion and belonging (DEIB) role model and leader locally, and beyond. We deeply believe it is a critical lever to deliver on our mission.

We seek the best talent by maximizing diversity at the top of the recruiting funnel and then blocking bias through objective decision-making processes. We foster an environment of inclusion for candidates and employees alike, where all people can feel like they belong. People are diverse on multiple dimensions, some visible and some not. Some dimensions of diversity can be measured and optimized. Inclusion is the result of an active effort to create the best environment for everyone. We make an active effort to create the best, most inclusive environment for everyone, and we have no tolerance for hate.



## Employee Metrics\*



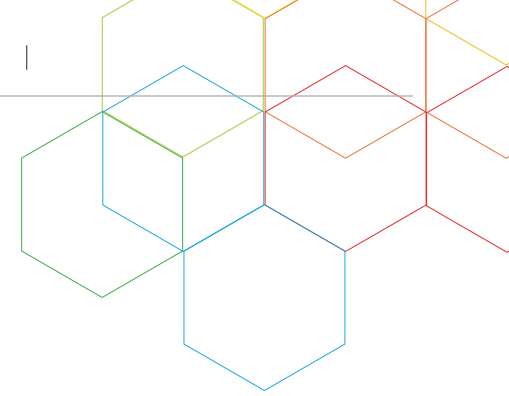
## Racial/Ethnic Data

### VOLUNTARILY COLLECTED

We are in the process of capturing employee racial and ethnic data while being sensitive to those who prefer not to share; we are doing this by communicating our why for collecting this data and how we will care for it. In 2021, we began using our applicant tracking system to capture voluntarily collected candidate race and ethnicity data, which will continue in 2022.



\*Percentages may not add up to 100 given employees who choose to not disclose their gender identity are excluded. Data as of December 31, 2021



In 2021, 83% of filled VP, executive and board of directors positions included a female candidate at the full panel interview stage, and 92% included a BIPOC (Black, Indigenous and People of Color) candidate.

**Building a Diverse Workforce through an Inclusive and Objective Hiring Process**

In our efforts to build a diverse workforce, we focus on sourcing underrepresented talent upstream in the process and building diverse slates. From there, the focus shifts to creating an inclusive and caring candidate experience that drives objective decision-making to block bias and select the most qualified candidate independent of representation.

**Diverse Hiring Slates**

We have a deep commitment to hiring from a diverse slate of candidates and have set internal goals in this area since 2019. We sought multiple inputs to shape our definition of “underrepresented candidates,” including research from the National Science Foundation, Fast Company and other corporate entities, such as Adobe.

**Parity Pledge**

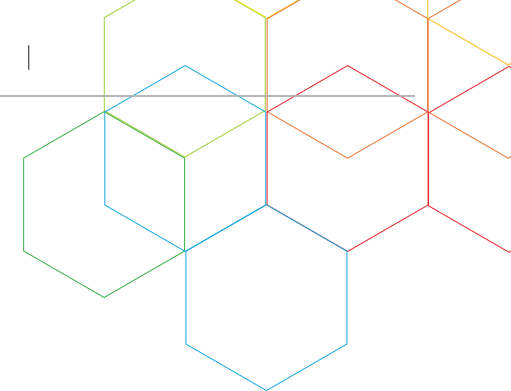
In 2017, Recursion signed the Parity Pledge, which was a commitment to interview and consider at least one qualified woman and person of color for every open role, VP and higher. In 2021, 83% of filled VP, executive and board of directors positions included a female candidate at the full panel interview stage, and 92% included a BIPOC (Black, Indigenous and People of Color) candidate.

**Inclusive Experience and Objective Hiring Decisions**

To drive objective decision-making in hiring and block bias, we employ a competencies-based interviewing process. Competencies are a combination of skills, knowledge, qualifications and values required for a position. A competencies-based hiring process is a proven way to improve hiring quality and speed, help to block bias in support of our commitment to diversity and provide a positive candidate experience.

Other ways Recursion has integrated diversity, equity and inclusion (DEI) into our hiring process include:

- We advise our recruiting agencies to honor our commitment to diversity, equity and inclusion.
- We use a language analytics editing software that helps us write more inclusive job postings and recruiting emails.
- We post on several job boards specifically designed to reach underrepresented candidates such as the Society of Women Engineers, [PharmaDiversity.com](https://www.pharmadiversity.com), Military2Career, iHispano and the Black Career Network.
- We hold Inclusive Interviewer Trainings, which will be held on a monthly cadence in 2022.
- We strive for diverse teams of interviewers by taking steps to ensure full panel interviews have two or more female or non-binary interviewers to the extent possible.



### Equitable Compensation

Since 2018, we have made it a practice to not ask candidates to disclose their current salary. By not asking about compensation history, we aim to give all candidates a fair shot at equitable compensation. We initiated this policy shortly after California bill AB168 was passed into law to bar employers from inquiring about a job candidate's salary history. This is not required in Utah, where Recursion is headquartered, but we strive to be as proactive and inclusive as possible. Additionally, our compensation framework and philosophy are designed to drive equitable decision-making throughout the employee experience.

We have consistently maintained a minimum wage based on a belief that every Recursionaut delivers material value and deserves to be paid more than minimum living wage calculators would suggest. As a result, we have set an annual minimum base salary of \$60,000 company-wide. Additionally, we leverage a construct of clearly defined development stages (Developing, Skilled, Expert) within each level in our job architecture. This mapping provides an objective means for doing cohort-based compensation assessments and adjustments in service of equitability.

In October 2021, we engaged outside counsel to conduct a pay equity analysis of our employee base pay. The analysis was designed to evaluate whether there was any evidence of systemic, class-based pay discrimination under applicable laws, and determine whether pay was equitable. The analysis found no material systemic pay differences between genders across our workforce; in fact, for all roles at Recursion where men and women are performing similar work, women earn \$0.99 for every \$1.00 earned by their male counterparts. We target +/- 2.5% equivalency with this measure to take into account noise inherent in a company of our size, and in some years this measure has shown slightly higher earnings for women compared to men.

#### Salary

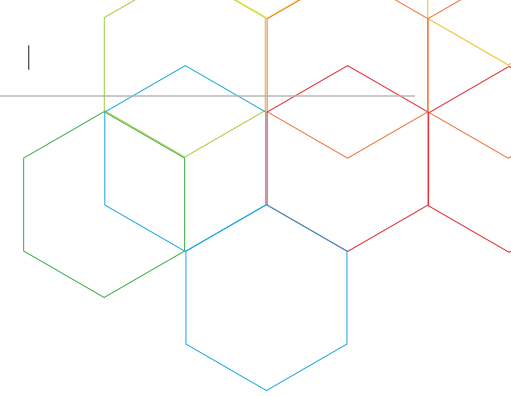
**\$60K**  
ANNUAL MINIMUM BASE SALARY

#### **\$0.99 FOR EVERY \$1.00**

For all roles at Recursion where men and women are performing similar work, women earn \$0.99 for every \$1.00 earned by their male counterparts.



By not asking about compensation history, we aim to give all candidates a fair shot at equitable compensation.



We launched monthly Inclusion Celebrations of underrepresented groups tied to broader societal celebrations, such as Black History Month in February, LGBTQIA+ Pride Month in June, and Native American Heritage Month in November.

### Inclusion Council

To amplify Recursion's DEI impact, we formed an Inclusion Council to work specifically in the area of Inclusion. The council's mission is to enable innovation by actively fostering an inclusive environment where people are free to think, have opportunities to grow personally and professionally and are emboldened to share their ideas, unencumbered by any form of judgment or unconscious bias.

The Inclusion Council has rotating membership and is made up of 5 to 7 diverse members. The council strives for a breadth (across departments) and depth (across levels) of representation. Meetings are conducted on a bi-weekly basis, and the council's charter is reviewed on a semi-annual basis.

As part of the Inclusion Council's initiatives in 2021, we launched monthly Inclusion Celebrations of underrepresented groups tied to broader societal celebrations, such as Black History Month in February, LGBTQIA+ Pride Month in June, and Native American Heritage Month in November. Each month there are activities to foster learning, reflection, action and celebration.

Of our 20 interns, 14 were underrepresented candidates and 7 were hired as full-time employees.

### Inclusion Training

We provide two quarterly training programs centered around DEI. In the Behaviors of Inclusion workshop, employees learn the psychology of unconscious bias, its impact at work and how to overcome its forces. The workshop also provides education on small habits that improve 1-1 interactions, gatherings, meetings, feedback and decisions to foster an inclusive environment. The Inclusive Interview Training is offered to all employees on a monthly basis and is designed to help us create a more intentional interview experience, create interview questions with minimum bias, and effectively make hiring decisions.

### Internship Program

Recursion's Internship Program was started to mentor early career talent that we ultimately hope will become the future of the company and the industry. From 2019 to 2021, we had 20 total participants across the Data Science, Engineering and IT departments. Of the 20 students, 14 were underrepresented candidates and 7 were hired as full-time employees. In 2022 we aim to expand our early-career University Relations program, for which attracting underrepresented candidates will be a key pillar.



# Employee Recruitment, Development & Training

We take a design-thinking, systems-based, customer-centric approach to building the employee experience at Recursion.

From candidate to alumni we consider how we deliver benefit and how we inspire our people to do the best work of their lives. Throughout the employee experience we create moments, tools, systems and more that drive belonging, growth and impact. These three related benefits are central to the experience of being a Recursionaut. Importantly, we invest in people managers who also play a pivotal role in bringing these employee benefits to life.

Throughout the employee experience we create moments, tools, systems and more that drive belonging, growth and impact.

## Recruitment and Onboarding

We employ a targeted approach to identify, attract and hire employees across highly-technical scientific disciplines including: biology, chemistry, data science, machine learning, engineering, robotics, clinical development and more. Our efforts are spearheaded by an experienced internal recruiting team and supplemented by specialized external recruiting partners who act as subject matter experts to recruit in-demand talent.

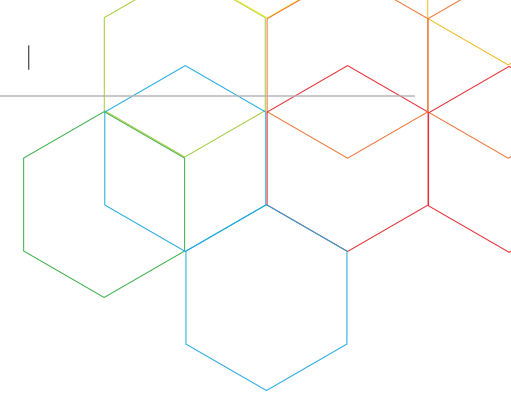
Recursionauts join because of our mission, science, technology and culture. They are eager to apply their knowledge to solving meaningful problems and to do the most impactful work of their careers. We have employed creative means to identify and recruit some of the brightest minds, including hosting a machine learning competition based on the release of our public dataset, RxRx1, in affiliation with NeurIPS, a premier Artificial Intelligence (AI) conference. We also leverage social media, scientific job posting boards and referrals.

In June 2021, we announced our expansion into Canada because of its diverse and brilliant talent networks across technology, biology and chemistry. We believe that in addition to radically improving the lives of patients, we owe an equally positive impact on our employees, their families and the communities in which we operate. We look forward to partnering with a multicultural community and participating in the Toronto and

Montréal ecosystems where there are remarkable collaborations between industry, government and academia.

We are intentional about developing our talent not just from external sources, but through promotion and mobility of our internal team. The inherent complexity and evolution of the Recursion Operating System results in value being placed on the institutional knowledge that comes with time at Recursion. Part of the value proposition of being a Recursionaut is that our employees' careers will grow.

Upon employment, a comprehensive, 13-session Onboarding Learning Series is provided for each new employee, which is facilitated by leaders throughout the company and focused on accelerating their time to impact. Additionally, we host a two-day off-site for new hires called Decoding Recursion, which is focused on accelerating a deep understanding of our Values and instilling a sense of belonging. The Decoding Recursion experience is designed around storytelling and activities facilitated by senior leaders, including regular attendance by our Co-Founder and CEO. Belonging is closely tied to psychological safety, which we believe is an essential element for collaborative work environments. People must feel safe to speak up. We also believe that shortening the time until employees feel belonging and impact leads to increased engagement, productivity and retention.







In 2021 we hired a Director of People Development to further advance our employee development approach and programs.

### Employee Development

Culturally, we instill an expectation that we should all be learning and growing as fast as Recursion. Programmatically, our Goals & Grow System is the year-round system that creates employee accountability for delivering goals, learning and living our values. When we write our quarterly goals, self-reviews or manager reviews, we ask “What will be/was delivered? What will be/was learned? How will/did this person impact others?” From there, employees and managers have the expectation, and latitude, to create learning and development plans for their learning goals through stretch assignments, special projects, mentorship and internal and external programs.

Internally, we offer a variety of training and development programs. Topics include introductory and advanced series of manager fundamentals, workshops on adaptivity and resilience, behaviors of inclusion, and inclusive hiring. Additionally we offer leadership development through The Leadership Consortium (TLC), which helps best-in-class organizations create the conditions for all leaders to thrive. We piloted two cohorts of the leadership program and had a 90% participation rate across the company in 2021.

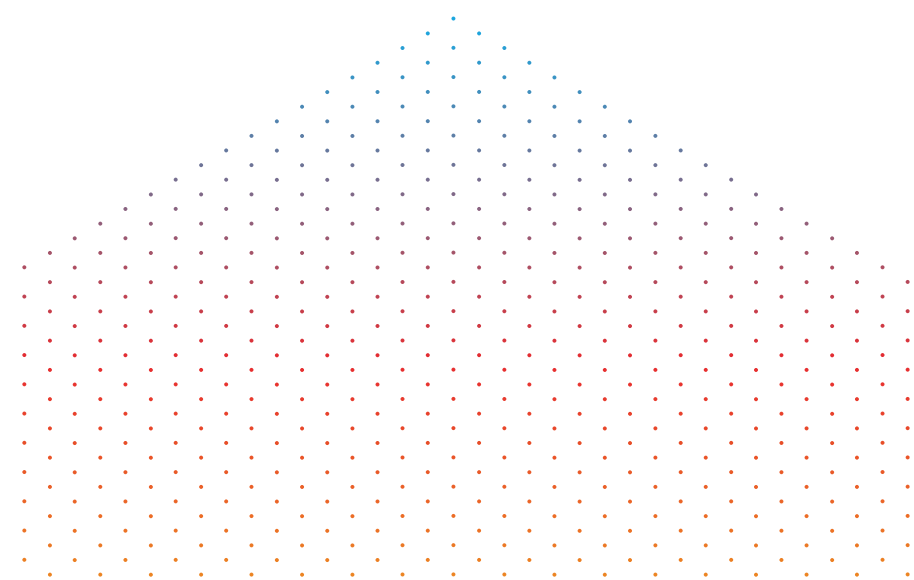
Lastly, we offer coaching programs through a third-party firm that provides personalized, comprehensive coaching experiences — driving whole person growth and sustained organizational outcomes. Sixty-five employees participated in 2021. Executive coaching is provided to senior director positions and above. We also offer a specific parental leave coaching program for parents navigating the transition dynamics of work both pre- and post-leave.

Additional ways we foster development at Recursion include journal clubs, code review, paired programming and more. Our journal clubs consist of interdisciplinary discussions of recent journal publications in the realm of chemistry, data science, and more. This group exemplifies One Recursion as they discuss different potential applications, both short-term and long-term here at Recursion. Throughout development in our tech functions, team members are paired with someone familiar with our systems for code review and paired programming, and they pair on the solutions so they can understand the code base of our products.

2021 Learning & Development Metrics:

**\$3,000**  
ANNUAL SPEND PER EMPLOYEE

**20**  
ANNUAL TRAINING HOURS PER EMPLOYEE  
(including our 13-hour Onboarding Learning Series)





### Engagement

We aim to ensure employees are seen, heard and celebrated through many practices. Here are some examples:

- All Hands meetings are held weekly, including from our non-HQ sites, and hosted by senior leaders to emphasize transparency. We aim to be ‘unscripted’, to say the hard things when needed, and to laugh together as much as possible.
- We celebrate results with a “Quarterly Wins” ritual, where nominated teams share their story.
- Kudos is our recognition and gratitude program in which employees can give each other points for helping with a project or demonstrating a core value. In 2021, 50% of our workforce participated in Kudos with nearly 8,000 Kudos messages sent.
- Donut is our tool for connecting Recursionauts from different functional areas for informal, 1:1 meetings. In 2021, 140 Recursionauts participated in the program, making a total of 675 connections with new colleagues.
- When on-site at Headquarters, we eat together at our on-site kitchen, lovingly and jokingly named ‘High-Throughput Feeding.’ By eating together and knowing one another, we create belonging and engagement across functions and throughout the company. We aim to replicate this in all our sites while taking into account the size of the team and local challenges and opportunities.
- Depending on function and performance, many employees are afforded flexibility to work from home up to 60% of the time.
- Our fully-remote team members (<15% of employees) are encouraged to come to one of our sites for at least 10 days per quarter to interact face to face with peers. Recursion covers all travel. We also aim to invite employees from other sites and who work remotely to attend off-sites and employee celebrations at HQ, and cover travel and lodging for both employees and a partner in certain circumstances.

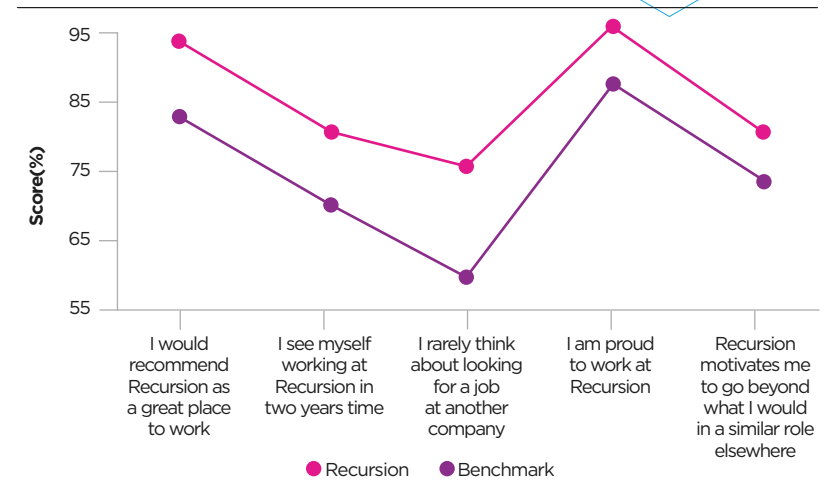
### Employee Engagement Surveys

Engagement, akin to motivation, is an industry standard index score that research shows is a driver of performance and business results. We measure engagement using an industry standard index of five questions on a favorability scale. In 2021, with 93% participation, we scored 86% favorability on the engagement index company-wide, which is more than 11 points higher than the Technology, Science and Research benchmark\* of many similarly positioned companies. In 2020, our engagement score was 83%, with 91% participation. We’re proud of these strong results, particularly during the COVID-19 pandemic, as it reflects the strong culture we’ve built and our employees’ commitment to our values and mission.

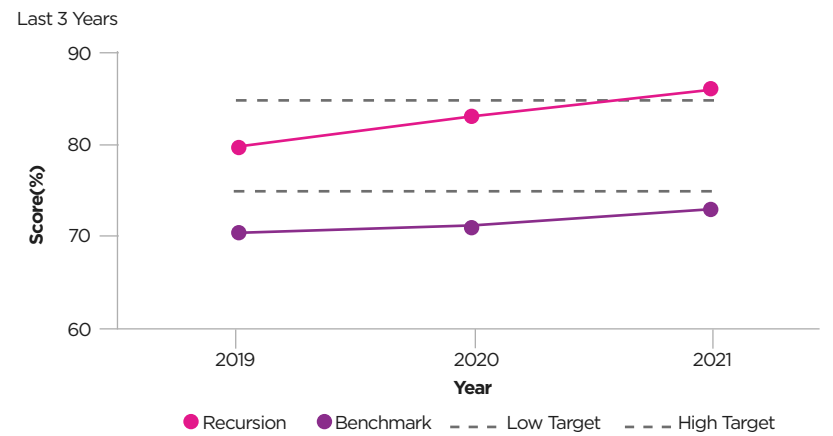
As a company, we target a high, but balanced, engagement score of 75-85%, so we can be confident in the health of our organization, while acknowledging some amount of friction is healthy as we move and change at a relentless pace. Over-indexing on engagement above 85% could come at the cost of delivering for other stakeholders in the business such as our partners, shareholders or the patients we aim to serve.

**97% of employees said they are proud to work at Recursion in 2021.**

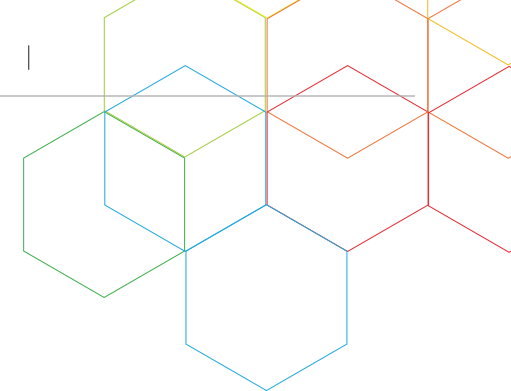
2021 Recursion Engagement Index Scores vs Benchmark



Recursion Employee Engagement Scores vs Benchmark



\* Our benchmark is derived from over 20,000 survey responses from comparable companies during the 12 months ended December 31, 2020.



### Employee Turnover

We're proud of our consistently low turnover rates, which are well below industry average. We believe these figures reflect our efficacy in hiring top talent, the engagement of our team, which is directly tied to our strong culture, and the meaningful work Recursionauts do every day in service of our mission. We invest in the growth and development of our team to empower them to do their best work and rise to meet our high expectations. In turn, our low turnover rates demonstrate their investment in Recursion's growth.

2021 Employee Turnover Metrics:

**8.90%**

MANAGEMENT  
(VICE PRESIDENT AND ABOVE)

**11.24%**

ALL EMPLOYEES

We invest in the growth and development of our team to empower them to do their best work and rise to meet our high expectations.



### Case Study: Hack Week

A main cultural value embedded within our organization is One Recursion, where every discipline works together toward better cumulative solutions. We live this value during Hack Week, an annual company-wide week of solving challenges and working cross-functionally across the organization. We minimize all non-essential commitments (e.g. regular meetings) at the company for this week to help teams focus on exploring, learning, connecting and building. By not limiting participation to traditional "tech" employees, we foster innovation and collaboration by instead encouraging all employees to join in the challenge and self-select their project for the week.

Projects also result in tangible business value for Recursion. Nearly a dozen projects were implemented in production immediately following Hack Week 2021, while others have spawned new ideas and led to quarterly goals that we otherwise would not have identified. A 2019 Hack Week project led to savings of millions of dollars in new capex spend and significantly improved throughput of our automated laboratory. Hack Week provides a unique opportunity to learn and explore, including in areas that individuals may not have been familiar with previously.

To take a look at sample Hack week projects, please visit our website: <https://www.recursion.com/news/hack-week>



# Benefits

We offer several best-in-class values-based benefits for our employees.

## Physical

### 100%

#### HEALTH, DENTAL AND VISION

Insurance premiums are covered at 100% by Recursion for employees and eligible dependents, including domestic partners and children.

### \$600

#### ANNUAL FITNESS BENEFIT

\$50 a month (\$600 a year) for anything in the spirit of fitness or wellness

## Time Off



#### MULTIPLE TIME-OFF OPTIONS

Parental — Six weeks for all new parents, additional six weeks for those who physically give birth

Vacation — Flexible plus two company-wide, week-long closures

Sick — unlimited, employee plus anyone in your care

Bereavement — unlimited

## Office

### SLC

#### OFFICE BENEFITS AT OUR HEADQUARTERS IN SALT LAKE CITY

On-site childcare facility including backup childcare

Daily lunch from an on-site chef

Bike racks for commuters

On-site vaccination policy

Rock climbing wall onsite

Free transit passes to encourage more sustainable commuting

## Mental



#### MENTAL HEALTH SERVICES

EAP (Employee Assistance Program) includes three face-to-face counseling sessions per year and a one-hour consultation with a financial counselor.

Modern Health mental wellness platform available to all employees and eligible dependents, including 14 coaching sessions and 12 therapy sessions per year at no cost.

## Financial

### 4%

#### RETIREMENT MATCH

We have a 401(k) offering with a dollar-for-dollar match up to 4% of an employee's salary and a \$1,500 per employee yearly benefit.

### Restricted Stock Units & Stock Options

Every single person currently and previously employed full-time by Recursion who met criteria for vesting has been awarded either stock options, RSUs or both. In addition, Recursion works with our key contractors (e.g. security, kitchen staff, janitorial staff) to offer equity whenever possible.

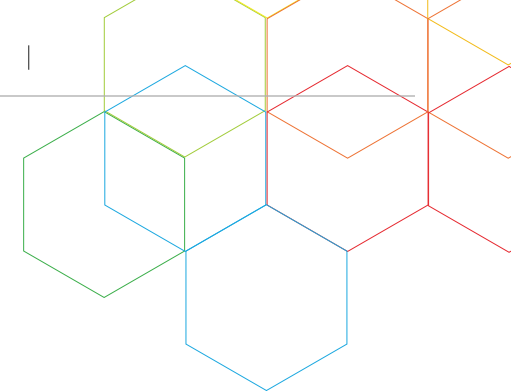
Our employee stock purchase plan allows our employees to have additional ownership in the company at a discounted rate to market.

## Extras



#### OTHER BENEFITS

In addition to everything above, we offer employees the option to select into benefits for Life Insurance, Pet Insurance, Disability, Theft Protection, Legal Services and more.



# Employee Health and Safety

We are committed to protecting our employees' physical, emotional and financial health and well-being.



## Workplace Safety

We have dedicated Standard Operating Procedures (SOPs) to manage occupational health and safety, safety training and injury, and illness and incident reporting. Recursion's Chemical Hygiene Plan (CHP) is the primary guide that protects laboratory personnel from potential hazards associated with the use of chemicals and manages risks. Every employee is responsible to ensure these procedures and policies are followed, and compliance is mandatory for all employees working in the laboratory per requirements of the Occupational Safety and Health Administration (OSHA) standard on Hazardous Chemicals in Laboratories.

Our Co-Founder and CEO is also the Director of Public Safety at the company and has the ultimate responsibility for chemical hygiene within the organization. Our Chemical Hygiene Officer and Lab Manager oversees the day-to-day management of institutional chemical hygiene, including developing and implementing appropriate policies; monitoring procurement, use, and disposal of chemicals used in the lab; and ensuring employees know and follow chemical hygiene rules.

## Employee Training

All new hires attend mandatory, site-specific training designed to provide education on the location-specific features, security concerns and emergency procedures.

Additional emergency training information is provided on the company intranet, via company-wide communication and through periodic in-person training events such as training seminars and emergency response drills.



### Laboratory Safety Training

Mandatory trainings of our Chemical Hygiene and Biological Safety Plan are required for lab employees to keep aware of laboratory risks. All labs are secured by badge access, and only employees who have undergone lab safety training have access to the lab spaces. Key safety trainings are automatically assigned on an annual basis to all lab employees, and periodic in-person trainings are also held to stay current on best practice.

Additional safety training measures include:

- Personal Protective Equipment, Respiratory Protection, Bloodborne Pathogen, Hazardous Waste, General Lab Safety and specific hazard training based on lab needs. Laboratory hazards trainings, including physical risks such as liquid nitrogen, autoclave and chemical hazards, are required for all laboratory employees.
- Prescription Safety Glasses are provided to all affected employees at no personal cost.
- Additional trainings are performed periodically for review or prior to new hazards being introduced on-site.

### Safety Certifications

To ensure we operate under the highest levels of safety, we conduct a variety of safety checks and certifications on systems and equipment.

- Annual certifications are performed by external third parties to verify equipment (such as biosafety cabinets and chemical fume hoods) are functioning properly to ensure user safety.
- Autoclave validation is performed monthly, along with indicators added to each cycle, to ensure biological waste is treated appropriately.
- Oxygen sensors are placed near any area where compressed gasses and cryogenic liquids are used and verified on an annual basis to eliminate risks of exposure to low oxygen levels.
- Eyewash and safety shower systems undergo individual weekly checks and annual system testing.
- Annual certification is performed on all elevators on-site.
- Fire suppression systems, along with all other lifesaving systems (horns, strobes, smoke detectors, flow switches, risers and fire extinguishers) are tested annually.

#### 2021 Health and Safety Metrics:

**.5**

**TOTAL RECORDABLE INCIDENT RATE**

Recordable injuries per 100 full time employees during a one-year period

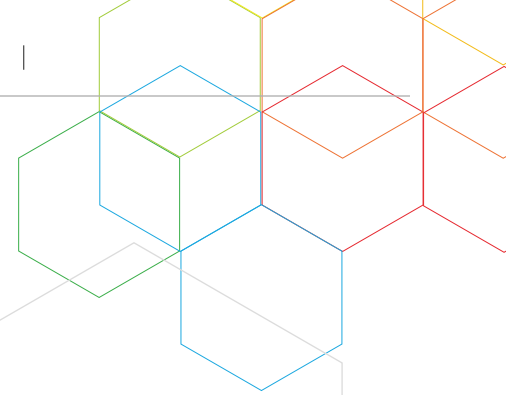
**.25**

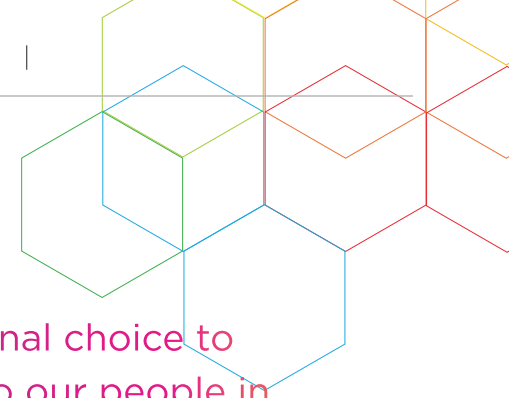
**LOST TIME INCIDENT RATE**

Injuries and illnesses resulting in lost time per 100 full time employees during a one-year period

**0**

**FATALITIES**





We made an intentional choice to provide more relief to our people in a hard year by giving employees agency to solve their new and unprecedented problems.



### COVID-19 Response

First and foremost, our response to the pandemic was grounded in our Values. As we helped our workforce navigate one of the periods of the greatest uncertainty and public health risks of our lifetimes, we leaned into empathy and caring to guide our response and actions as leaders. Perhaps most notable and culturally impactful was a significant increase in heartfelt, vulnerable and empathetic communications, top-down and bottom-up, to help transit the ebb and flow of the situation since March 2020.

We have several policies that govern our COVID-19 response. All are evaluated on an on-going basis, taking into account both internal and external case numbers and trends. Policies are adjusted to maintain the appropriate level of safety given the current state of the pandemic. Communications are made in written and verbal form, using the company intranet, electronic messaging and weekly company-wide meetings as needed.

Many measures have been taken to improve our employees' quality of life during this time. We provide routine on-site testing; consultations through our Director of Site Services to manage exposures, contact tracing and return to work policies; implemented a mask policy and full vaccination policy on-site; and provided

accommodations for unvaccinated vendors and third parties to work off-site. We have also increased airflow in our buildings, added HEPA filters in conference rooms and implemented anti-microbial and antiviral cleaning practices.

In 2020, we provided a Life Assistance benefit for all permanent employees of a one-time \$13,000 payment, distributed over several months, for all employees to utilize at their discretion. We made an intentional choice to provide more relief to our people in a hard year by giving employees agency to solve their new and unprecedented problems. The spirit of the benefit was to take care of employees and their families in the face of these new challenges.



SECTION 2

# Social Impact

SECTION HIGHLIGHTS







# Community Engagement

We take seriously our role in giving back and supporting our local communities where we live and work, because we believe a strong community foundation helps us build for the long-term.

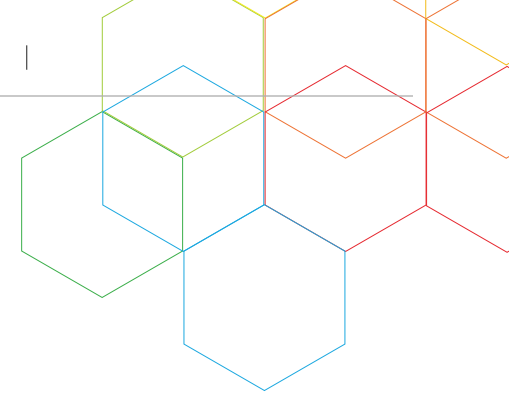
To date, we have focused our community efforts in areas of impact that are aligned with our Values and our strengths, including diversity, equity and inclusion in technology and biotechnology; the growth and sustainability of our local life science and technology ecosystems; and the promotion of sustainable environmental practices. We believe that through these principles of community engagement, we can extend our mission of radically improving lives to those in our communities.



## Recursion Foundation

The Recursion Foundation was established in 2019 as a vehicle through which we could drive our charitable and philanthropic efforts over time. In late 2020, our Board of Directors committed to putting 1% of our fully-diluted equity into the Recursion Foundation to help demonstrate the strong commitment we have to social responsibility and to ensure a sustainable future for our work in this arena.





# altitude ▲ lab

## Altitude Lab

Altitude Lab is a life sciences incubator and accelerator program providing critical resources and community for diverse health care entrepreneurs. Formed as a partnership between the Recursion Foundation and the University of Utah, Altitude’s mission is to build the economic backbone for Utah’s health care sector by investing in a new, diverse generation of founders. Altitude Lab commenced operations in the fall of 2020 and received applications from dozens of local, national and international startups, of which seven were admitted into the first cohort.

Altitude Lab provides both the physical infrastructure and a community of experts, investors and mentors to help founders — of every background — navigate challenges unique to the health care industry. We seek to help these companies with early growth and fundraising while offering them access to laboratories and equipment that would otherwise be prohibitively expensive. Our goal is for these startups to grow permanently in Utah, in order to create a more sustainable life science ecosystem.

In 2021, Altitude launched its Investor Coalition, a partnered network of leading healthcare venture capitalists to fund, mentor and provide resources for Altitude-incubated startups. The Investor Coalition aims to collectively invest \$50 million in Altitude’s startups over three years.

Learn more at [www.altitudelab.org](http://www.altitudelab.org)

## Key Facts

**7**  
STARTUPS CURRENTLY IN RESIDENCE

**\$54M**  
OF SEED AND SERIES A FINANCING SECURED WITHIN THE COHORT'S FIRST YEAR

**10**  
FOUNDERS WHO ARE WOMEN OR RACIAL OR ETHNIC MINORITIES IN ALTITUDE'S FIRST COHORT

**\$50M**  
FUNDING COMMITTED BY OUR INVESTOR COALITION

## Our First Cohort of Residents



Teiko.bio



### BioHive

In the process of recruiting and building a world-class workforce in Salt Lake City, our Co-Founder and CEO Chris Gibson recognized a critical need to get the word out about Utah’s burgeoning life sciences industry. In 2020, Dr. Gibson partnered with Jared Bauer, CEO of Utah-based IONIQ Sciences, with an idea to bring together our public and private sectors to strategically brand Utah’s life sciences ecosystem and raise its profile both locally and nationally.

As a result, Recursion became a founding member of BioHive, the Utah life science collective composed of therapeutics, diagnostics, medical device and health IT companies, along with the companies that support them and the public sector. BioHive sits within the existing BioUtah trade association and represents a collective of more than 1,100 life sciences companies in Utah. It has become a critical mechanism to include parts of the community that typically do not participate directly with a trade association.

### Key Facts

# Recursion

FOUNDING MEMBER

# 1,100

COMPANIES REPRESENTED

# 130,000

PEOPLE EMPLOYED DIRECTLY AND INDIRECTLY BY UTAH'S LIFE SCIENCE INDUSTRY

# \$13B

DIRECT AND INDIRECT GDP FROM UTAH'S LIFE SCIENCE INDUSTRY

# \$2M+

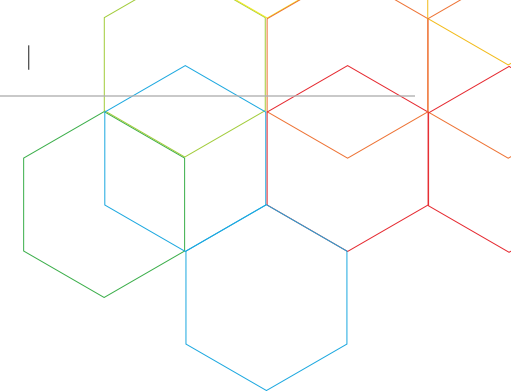
IN PUBLIC AND PRIVATE CONTRIBUTIONS TO DATE

#### BOARD CHAIR:

Chris Gibson, Ph.D.

#### OTHER BOARD MEMBERS INCLUDE:

- C-level executives from diagnostics, medical device, therapeutics, digital health and life-science startup companies
- The Mayor of Salt Lake City
- The Executive Director of the Governor’s Office of Economic Opportunity
- The Head of the Economic Development Corporation of Utah
- The CEO of World Trade Center Utah
- The Chief Innovation Officer of the University of Utah
- The CEO of BioUtah



### Grants and Sponsorships

In the spirit of our We Care value, we established a Sponsorship Committee composed of our Chief People Officer, our Vice President of Business Development and Corporate Initiatives, and our Senior Director of Clinical Development to select and manage partnerships, as well as monitor impact. Our Sponsorship Committee prioritizes high impact opportunities that allow us to durably partner with entities that are aligned with our values and five key areas of focus:

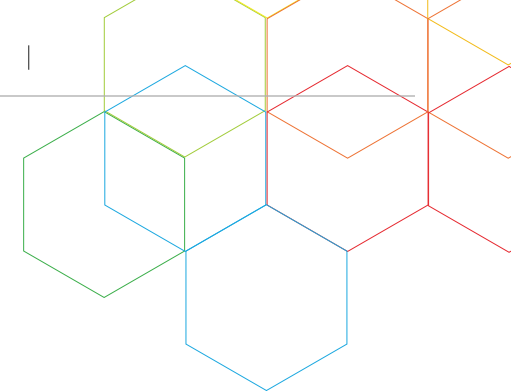
#### Key Areas of Focus

- 1. Diversity, Inclusion and Equity**
- 2. Growth of the Life Science and Technology Ecosystems**
- 3. Sustainable Environmental Practice**
- 4. Company's Responsible use of Artificial Intelligence**
- 5. Caring for the Communities in which We Work**

We also host ad-hoc matching donation events that support non-profit organizations near each of our locations. In 2021, Recursion matched each monetary holiday donation given by a Recursionaut, dollar for dollar. We raised \$8,910 to support three organizations: Fourth Street Clinic in Utah, Gardner Health Services in California and Parkdale Activity-Recreation Centre (PARC) in Toronto.

When appropriate governance systems in the Recursion Foundation are established and 1% of the company's equity is granted to it, additional grants and sponsorships will largely be driven through this entity.

Our Sponsorship Committee prioritizes high impact opportunities that allow us to durably partner with entities that are aligned with our values.



# Open Source Data Sharing

We believe in the benefits of open source and open science, and that by releasing open datasets, we drive value for us and society as a whole.



## COVID-19

In 2020, we acted boldly to contribute data to the scientific community in hopes it would be useful in fighting the COVID-19 pandemic. We partnered with a biosafety level 3 facility to infect a variety of human cells with live SARS-CoV-2 virus, and used our platform to investigate the therapeutic potential of a library of approved drugs. We released our findings as an open-source dataset for the scientific community in April of 2020, which can be downloaded from our open-source data website: [www.rxrx.ai/rxrx19](http://www.rxrx.ai/rxrx19)

## RxRx Series

We have also released some of the largest open-sourced biological datasets in the world, the RxRx series, under terms that allow for broad academic and non-commercial use. As part of the series, we also released a preprint that demonstrates the capabilities of Recursion's platform to model complex immune biology and screen for new therapeutics. To explore our released data sets, please visit our website at [www.rxrx.ai](http://www.rxrx.ai). Our contribution to a greater understanding of human biology is just as important as the medicines we advance.

In addition to the dataset releases, we also fund a post-doctoral position in open science research at Mila (a top AI Institute based in Montreal) around the application of machine learning in drug discovery.



SECTION 3

# Commitment to Patients

SECTION HIGHLIGHTS



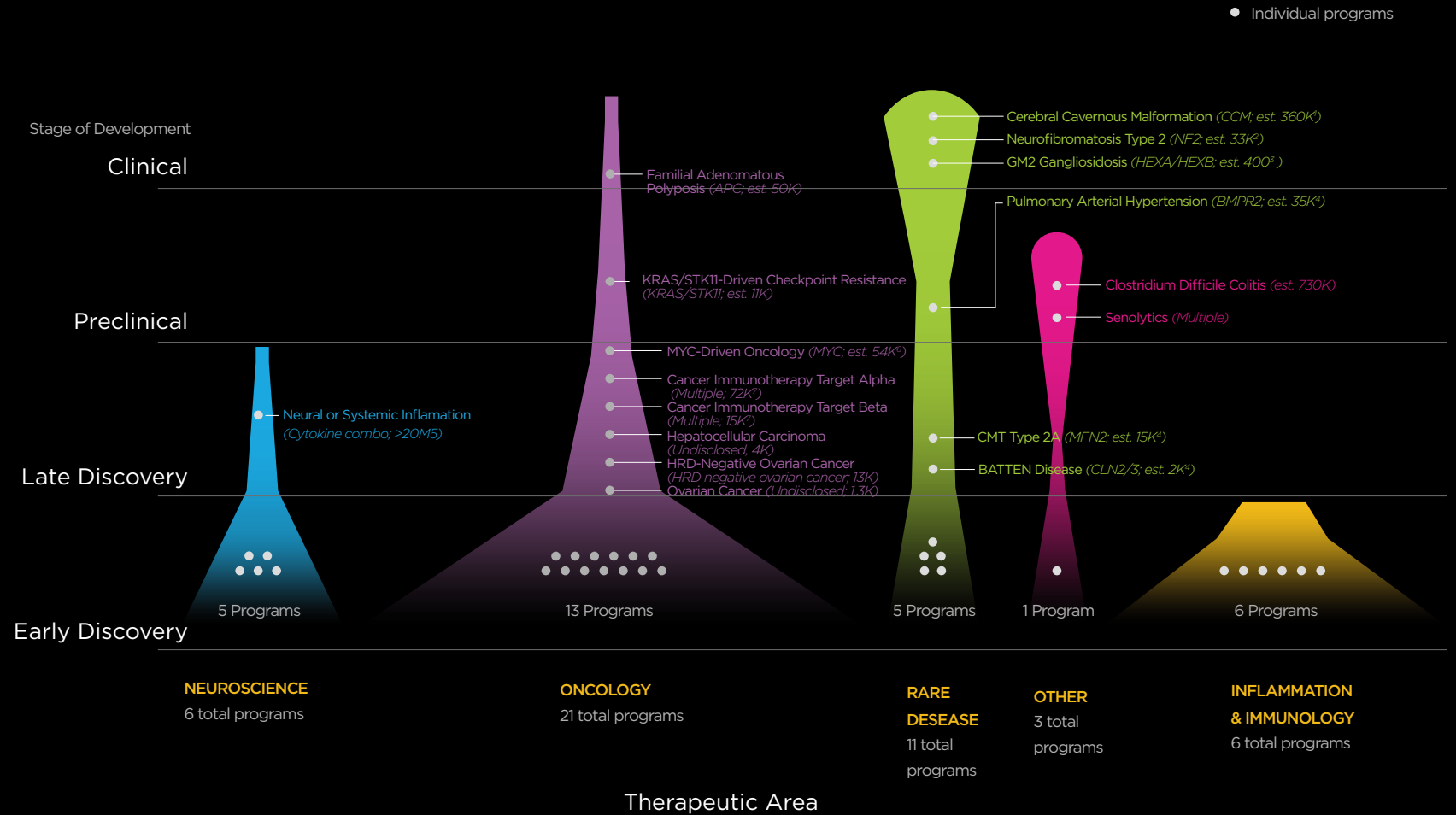


# Commitment to Patients

At Recursion, we aim to radically improve the lives of patients and those who love them. As a company that got its start in rare diseases, we have seen firsthand how many patients — and their loved ones — find themselves in a dark situation, faced with a new diagnosis, and without an acceptable treatment path forward. We hope to give these patients light. By doing so we aim to help their families, friends, colleagues and communities see the light, too.

Since our founding, we have expanded the capabilities of our platform, the Recursion OS, which allows us to broadly interrogate biology and chemistry at a massive scale. In so doing we have broadened our scope beyond rare disease in order to positively impact the lives of patients in other disease areas such as oncology, neuroscience, inflammation and immunology. This ambition is reflected in the breadth and depth of our therapeutic pipeline.

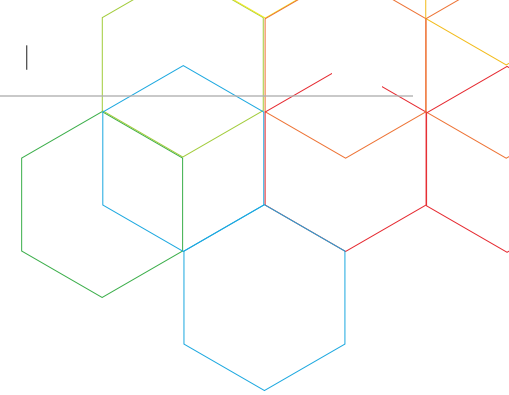
## Our Pipeline



All populations are US and EU5 incidence unless otherwise noted. EU5 is defined as France, Germany, Italy, Spain and UK. (1) Prevalence for hereditary and sporadic symptomatic population. (2) Annual US and EU5 incidence for all NF2-driven meningiomas. (3) Worldwide prevalence; conducting dose optimization study in animal model with a potential trial start in 2024. (4) US and EU5 prevalence (5) Our program has the potential to address a number of indications with systemic or neural inflammatory components We have not finalized a target product profile for a specific indication. (6) Our program has the potential to address a number of indications driven by MYC alterations, totaling 54,000 patients in the US and EU5 annually. We have not finalized a target product profile for a specific indication. (7) Our program has the potential to address a number of indications in this space.



# Access to Medicines & Patient Advocacy



## Access to Medicine

At Recursion, our programs target diseases spanning several therapeutic areas where: 1) the cause of the disease is well-defined and 2) there is high unmet need, there are no approved therapies or there are significant shortcomings with existing treatment paradigms.

Our current clinical portfolio includes many therapeutic candidates that target rare and ultra-rare diseases. Often these are diseases that affect children and have significant morbidity and mortality. For the current portfolio of rare diseases, there are no approved treatments, and alternatives are not very effective or have significant barriers to access, thus, they represent areas of high unmet medical need for new safe and effective treatment.

We have also established an [Expanded Access Policy](#) for evaluating and responding to expanded access requests for an investigational medicinal product (IMP) for patients with an immediately life-threatening or serious disease or condition. This policy is made public on our website.

## Patient Advocacy

We partner with several patient advocacy groups, such as the National Organization of Rare Disorders (NORD), to discuss topics such as barriers to diagnosis, quality and affordable care, and counseling efforts for patients and their support system.

Other important organizations we maintain a relationship with and provide financial support to include the Children's Tumor Foundation (CTF), National Tay-Sachs & Allied Diseases Association (NTSAD), the Angioma Alliance (AA) and Rare X. Our outreach includes supporting educational programs around disease state and participating in committee work that supports patient engagement, including health equity considerations. These collaborative opportunities support Recursion's mission and our current and upcoming clinical programs.

Recursion is also a corporate council member of the Alliance for Artificial Intelligence in Health Care (AAIH). This relationship allows us to work with other corporate partners to drive changes in regulatory timelines and cost that will allow drug discovery and approval efficiencies that could not be driven by Recursion alone.





# Safety of Clinical Trials

Statistics show more than 90% of drugs that advance into clinical trials fail before they make it to the market. This failure rate disappoints patients who are waiting for therapy and incurs huge costs that are a key driver of high drug prices. We are taking a novel, data-first approach to finding new medicines.

Our growing map of human cellular biology allows us to probe the complexity of disease and discover potential medicines by approaching drug discovery in a new way. This is the challenge we care so deeply about solving: finding better medicines and making them more accessible to the people who need them.

To ensure the safety and ethical design of clinical trials, all trials at Recursion are conducted in accordance with several international codes, principles, or best practice guidelines. These include:

- 21 Code of Federal Regulations (CFR)
- International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH)
- Relevant Food and Drug Administration ('FDA') and European Medicines Agency (EMA) Guidance documents
- European Medicines Agency Good Clinical Practice (EMA GCP) directives
- Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- European Global Data Protection Regulation (GDPR)

## Clinical Trial Audits and Monitoring

Recursion's Quality Assurance Audit Program covers regular audits of vendors, clinical investigator sites, and processes to assure compliance with regulatory and ethical requirements, as well as internal and external quality systems.

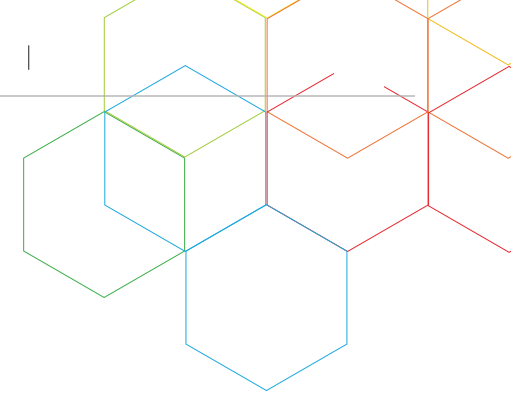
For each clinical study, a Clinical Trial Audit Plan (CTAP) is developed to articulate the audit strategy for the study. The purpose of the CTAP is to define the trial-specific, risk-based approach for providing Quality Assurance oversight of the clinical trial through the conduct of audits. The CTAP is guided by the nature of the clinical trial, including the number of subjects in the trial, the type and complexity of the trial, the level of risks to the trial subjects, and any identified problems.

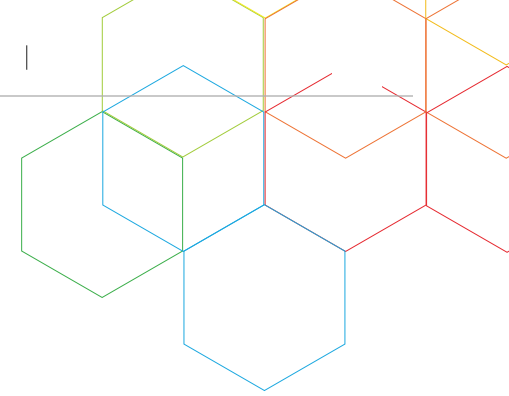
Quality Assurance audits serve as one mechanism for providing Sponsor oversight of the clinical trial. Audits, which are independent of and separate from routine monitoring or quality control functions, are conducted to evaluate the quality systems that govern and documentation that demonstrates adherence to Good Clinical Practice (GCP), governing regulations, written agreements, procedures, and the clinical protocol. Audits, as part of the CTAP, are conducted in addition to other Sponsor oversight activities such as clinical, data, and safety monitoring; clinical project oversight; vendor and Clinical Investigator oversight; quality risk management; and management of quality issues.

The type and frequency of qualification and routine audits of vendors are based on the impact of vendor services and performance risk of the vendor according to a low, medium, or high designation. Audits of Clinical Investigator sites and study processes are determined based on Critical-to-Quality (CtQ) factors within the trial.

The Quality Lead is responsible for identifying when an audit is required, per the approved audit plan, and assuring the Master Audit Schedule (MAS) is kept current. Upon identification that an audit should be conducted, the Quality Lead communicates the audit timeline, auditee(s), auditor(s), and audit scope to the Clinical Lead and clinical team. The Clinical Auditor drafts each audit report which is reviewed and approved by the Quality Lead and provided to the auditee following approval within 30 calendar days.

General monitoring of clinical trials occurs at a regular frequency once enrollment starts, with the frequency typically determined by rate of enrollment. Clinical Research Associates review subject data, verify accuracy according to source data, and verify compliance with the protocol. They will also work directly with the site on correcting any discrepancies.





### Employee Training

We conduct regular training on our Standard Operating Procedures (SOPs) related to Good Clinical Practice (GCP) activities. Clinical personnel also maintain active GCP training and attend training courses as appropriate for their position and responsibilities. We believe industry participation and professional certifications are important to Recursion's growth and encourage our employees to maintain active ties within the scientific community.

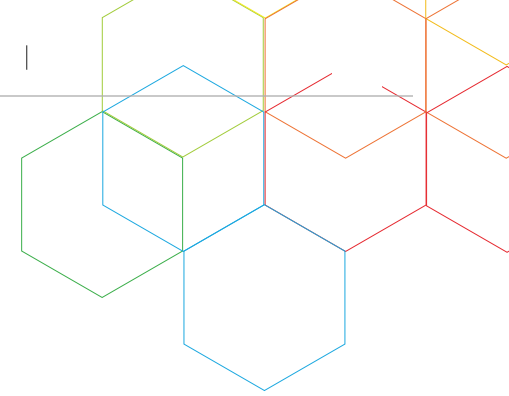
### Patient Safety

We have a multi-layered approach to assure subject safety. First, all safety data collected are reviewed by both the Medical Monitor and the Safety Officer at Recursion. This is independent of any review by the Clinical Research Organization (CRO). Any potential safety signals are then reviewed by the program-wide Medical Safety Team on a regular basis. Should any such signal warrant or if a development in the study so necessitates, the Drug Safety Council is convened to provide oversight. This council includes representation from several key functions across Recursion including Research, Regulatory Affairs, Corporate Development, and Safety, Pharmacovigilance, and Epidemiology.

Second, there are regulator-determined submissions, such as expedited reports of unexpected side effects as well as regular summaries of observed safety data. Each event is scrutinized to determine if it is a safety signal indicating a new risk associated with use of the drug — and if that risk outweighs potential benefits of the use of the drug.

Third, in some Recursion clinical studies, an external independent review body, the Data Monitoring Committee (DMC), has review responsibilities regarding safety. This group is chartered and consists of experts in medicine and clinical research. The DMC ensures Recursion meets all applicable FDA and other regulatory agency regulations and guidance.

**We believe industry participation and professional certifications are important to Recursion's growth and encourage our employees to maintain active ties within the scientific community.**



We continue to assess efforts to improve representation of diverse communities in our clinical trials, such as conducting trials in geographies that are typically excluded from participation.

### Publication of Clinical Trial Data

We are in the process of establishing a Clinical Trial Transparency Policy that outlines the registration of clinical trials and publication of results per regional requirements. We post all required clinical trial results to the National Institutes of Health's registry of clinical trials, found at [ClinicalTrials.gov](https://ClinicalTrials.gov).

### Animal Testing

*In vivo* studies are an important tool for providing an assessment of the efficacy and safety of a compound within the context of a complete, complex biological system. Similar to other steps within the drug discovery and development process, conventional *in vivo* studies are fraught with human bias and limited in the endpoints that they measure. At Recursion, we use our own proprietary cage hardware and continuous, high resolution video system to collect data on up to 2,386 possible *in vivo* subjects simultaneously in our Digital Vivarium. Video data are automatically uploaded to the cloud, analyzed in near real-time, and readouts provided immediately back to our scientists for animals undergoing pharmacokinetic,

efficacy and safety studies for our drug candidates. We use the system today to increase the speed to insight generation and repeatability of studies by optimizing study designs and identifying more sensitive, unbiased and automatable readouts to assess drug safety and disease.

We are actively assessing methods to minimize animal use in our research, including our use of the digital vivarium described above, and maintain humane and ethical treatment of animals within our in-house research testing and in any third-party testing capacity when they are required.

Our Vivarium in Milpitas, California is accredited by the American Association for Accreditation of Laboratory Animal Care (AAALAC). AAALAC is a private, nonprofit organization that promotes the humane treatment of animals in science through voluntary accreditation and assessment programs. The full program is reassessed every three years and is currently under review.

### Clinical Trial Diversity

We continue to assess efforts to improve representation of diverse communities in our clinical trials, such as conducting trials in geographies that are typically excluded from participation. To increase participation from people of color and underrepresented groups, we have initiated ongoing efforts to include investigators who are both from underrepresented populations and who serve those populations. We have also engaged with the National Organization of Rare Disorders (NORD) inclusion and diversity in clinical trials training and are operationalizing their recommendations to ensure we are maximizing opportunities to recruit a diverse patient population across all of our programs.



# Quality Management

Recursion’s Quality Management System (QMS) includes a comprehensive set of specific policies and SOPs, tools such as templates and user guides, employee training modules and vendor qualification procedures to ensure quality is upheld in every process step.

Within our Good Practice (GXP) activities, policies and procedures are developed and reviewed routinely to assure all quality management documents (QMD) are current with Recursion’s processes, industry best practices and regulatory requirements.

Recursion leverages external manufacturing for all clinical products. We assure vendors that provide manufacturing and testing services have appropriate quality systems in place to support quality control and safety training for employees through our Vendor Oversight program. We also provide final disposition for all clinical trial material prior to distributing it to clinical trial sites.

Product recall and product complaint processes are in development and will be implemented in 2022.

# Vendor Management

We utilize and expect to continue to utilize contract development and manufacturing organizations to produce drug substance and drug product in support of the assets within our pipeline.

To date, we have obtained drug substance and drug product for our drug candidates from third party contract manufacturers. We are in the process of developing our supply chain for each of our drug candidates on a project-by-project basis based on our development needs.

Our primary manufacturing vendors fall under two main categories: Good Manufacturing Practice (GMP) activities, and non-GMP activities. Through our Quality Assurance Audit Program, we qualify GMP vendors. We establish Quality Agreements with our highest impact vendors which are signed by both Recursion and the vendor.

We continue to formalize our vendor management processes and aim to implement a Vendor Code of Conduct and Vendor Qualification Policy in 2022.

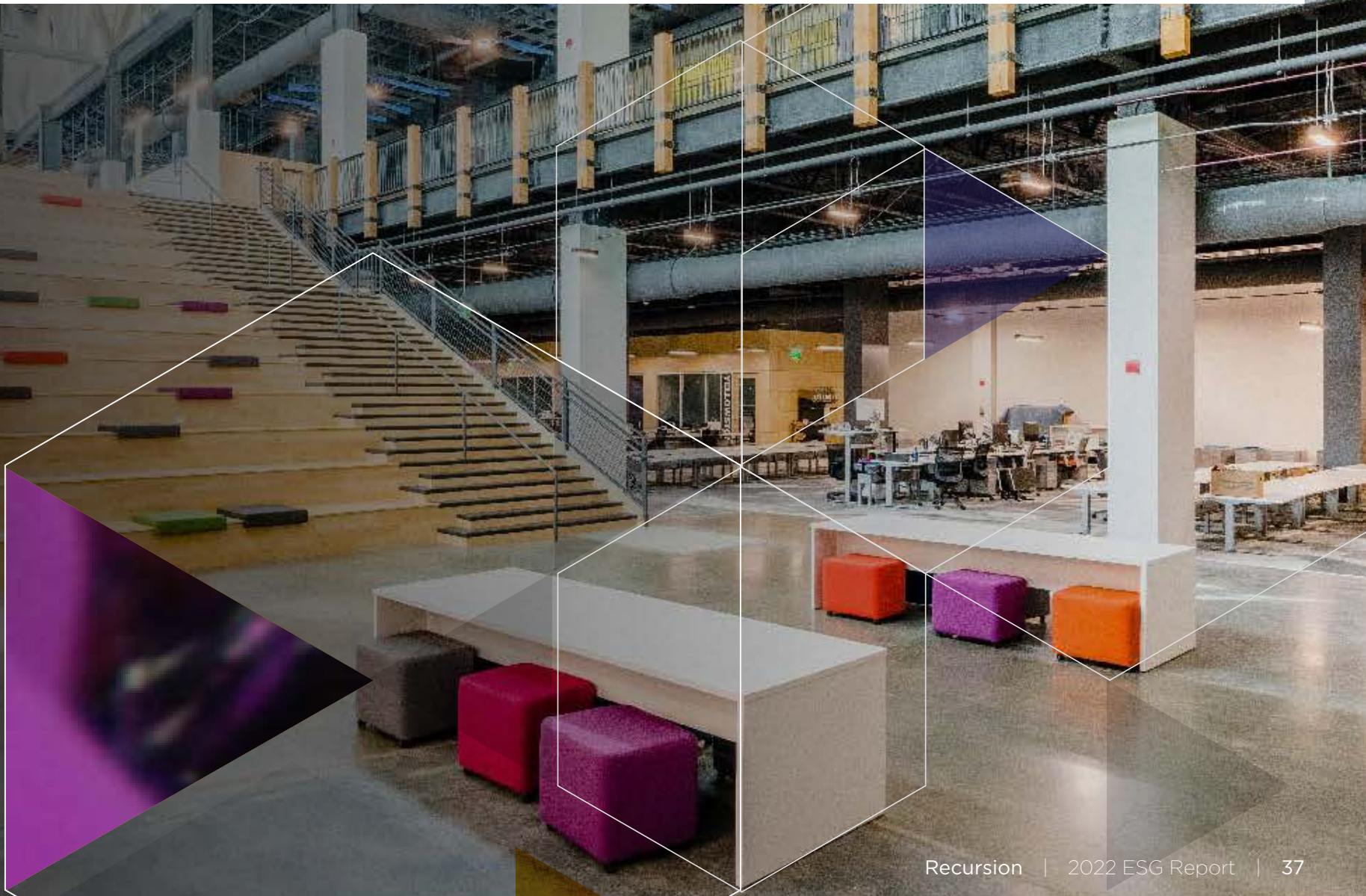




## SECTION 4

# Environment

SECTION HIGHLIGHTS





# Environment

Recursion is committed to creating a place for innovative research that is healthy for our employees, the environment and our neighborhood partners.

**Our ambitious goal:  
Net-zero greenhouse gas emissions by 2030.**

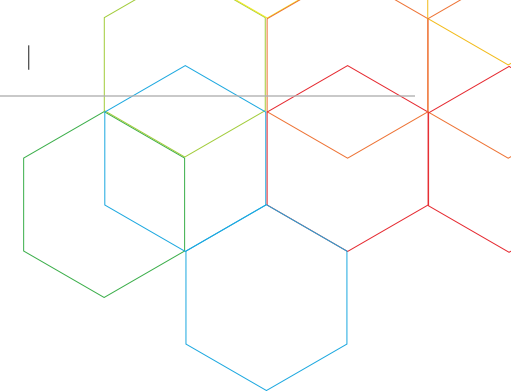
As a company driven by science, we recognize the need to act with urgency to mitigate our impact on climate change. We are committed to reducing and offsetting our greenhouse gas emissions across our operations with the aim to become net-zero by the year 2030.

Our goal is intentionally ambitious because we believe setting bold challenges pushes us to make the greatest impact. We recognize we have more work to do to understand the full breadth of the emissions generated from our operations today, as well as the specific steps we'll take to achieve our goal. That's why in the year ahead, we are committing to performing a detailed measurement and analysis of our greenhouse gas

emissions, with plans to disclose our Scope 1 and 2 emissions in our next ESG Report. As part of that process, we will identify sources of emissions within our operations and create a plan to reduce, eliminate or offset those emissions between now and the year 2030.

We have already made strong progress to reduce emissions in some of the highest impact areas of our business. For example, we have taken steps to reduce emissions from our cloud computing operations and infrastructure by opting for renewable electricity sources and net-zero carbon datacenters where available. In 2022, our aim is to continue to reduce gross greenhouse gas emissions produced by our cloud operations.





# Energy Management

Recursion is committed to building a healthier and more sustainable future for our team, the patients we serve and the communities in which we live and work.



We do so by incorporating energy and workstream efficiency planning in both office and laboratory settings. Recursion encourages energy efficiency and Smart Office technologies through a whole-building approach that enables agencies and organizations to improve the efficiency of an entire facility rather than specific laboratory or office components. We are committed to continuing to find new ways to uncover inefficiencies and boost the utilization of smart technology to improve sustainability, save resources and boost productivity.

## Efficient Office Practices

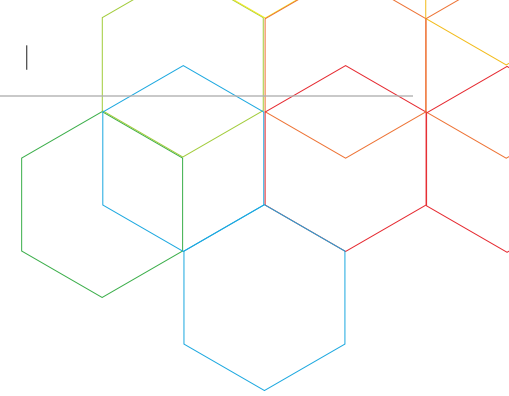
### Space and Occupancy Efficiency

We have several unoccupied mode settings and programming modes for automatic after-hours settings within our facilities. These include:

- Occupancy light sensors are utilized for all laboratory, office and shared spaces, which have been shown to reduce energy consumption by 40%.
- LED lighting is used throughout the entire space.
- Light-sensing fixtures are located near all exterior windows that dim lights when sufficient natural light is detected.

- Temperature and Light settings for office space are set back after-hours.
  - Interior lights are programmed to automatically move to a default of “off.”
  - Deadband temperature is increased from 5 degrees to 10 degrees.

We also supply flexible and ergonomically adaptable workstations, such as individual and shared workstations built for customization, that are used to adapt to productivity-boosting workflows and help us achieve sustainable growth. Laptops are provided to employees over desktop computers to encourage flexible and adaptable workflows, while reducing energy intensities associated with traditional workstations.



### Air Quality Monitoring

Recursion focuses on the monitoring and improving of air quality by utilizing smart office solutions and upgrades to existing systems. These changes support workforce wellness and promote laboratory-safe environments.

#### HVAC Improvement Program:

To improve air quality, we implemented an office Heating, Ventilation and Air Conditioning (HVAC) improvement program to replace all original twenty-year-old HVAC units present at our facilities. Eight of the 13 original units have been replaced with new energy efficient units, all of the new units have updated controls, and all have been upgraded from a Minimum Efficiency Reporting Value (MERV) 8 to MERV 11 for improved indoor air quality.

#### Laboratory Air Handling Systems:

Routine monitoring of air quality and particulate counts (in both office and laboratory settings) is performed, including a process to capture data and respond appropriately when trends emerge. We also retrofitted the laboratory supply air handler to support improved efficiency and reduction of maintenance down-time. We drastically reduced the need for chilled water to cool the lab space during the warmer months and use a heat recovery glycol loop to capture the 70-degree air leaving the space. Warm air leaving the lab in the winter is used to pre-heat the incoming air to the supply air handler, and cool air leaving the lab in the summer is used to pre-cool the incoming air to the supply air handler.

### Instrumentation and Equipment Efficiency

Recursion strives to lessen the environmental impact associated with our cutting-edge technologies and instrumentation without sacrificing the speed with which we generate high-quality results. As such, Recursion has sought out ways to “go green,” by adopting more energy-efficient lab equipment and practices.

An automatic fault, detection and diagnostics system is in place to provide real time updates on instrumentation performance and error notification. These include refrigeration and environmental monitoring systems to help maintain appropriate temperature and environmental settings. Equipment and instrumentation assessments are performed for electrical safety and energy/resource consumption, efficiency and optimization prior to purchase, installation and/or relocation.

### Building Certification and Selection

As we continue to expand our business and facilities, we take environmental considerations under account in selecting new sites. Environmental considerations include access to public transportation, environmental certifications, material transfers, parking, access, zoning, building type and more. Environmental certifications for Recursion are being investigated for existing and future locations.

Currently, we participate in the EnergyStar program run by the U.S. Environmental Protection Agency (EPA). EnergyStar-certified buildings save energy, lower costs, and help protect the environment by generating fewer greenhouse gas

emissions than typical buildings. To be certified as EnergyStar, a building must meet strict energy performance standards set by EPA. Recursion is currently working towards an EnergyStar Certification for our Salt Lake City headquarters and anticipates an approved rating in 2022.

#### 2021 Energy Metrics from Our Headquarters\*

**1,996,800**

TOTAL ELECTRICAL CONSUMPTION (kWh)

**4,992**

kWh PER EMPLOYEE

**20**

kWh PER SQUARE FOOT

#### 2021 Water Metrics

**957,440**

TOTAL GALLONS OF WATER CONSUMED

**2,394**

GALLONS OF WATER PER EMPLOYEE

\*Our headquarters facility accounts for approximately 80% of our total footprint





# Environmental Footprint of Hybrid Cloud Computing

Recursion operates a significant cloud computing footprint that is core to our business and mission.



We use a reputable third-party's Cloud Platform for a substantial amount of our cloud computing needs. We rely on this external partner to make significant investments in communicating and minimizing the carbon footprint of their data centers, which was a large consideration during our vendor selection process.

Through our external public cloud partnerships, 70% of our cloud operations is net-zero carbon. We expect over the course of 2022 to migrate to greener datacenters to further reduce gross greenhouse gas emissions.

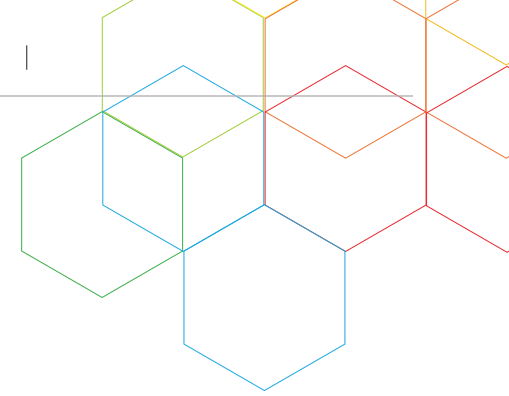
Our supercomputer known as BioHive-1, which powers the critical work we do at Recursion, is run by an external third party that also incorporates energy efficient practices such as leveraging renewable energy and using efficient cooling practices through a closed loop system to exclude net water usage.

## 2021 Carbon Emissions from Cloud Computing

**263.5**  
GROSS EMISSIONS  
(MTCO2E)

**24.4**  
NET EMISSIONS  
(MTCO2E)

In 2021, 100% of electricity consumed by BioHive-1 was generated from renewable sources.





# Waste Management & Product Lifecycle Management

As part of our environmental commitment, we place heavy emphasis on responsible management of both hazardous and non-hazardous office and laboratory waste to ensure our practices scale safely as our testing and experimental needs increase.

## Laboratory Waste Management Program

Recursion's in-house laboratory waste-stream experts enforce stringent and robust processing and treatment mechanisms to ensure we comply with local, state and federal regulations. We have identified processes for the various waste-stream types and have trainings and workflows readily identifiable for both hazardous and non-hazardous waste identification and management, including a detailed Hazardous Waste Policy. While non-hazardous waste disposal is handled by a third party, any solid or non-solid hazardous waste is either treated in house according to hazard class and waste-stream need or contracted out for treatment with a third-party vendor. Biological hazardous waste is treated in-house using validated autoclave equipment and procedures.

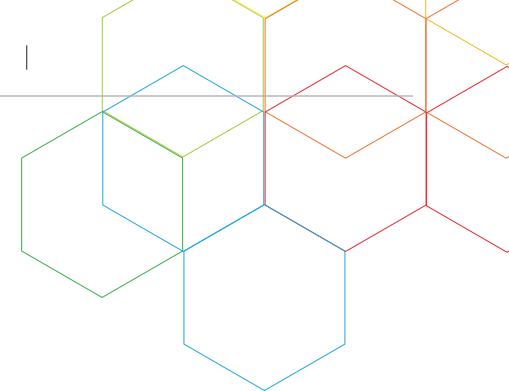
A list of waste streams and proper disposal processes is maintained by the Environmental Health and Safety (EH&S) officer and is updated as part of the new chemical and reagent onboarding processes. Signage is posted in the laboratory spaces and appropriately labeled waste containers are readily available to ensure compliance with best disposal practices and regulations, and to protect laboratory personnel. Dedicated reviews of processes and corresponding working policies are put into place to minimize the quantities of hazardous waste generated.

We take measures to ensure that any discharges into wastewater do not pose an environmental risk. Wastewater effluent is studied on a weekly basis to ensure produced wastewater does not affect the sewers in our neighborhood or the Salt Lake City area in general. Effluent leaving the site as laboratory discharge is evaluated and disclosed to the city. We have also evaluated and submitted possible air pollutants and their concentrations leaving our facility to the city. All emissions fall well below regulatory thresholds. Recursion's facilities undergo an environmental assessment at least annually.

## Lab Recycling

Non-contaminated packaging or other items that can be recycled are done so using the company recycling program and separated for pickup by a third-party vendor. Packaging and materials purchased from Corning brand laboratory supplies are separated and returned to Corning's recycling partner as part of an industry-wide effort to decrease lab waste.





### Employee Training

Recursion believes that safety is a key foundation of our culture, and we believe that unified education and commitment across roles is fundamental to our mission. As such, laboratory employees and adjacent support groups are actively engaged in waste management practices.

Required training and education opportunities covering waste streams and waste management are part of the onboarding process to ensure safety is at the forefront of the introduction to the lab space. Documented trainings covering the Chemical Hygiene Plan, new reagent onboarding and waste management are required for laboratory personnel. In-person training with the EH&S department is part of the New Employee Onboarding Program for all lab-facing employees. We also provide periodic refresher trainings as policies are updated.

While Recursion is considered a low volume quantity waste generator, we still track waste metrics.

### Office Waste Management Programs

We collect and recycle appropriate materials generated in our office, including glass, plastics and paper products. Confidential paper materials are professionally shredded by an external vendor prior to being recycled, and cardboard is collected and stored for pickup and recycling. All battery types are collected after use and periodically sent to our third party for recycling. We also include containers at all of our printer stations where employees can bring in and deposit household dead batteries to be properly recycled.

Laboratory employees and adjacent support groups are actively engaged in waste management practices.

### 2021 Waste Metrics:

**1,876 lbs**

**HAZARDOUS WASTE DISPOSED**

approximately 1/3 of which was the result of a clean-up project to dispose of expired lab reagents.

In 2022, we will begin tracking metrics for non-hazardous waste generated from our labs.

**2,394 lbs**

**MIXED RECYCLABLES**

**1,434 lbs**

**GLASS RECYCLED**

**3,828 lbs**

**TOTAL WASTE RECYCLED**

including 2,394 lbs of mixed recyclables and 1,434 lbs of glass recyclables.



SECTION 5

# Governance and Responsible Business Practices

SECTION HIGHLIGHTS





# Board Independence and Diversity

Our Board possesses a wide array of experience and skills to guide the company effectively.

The Nominating and Corporate Governance Committee considers diversity in expertise, gender, race and ethnicity as part of the holistic evaluation of candidate profiles including broader evaluation of professional ethics and integrity, business acumen, proven achievement and competence in one's field relevant to the needs of guiding and governing Recursion's business.

Six of eight directors are classified as independent according to Nasdaq listing standards, including our Board Chair and members of our Audit, Nominating and Corporate Governance, Compensation and Corporate Social Responsibility committees.

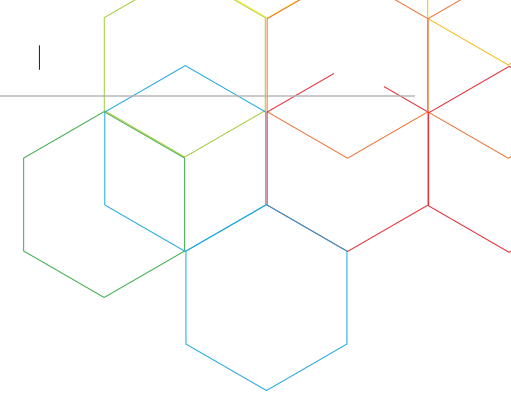
## Board Metrics



To learn more about our Board, please refer to our forthcoming proxy statement, which will be available on the Investor Relations section of our website.



# Business Ethics and Compliance



We uphold the highest levels of ethical conduct, guided by our Code of Business Conduct and Ethics, which helps promote a culture of integrity and accountability throughout the company. During the onboarding process, all new employees must sign an acknowledgment form confirming that they have read the Code and that they understand and agree to comply with its provisions.

## Compliance Program and Policies

We maintain specific policies related to legal and ethical standards so that Recursion ensures we operate with integrity, and guided by the law, internally and externally. These include Anti-Bribery and Anti-Corruption, Insider Trading, Whistleblower, Trade Secret and Confidentiality, External Communication and Investment policies.

Our [Global Anti-Bribery and Anti-Corruption Policy](#) is overseen by our Compliance Officer and requires annual reviews to confirm adequacy and effective implementation, as well as annual certifications from all team members attesting that they have read and understand the policy and agree to comply with it. All third-party representatives are also required to comply with the policy.

To ensure all employees can raise concerns free from harassment, discrimination or retaliation, we have adopted a [Whistleblower Policy](#) for receiving, investigating and retaining complaints. Employees can use our confidential and secure web portal or reporting hotline which are both available 24 hours per day, seven days per week, to anonymously report any concern including known or suspected violations of law or policy.

Reported violations are promptly and thoroughly investigated. As a general matter, the Board oversees investigations of potential violations by directors or executive officers, and the Compliance Officer oversees investigations of potential violations by other employees. Once complaints are logged, the Compliance Officer reports all material complaints promptly to the Chairperson of the Audit Committee of the Board. The

Compliance Officer also provides the full Audit Committee with a quarterly report of all received complaints and their investigations.

We also maintain a specific Insider Trading Policy with written acknowledgment of the policy required by all employees.

## Training

As part of our compliance program, we utilize a third-party platform to conduct annual employee training on topics such as anti-harassment, inappropriate conduct, intellectual property, responsible business communication, insider trading and data security. These trainings occur upon hire and annually thereafter. Our People team tracks completion percentages and follows up with any employees to ensure 100% participation.

In early 2022 we expanded our compliance staff by hiring a Senior Director of Compliance to bolster our systems, policies, and training programs. We also engaged with an external partner to implement a diagnostic compliance roadmap to identify and achieve best practices.



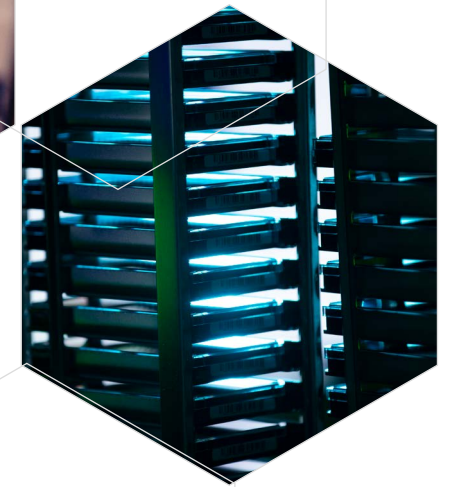
# Intellectual Property Protection & Competitive Behavior

We recognize the importance of intellectual property and protecting our own trade secrets and confidential information, while also respecting that of others.

We maintain a Trade Secret and Confidentiality Policy that details how employees should handle both Recursion's trade secrets and that of our partner companies, which includes a requirement of all employees to sign a confidentiality agreement during the interview process, during onboarding and upon exit. The Legal department also provides regular training to employees under our compliance program and framework.

We seek to protect our proprietary and intellectual property position by, among other methods, filing patent applications in the United States and abroad related to our proprietary

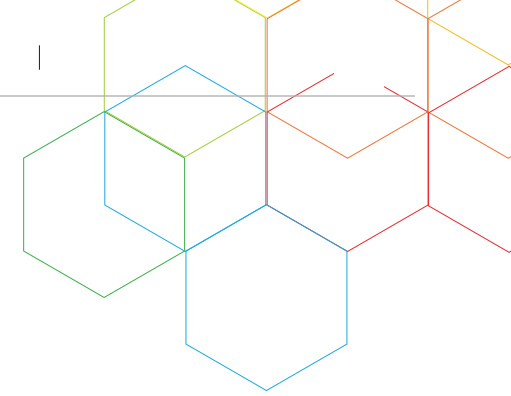
technology, inventions and improvements that are important to the development and implementation of our business. We also rely on trademarks, trade secrets, know-how, continuing technological innovation and potential in-licensing opportunities to develop and maintain our proprietary position. For more information on our management of intellectual property, please review our latest 10-K on the Investor Relations section of our website.





# Risk Management and Business Continuity

As Recursion continues to grow and scale, we manage the risk exposure of the organization strategically and in an integrated manner to ensure we can accomplish our objectives. We also use insurance as a risk management tool and have robust business interruption insurance.



## Risk & Compliance Committee

The Risk & Compliance committee was formed to identify and manage cross-enterprise risks and enhance risk response decisions holistically across the company's risk areas. Across nine key risk areas including intellectual property, information security and drug development risks, the committee is tasked with implementing and monitoring Recursion's risk management methodologies and processes. This includes the process to identify, measure, control or mitigate, treat, monitor, and report risk exposures.

Headed by the Chief Legal Officer and Chief Information Security Officer, the committee meets twice a month to review progress against the scope and finalized objectives of the committee.

## Business Continuity

In 2022 we are formalizing our disaster recovery and continuity plan for critical systems to identify intricacies and any potential fail points of the systems. We aim to simulate a response by running tabletop exercises and other mechanisms to ensure continuity of our platform and operating system.

We take many factors into consideration to ensure we can keep our systems up and running during a potential incident or interruption. Most of our data is stored in the cloud, but we run periodic testing of hardware infrastructure as part of our business continuity framework.

In 2022 we are formalizing our disaster recovery and continuity plan for critical systems to identify intricacies and any potential fail points of the systems.





# Data Security & Customer Privacy

Recursion is committed to maintaining robust oversight and controls of cybersecurity and patient privacy systems.

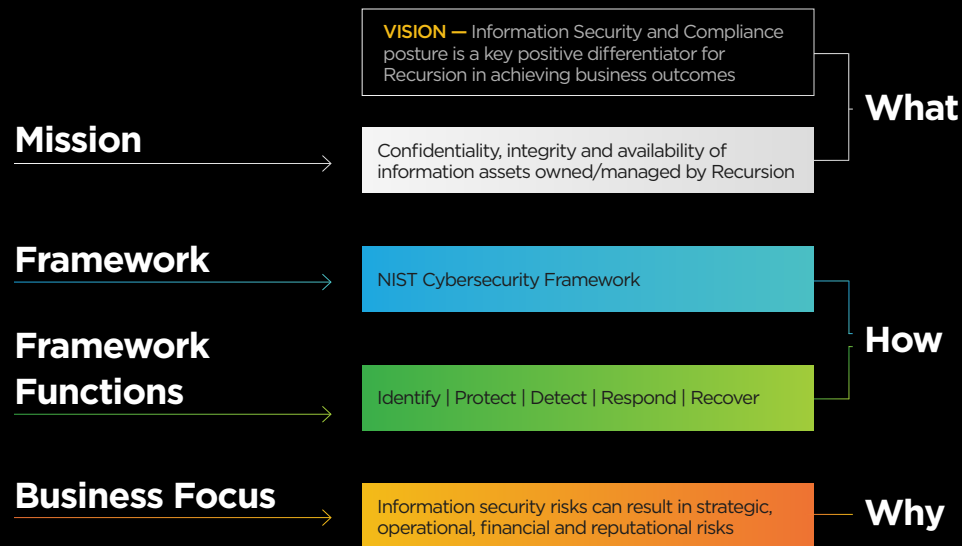
## Audit Committee

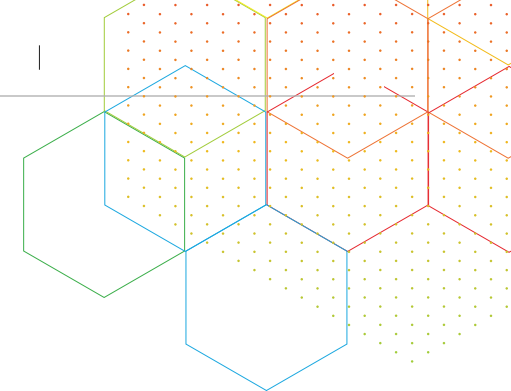
The Audit Committee of the Board is responsible for the company's cybersecurity and other information technology risks and reviews these risks, controls, and procedures quarterly. Our Chief Information Security Officer provides a report on data security metrics and updates to the Audit Committee on a quarterly basis.

## Information Security Program

We view a strong Information Security and Compliance program as a key positive differentiator in achieving business outcomes. Our operating model to govern the function of information security follows the National Institute

of Standards and Technology (NIST) Cybersecurity Framework. The NIST framework helps us assess information security posture, implement capabilities, and measure our progress.





All new hires are required to go through Information Technology and Security trainings conducted by the Security Director upon onboarding which includes an overview of systems and proper usage, VPN solutions, phishing simulations, and physical security aspects vital to the ongoing security of Recursion operations. We conduct additional cybersecurity trainings for all employees annually thereafter.

A proactive Information Security program enables the organization to keep pace with the evolving information security risk landscape. Recursion has outlined a multi-year program roadmap in which we plan to bolster our existing program with clear policy and procedure implementations, risk identification and action planning, and continued third party audits and testing of critical systems.

### Key Elements of Our Information Security Program

#### Strategic Governance

DECISION-MAKING, EXECUTION, OVERSIGHT AND COMPLIANCE WITH REGULATORY OBLIGATIONS (E.G. SEC, SOX, GDPR, AND HIPAA REGULATION)

#### Framework

PROCESS AND TECHNICAL CAPABILITIES TO MATCH THE DESIRED OUTCOMES

#### Risk-Based Approach

IDENTIFICATION AND PRIORITIZATION OF TOP RISKS

#### Metrics & Reporting

PROGRESS MEASUREMENT AND REPORTING

#### Incident Management

We have several processes and procedures that guide incident management, laid out in our Cybersecurity Incident Response Plan (SIRP). The SIRP outlines expected actions to be taken in the event of a suspected Cybersecurity Incident. The security and availability of data, networks, systems and other resources are vitally important to the operation of Recursion, and a swift and complete response to any such event is necessary in order to maintain confidentiality, integrity and availability. The SIRP is designed to help Recursion respond appropriately to any Cybersecurity Event, comply promptly with its legal obligations, mitigate the impact of a Cybersecurity Incident, and reduce the risk of a Cybersecurity Incident causing harm to individuals, business partners and Recursion's reputation and finances. The plan details event classification, escalation steps, detection and analysis, containment and recovery and post-incident activities. We hold regular tabletop exercises with technical and executive teams to practice our response procedures and improve them. Our 2020 tabletop exercise, for example, simulated an insider threat scenario that resulted in controls being prioritized and implemented.

All Recursion employees are empowered and expected to report any incidents of compromised systems or processes through the appropriate channels outlined via internal policy.

#### Privacy

Recursion complies with all applicable U.S. state and federal laws and ex-U.S. privacy laws. Our Privacy Policy sets out general privacy compliance guidelines and the process for obtaining required approvals. The policy applies to all Recursion personnel, regardless of location, position and whether they are permanent, temporary, contractors, consultants, interns or secondees. At Recursion, we expect all employees to be respectful and protective of personal information gathered in the course of business, treat it lawfully, explain the intended use of the information whenever possible, and limit requests to the minimum amount required for the business purpose. The Privacy Policy is maintained by our Chief Legal Officer.

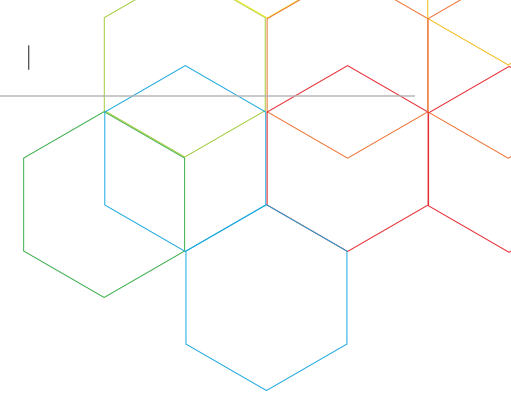


SECTION 6

# Frameworks and Standards

SECTION HIGHLIGHTS

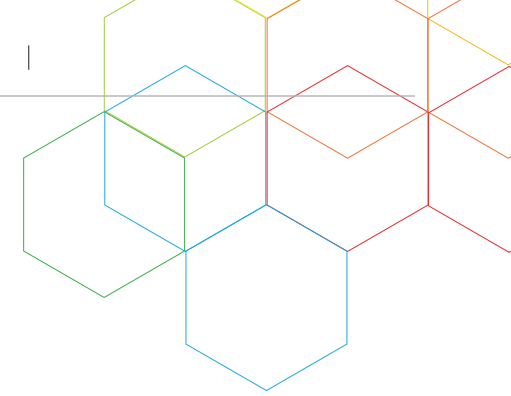




# United Nations Sustainable Development Goals

In 2015, the United Nations developed 17 Sustainable Development Goals (SDGs) with the aim of achieving a more sustainable future for the world. Six SDGs in particular align to our ESG priorities and are outlined below. This table references sections of this report related to each goal.

| Goal                                                                                                                                        | Description                                                                                                          | Alignment to Recursion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Report Section                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
|  <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>                | Ensure healthy lives and promote well-being for all at all ages                                                      | <ul style="list-style-type: none"> <li>• Core mission: Decode biology to radically improve lives</li> <li>• Leveraging technology to build the world's largest biological dataset, enabling us to improve the scale and efficiency of drug discovery</li> <li>• Public data sharing (RXRX1, RXRX19, etc.)</li> <li>• Recursion Foundation to broadly enable philanthropic, scientifically-driven social impact</li> </ul>                                                                                                                                                                              | Commitment to Patients                                             |
|  <p><b>5</b> GENDER EQUALITY</p>                           | Achieve gender equality and empower all women and girls                                                              | <ul style="list-style-type: none"> <li>• DEI efforts and progress, including our Inclusion Council, diverse and inclusive hiring practices, Parity Pledge, commitment to equitable compensation, and several others.</li> <li>• Recruitment, retention and development of women leaders at all levels</li> <li>• Onsite childcare center to support working parents and address one of the greatest barriers in the pursuit of an equal and equitable society</li> </ul>                                                                                                                               | Diversity, Equity, Inclusion & Belonging                           |
|  <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>          | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | <ul style="list-style-type: none"> <li>• Fast-growing company capitalizing on technological innovations and employing high tech and advanced degree workers</li> <li>• Altitude Labs — focus on underrepresented entrepreneurs</li> <li>• BioHive — attracting and empowering more companies and entrepreneurs to start and grow in Utah</li> </ul>                                                                                                                                                                                                                                                    | Employee Recruitment, Development & Training, Community Engagement |
|  <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> | Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation            | <ul style="list-style-type: none"> <li>• Industrialization of drug discovery through the continued interdisciplinary integration of broad technologies across biology, chemistry, automation, and computation</li> <li>• Commitment to investing in novel scientific innovations like Recursion's maps of biology and inferential search techniques</li> <li>• Majority (75%) of employees work in R&amp;D and are balanced between life scientists and computational and technical experts — highlighting confluence of biology, chemistry, and technology to industrialize drug discovery</li> </ul> | Employee Recruitment, Development & Training                       |
|  <p><b>10</b> REDUCED INEQUALITIES</p>                   | Reduce inequality within and among countries                                                                         | <ul style="list-style-type: none"> <li>• DEI efforts and progress, specifically those focused on promoting equity for underrepresented racial and ethnic minorities.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                        | Diversity, Equity, Inclusion & Belonging                           |
|  <p><b>13</b> CLIMATE ACTION</p>                         | Take urgent action to combat climate change and its impacts                                                          | <ul style="list-style-type: none"> <li>• Commitment to achieving net-zero greenhouse gas emissions by 2030</li> <li>• Investments in renewable energy sources and net-zero greenhouse gas data centers</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                      | Environment                                                        |



# Sustainability Accounting Standards Board (SASB)

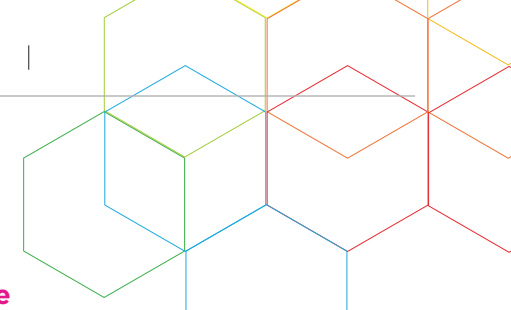
## Biotechnology and Pharmaceuticals

| Topic                                        | Accounting Metric                                                                                                                                                                                        | SASB Code    | Comments                                                                                                                                                                                                                                                              | Location in Report                                   |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
|                                              | Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials                                                                                        | HC-BP-210a.1 |                                                                                                                                                                                                                                                                       |                                                      |
| <b>Safety of Clinical Trial Participants</b> | Number of FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in: (1) Voluntary Action Indicated (VAI) and (2) Official Action Indicated (OAI)              | HC-BP-210a.2 | Recursion has not had any FDA Sponsor Inspections related to clinical trial management and pharmacovigilance that resulted in VAI/OAI as of year-end 2021.                                                                                                            | Safety of Clinical Trials                            |
|                                              | Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries                                                                                 | HC-BP-210a.3 | Recursion does not have any legal proceedings associated with clinical trials in developing countries. Please refer to Clinical Trial Safety section of the report for more information about how Recursion ensures the safety and ethical design of clinical trials. |                                                      |
| <b>Access to Medicines</b>                   | Description of actions and initiatives to promote access to health care products for priority diseases and in priority countries as defined by the Access to Medicine Index                              | HC-BP-240a.1 |                                                                                                                                                                                                                                                                       | Access to Medicines & Social Impact                  |
|                                              | List of products on the WHO List of Prequalified Medicinal Products as part of its Prequalification of Medicines Programme (PQP)                                                                         | HC-BP-240a.2 | Recursion does not have these data because we are a clinical-stage company.                                                                                                                                                                                           |                                                      |
| <b>Affordability &amp; Pricing</b>           | Number of settlements of Abbreviated New Drug Application (ANDA) litigation that involved payments and/or provisions to delay bringing an authorized generic product to market for a defined time period | HC-BP-240b.1 |                                                                                                                                                                                                                                                                       | Affordability & Pricing/ Not Applicable to Recursion |
|                                              | Percentage change in: (1) average list price and (2) average net price across U.S. product portfolio compared to previous year                                                                           | HC-BP-240b.2 | Recursion does not have anything to report because we are a clinical-stage company.                                                                                                                                                                                   |                                                      |
|                                              | Percentage change in: (1) list price and (2) net price of product with largest increase compared to previous year                                                                                        | HC-BP-240b.3 |                                                                                                                                                                                                                                                                       |                                                      |



## Biotechnology and Pharmaceuticals (continued)

| Topic                                                    | Accounting Metric                                                                                                                                                                                                                                                | SASB Code    | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Location in Report                            |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>Drug Safety</b>                                       | List of products listed in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database                                                                                                                                   | HC-BP-250a.1 | Recursion does not have anything to report because we are a clinical-stage company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Drug Safety & Quality and Counterfeit Drugs   |
|                                                          | Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System                                                                                                                                                              | HC-BP-250a.2 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               |
|                                                          | Number of recalls issued, total units recalled                                                                                                                                                                                                                   | HC-BP-250a.3 | Recursion has not had any recalls issued as of year-end 2021.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                               |
|                                                          | Total amount of product accepted for take-back, reuse, or disposal                                                                                                                                                                                               | HC-BP-250a.4 | Recursion does not have anything to report because we are a clinical-stage company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                               |
|                                                          | Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type                                                                                                                                        | HC-BP-250a.5 | Recursion has not had any FDA enforcement actions taken in response to violations of current Good Manufacturing Practices as of year-end 2021.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                               |
| <b>Counterfeit Drugs</b>                                 | Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting                                                                                                                         | HC-BP-260a.1 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Drug Safety & Quality and Counterfeit Drugs   |
|                                                          | Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products                                                                                                                              | HC-BP-260a.2 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               |
|                                                          | Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products                                                                                                                                         | HC-BP-260a.3 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               |
| <b>Ethical Marketing</b>                                 | Total amount of monetary losses as a result of legal proceedings associated with false marketing claims                                                                                                                                                          | HC-BP-270a.1 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Not Applicable to Recursion                   |
|                                                          | Description of code of ethics governing promotion of off-label use of products                                                                                                                                                                                   | HC-BP-270a.2 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               |
| <b>Employee Recruitment, Development &amp; Retention</b> | Discussion of talent recruitment and retention efforts for scientists and research and development personnel                                                                                                                                                     | HC-BP-330a.1 | We employ a targeted approach to identify, attract, and hire employees across highly-technical scientific disciplines including: biology, chemistry, data science, machine learning, engineering, robotics, clinical development, and more. Our efforts are spearheaded by an experienced internal recruiting team and supplemented by specialized external recruiting partners who act as subject matter experts to recruit in-demand talent.<br><br>Recursionauts join because of our mission, science, technology, and culture. They are eager to apply their knowledge to solving meaningful problems and to do the most impactful work of their careers. We have employed creative means to identify and recruit some of the brightest minds including a machine learning competition based on the release of our public dataset, RxRx1, that we hosted in affiliation with NeurIPS, a premier AI conference. We also leverage social media, scientific job posting boards, and referrals. | Employee Recruitment, Development, & Training |
|                                                          | (1) Voluntary and (2) involuntary turnover rate for: (a) executives/senior managers, (b) mid-level managers, (c) professionals, and (d) all others                                                                                                               | HC-BP-330a.2 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               |
| <b>Supply Chain Management</b>                           | Percentage of (1) entity's facilities and (2) Tier I suppliers' facilities participating in the Rx-360 International Pharmaceutical Supply Chain Consortium audit program or equivalent third-party audit programs for integrity of supply chain and ingredients | HC-BP-430a.1 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Supply Chain Management                       |
| <b>Business Ethics</b>                                   | Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery                                                                                                                                                          | HC-BP-510a.1 | Recursion has not had any monetary losses as a result of legal proceedings associated with corruption and bribery as of year-end 2021.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Business Ethics and Compliance                |
|                                                          | Description of code of ethics governing interactions with health care professionals                                                                                                                                                                              | HC-BP-510a.2 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               |



## Activity Metrics

| Activity Metric                                                                   | Category     | Unit of Measure | SASB Code   |
|-----------------------------------------------------------------------------------|--------------|-----------------|-------------|
| Number of patients treated                                                        | Quantitative | Number          | HC-BP-000.A |
| Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3) | Quantitative | Number          | HC-BP-000.B |

## Software & IT Services

| Topic                                                                       | Accounting Metric                                                                                                                                        | SASB Code    | Location in Report                                      |
|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------------------------------------|
| <b>Environmental Footprint of Hardware Infrastructure</b>                   | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable                                                                     | TC-SI-130a.1 |                                                         |
|                                                                             | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress                     | TC-SI-130a.2 | Environmental Footprint of Hybrid Cloud Computing       |
|                                                                             | Discussion of the integration of environmental considerations into strategic planning for data center needs                                              | TC-SI-130a.3 |                                                         |
| <b>Data Privacy &amp; Freedom of Expression</b>                             | Description of policies and practices relating to behavioral advertising and user privacy                                                                | TC-SI-220a.1 |                                                         |
|                                                                             | Number of users whose information is used for secondary purposes                                                                                         | TC-SI-220a.2 |                                                         |
|                                                                             | Total amount of monetary losses as a result of legal proceedings associated with user privacy                                                            | TC-SI-220a.3 | Data Security & Customer Privacy                        |
|                                                                             | (1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure | TC-SI-220a.4 |                                                         |
|                                                                             | List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring               | TC-SI-220a.5 |                                                         |
| <b>Data Security</b>                                                        | (1) Number of data breaches, (2) percentage involving personally identifiable information(PII), (3) number of users affected                             | TC-SI-230a.1 | Data Security & Customer Privacy                        |
|                                                                             | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards                          | TC-SI-230a.2 |                                                         |
| <b>Recruiting &amp; Managing a Global, Diverse, &amp; Skilled Workforce</b> | Percentage of employees that are (1) foreign nationals and (2) located offshore                                                                          | TC-SI-330a.1 |                                                         |
|                                                                             | Employee engagement as a percentage                                                                                                                      | TC-SI-330a.2 | Diversity, Equity, Inclusion & Belonging                |
|                                                                             | Percentage of gender and racial/ethnic group representation for (1) management, (2)technical staff, and (3) all other employees                          | TC-SI-330a.3 |                                                         |
| <b>Intellectual Property Protection &amp; Competitive Behavior</b>          | Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations                                   | TC-SI-520a.1 | Intellectual Property Protection & Competitive Behavior |
| <b>Managing Systemic Risks from Technology Disruptions</b>                  | Number of (1) performance issues and (2) service disruptions; (3) total customer downtime                                                                | TC-SI-550a.1 | Risk Management and Business Continuity                 |
|                                                                             | Description of business continuity risks related to disruptions of operations                                                                            | TC-SI-550a.2 |                                                         |

