

ASX Release

8 June 2022

AROVELLA THERAPEUTICS ADOPTS WEF FRAMEWORK FOR ESG REPORTING**Highlights**

- Arovella presents its first Environmental Social Governance (ESG) Report
- ESG disclosures are aligned with the World Economic Forum Stakeholder Capitalism ESG Framework
- ESG considerations better identify material risks and growth potential and will lead to better-informed decisions and business outcomes

MELBOURNE, AUSTRALIA 8 June 2022: Arovella Therapeutics Ltd (ASX: ALA), a biotechnology company focused on developing its invariant Natural Killer T (iNKT) cell platform and its oral spray delivery technology to treat cancer and conditions that affect the central nervous system, is pleased to present its first Environmental Social Governance (ESG) Report (also known as the ‘Sustainability Report’). The Report responds to the 21 core metrics identified by the World Economic Forum (WEF) in its stakeholder capitalism framework¹.

CEO and MD Dr Michael Baker commented:

“Arovella is committed to building legitimate Environmental, Social, and Governance (ESG) credentials. We have commenced ESG reporting as a tangible step in our ESG journey.

We greatly value ESG considerations as they enable us to better identify material risks and growth potential, leading to better-informed decisions and business outcomes. Equally, our commitment to ESG creates a consistent and measurable approach that helps us contribute to building a more prosperous and fulfilled society and a more sustainable relationship with our planet.

At Arovella, we see the creation of life-changing therapeutics as an important contributor to society and to bettering the world around us. Concurrently, it is important to us that we are working towards our goals in a way that is inclusive and environmentally friendly. We are excited to have begun reporting on our ESG journey.”

STARTING ESG REPORTING

Arovella is charting a course to build resilience and enhance its social licence through a greater commitment to long-term, sustainable value creation that embraces the wider demands of people, planet and shared prosperity.

UNIVERSAL ESG METRICS

Arovella has commenced ESG reporting by making disclosures against the World Economic Forum (WEF) Stakeholder Capitalism framework. The WEF framework is a set of common metrics for

¹ www3.weforum.org/docs/WEF_IBC_Measuring_Stakeholder_Capitalism_Report_2020.pdf

sustainable value creation captured in 21 core ESG disclosures. The Board of Arovella has resolved to use this universal ESG framework to align mainstream reporting on performance against ESG indicators.

As one example, the WEF framework highlights that we have assembled a very diverse team, in gender and culture.

Arovella has adopted the WEF Stakeholder Capitalism Metrics as the most appropriate ESG disclosure framework to start its ESG journey. The Stakeholder Capitalism framework leverages a variety of existing frameworks and is intentionally built to be a steppingstone to begin building capacity and capability in ESG reporting. The WEF framework is organised into four 'pillars' of Governance, Planet, People and Prosperity. The metrics cover core ESG matters of governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and tax payments.

By including ESG metrics in mainstream reporting and integrating them into governance, business strategy, and performance management process, Arovella sets out to demonstrate that it diligently considers all pertinent risks and opportunities in running its business. Arovella will demonstrate ongoing commitment to ESG by sharing its progress toward ESG disclosures in annual updates in combination with making disclosures transparently available in the public domain.

STANDARDISED DISCLOSURE TECHNOLOGY

To help Arovella measure, monitor, and report on its ESG disclosure progress, the Company has engaged impact monitoring technology platform Socialsuite to streamline the disclosure and ongoing ESG reporting process. The Company's goal is to demonstrate commitment and progress on making ESG disclosures and, more broadly, to progress on a range of core and expanded ESG metrics.

For and on behalf of the Board and for further information, please contact:

Dr Michael Baker
Chief Executive Officer & Managing Director
Arovella Therapeutics Ltd
Tel +61 (0) 403 468 187
mbaker@arovella.com

NOTES TO EDITORS:**About Arovella Therapeutics Ltd**

Arovella Therapeutics Ltd (ASX: ALA) is a biotechnology company focused on developing therapies to treat human disease. Arovella's two focus areas are oncology and conditions that impact the central nervous system. Arovella is developing its invariant natural killer T (iNKT) cell therapy platform from Imperial College London to treat blood cancers. Arovella is also developing its DKK1-peptide targeting technology licenced from MD Anderson to be used in conjunction with its iNKT cell therapy platform. The Company is developing low-risk oral sprays to reformulate existing pharmaceuticals. The potential benefits of administering drugs through the oral mucosa (i.e. cheeks, tongue, gums and palate) include ease of use, lower dosage, reduced side effects and faster response time. Arovella's product pipeline includes an oral spray for the platelet-lowering drug anagrelide to treat metastatic disease in the background of high platelets, and ZolpiMist™, a first-in-class oral spray of zolpidem tartrate to treat short-term insomnia. ZolpiMist is approved by the FDA, TGA and the Ministry of Health (Chile) and is marketed in the USA. Arovella has rights to the product outside of the US and Canada. Other products in development include oral sprays to treat migraine headaches, motion sickness, and drug-resistant epilepsy.

For more information, visit www.arovella.com

About Socialsuite

Socialsuite is a leader in impact technology. Founded in 2014 in Melbourne, today it has offices in Australia, the United States, and Canada. Socialsuite's purpose is to help organizations show the change they are making. To do that, it develops and provides technology solutions to measure and manage social impact and ESG reporting. A progressive and influential customer base around the globe is using Socialsuite's impact technology to simplify the complexity of measuring social impact and disclosing ESG metrics.

This announcement contains certain statements which may constitute forward-looking statements or information ("forward-looking statements"), including statements regarding negotiations with third parties and regulatory approvals. These forward-looking statements are based on certain key expectations and assumptions, including assumptions regarding actions of third parties and financial terms. These factors and assumptions are based upon currently available information and the forward-looking statements contained herein speak only as of the date hereof. Although the expectations and assumptions reflected in the forward-looking statements are reasonable in the view of the Company's directors and management, reliance should not be placed on such statements as there is no assurance that they will prove correct. This is because forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. These risks include, but are not limited to: uncertainties and other factors that are beyond the control of the Company; global economic conditions; risk associated with foreign currencies; and risk associated with securities market volatility. The Company assumes no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements, except as required by Australian securities laws and ASX Listing Rules.



ENVIRONMENTAL
SOCIAL GOVERNANCE

Disclosure Report

Baseline ESG report (8 June 2022)

Arovela Therapeutics Limited
ABN 35 090 987 250

www.arovella.com
ASX: ALA

Environmental, Social, and Governance (ESG)

Arovella Therapeutics ("ALA" or the "Company") is committed to the principles of ESG as the most effective means of creating long-term enterprise value and addressing the societal priorities enshrined in the United Nations' Sustainable Development Goals. In July 2021, we made a commitment to commence reporting on the Environmental, Social, and Governance (ESG) disclosures of the Stakeholder Capitalism Metrics (SCM) of the World Economic Forum (WEF).

We are in the process of making ESG disclosures in the form of a set of universal, comparable ESG metrics focused on people, planet, prosperity and principles of governance that organisations can report on regardless of industry or region. This table represents our reporting against the 21 core metrics, being reviewed quarterly and updated periodically.

We use this universal ESG framework to align our mainstream reporting on performance against ESG indicators. By integrating ESG metrics into our governance, business strategy, and performance management process, we diligently consider all pertinent risks and opportunities in running our business. We continue to look for opportunities for further transparency on the topics which are material to our business.

To track our disclosure progress and demonstrate our sustainability performance against the WEF SCM framework we utilise Socialsuite's ESG Go disclosure platform. ESG Go enables us to demonstrate our ongoing commitment to ESG by providing a dedicated solution to track, report, and share our ESG disclosures. With ESG Go we have started the journey of building robust ESG credentials.

Governance

SETTING PURPOSE

Arovella is developing unique therapies to help people live longer and healthier lives.

GOVERNANCE BODY COMPOSITION

The Company is governed by its Board of Directors and Committees of the Board.

Full details of the directors expertise and experience, tenure, committee roles, meeting attendance, other significant positions and commitments and remuneration are set out in the Annual Report (refer link below).

The role of the Board, its committees and the directors skills and experience is expanded further in the Annual Corporate Governance Statement and Appendix 4G Key to Disclosures relating to ASX Corporate Governance Council Principles and Recommendations.

SEE ALSO:

[Leadership Team](#)

[Annual Report](#)

[Corporate Governance](#)

MATERIAL ISSUES IMPACTING STAKEHOLDERS

The Company is reviewing stakeholder mapping for disclosure in a future ESG report.

ANTI-CORRUPTION PRACTICES

The Company is committed to the highest standard of honesty and integrity. The Company's commitment to the highest ethical standards includes strict compliance with applicable anti-bribery and corruption laws in Australia and overseas, acting in an ethical manner and acting with honesty, integrity, fairness and respect.

This commitment is reflected in the statement of values of the Company, and the Company's Anti-Bribery and Anti-Corruption Policy (refer link below).

SEE ALSO:

[Anti-Bribery and Anti Corruption Policy](#)

RISK AND OPPORTUNITY OVERSIGHT

Integrating risk and opportunity into business process

The Board is committed to the identification, assessment and management of risk throughout the Company's business activities. The Board recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. The Company's Risk and Audit Committee reviews the Company's risk management framework annually to satisfy itself that it continues to be sound, as reported in the annual Corporate Governance Statement.

SEE ALSO:

[Corporate Governance Statement](#)

MECHANISMS TO PROTECT ETHICAL BEHAVIOUR

The Company is committed to the highest standards of honesty and ethical practices in all aspects of the Company's operations.

This is documented in the Company's Code of Conduct and supported by the Company's Whistleblower Policy (refer links below).

SEE ALSO:

[Code of Conduct](#)

[Whistle Blower Policy](#)

Planet

GHG EMISSIONS

The Company does not consider GHG emissions to be a material stakeholder capitalism metric at this time, due to its small workforce and limited office-space footprint .

LAND USE AND ECOLOGICAL SENSITIVITY

The Company does not consider land use and ecological sensitivity to be a material stakeholder capitalism metric at this time, as it operates from small offices in urban areas.

WATER CONSUMPTION

The Company does not consider water consumption to be a material stakeholder capitalism metric at this time, due to its small workforce and limited urban office-space footprint .

TCFD IMPLEMENTATION

The Company does not consider TCFD implementation to be a material stakeholder capitalism metric at this time, due to its small workforce and limited office-space footprint .

People

DIVERSITY AND INCLUSION

The Company recognises the benefits arising from employee, senior management and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, an individual's race, ethnicity, gender, sexual orientation, age, physical abilities, educational background, socioeconomic status, and religious, political or other beliefs.

SEE ALSO:

[Diversity Policy](#)

[Corporate Governance Statement](#)

HEALTH AND SAFETY

As a specialist biotechnology company, Arovella has effective workplace health and safety practices. The Company will report on health and safety statistics in a future ESG report. The Company has never reported a work-related fatality.

TRAINING PROVIDED

As a specialist biotechnology company with a small, highly educated and specialist team, training is not a material stakeholder capitalism metric for the Company. The Company supports individuals to maintain their continuing professional education and to remain up-to-date with developments in their respective fields of endeavour.

PAY EQUALITY

The Company pays men and women equally in like for like roles.

With only ten employees during the reporting period, the Company does not consider it worthwhile to perform further pay equity analysis at this time.

WAGE LEVEL

As a specialist biotechnology company with a small, highly educated and specialist team, wage parity is not a material stakeholder capitalism metric for the Company.

CHILD, FORCED OR COMPULSORY LABOUR

The Company considers child, forced and compulsory labour to be abhorrent. As a specialist biotechnology company with a small, highly educated and specialist team, the Company has no direct exposure to child, forced or compulsory labour. The Company is below the A\$100 million revenue threshold to report under the Modern Slavery Act in Australia.

Prosperity

RATE OF EMPLOYMENT

With less than fifteen employees during the reporting period, the Company does not consider it worthwhile to perform further employment analysis at this time.

TOTAL R&D EXPENSES

As a specialist biotechnology company, research is fundamental to the Company, and is comprehensively disclosed in the Annual Report.

SEE ALSO:

[Annual Report](#)

TOTAL TAX PAID

The Company reports income tax in its Annual Report.

SEE ALSO:

[Annual Report](#)

ECONOMIC CONTRIBUTION

As a specialist biotechnology company, economic contribution is not considered a material stakeholder capitalism metric. This will be reviewed as the Company grows.

SEE ALSO:

[Annual Report \(for economic value enenerated and distributed \(EVG&D\)\)](#)

FINANCIAL INVESTMENT CONTRIBUTION

The Company's Annual Report includes full disclosure of research, capital expenditures, depreciation and amortisation.

SEE ALSO:

[Annual Report](#)