



ArcUTIS[®]
BIOTHERAPEUTICS

2022 ESG Report



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About this report

This report is the first environmental, social, and governance (ESG) report for Arcutis Biotherapeutics Inc. (Arcutis), representing our progress to date, including metrics aligned with the International Financial Reporting Foundation’s (IFRS) Sustainability Accounting Standards Board (SASB) standard for the Biotechnology and Pharmaceuticals Industry and the United Nations Sustainable Development Goals (UN SDGs). This document covers the period Jan. 1, 2021, through Dec. 31, 2021, unless otherwise noted.





About Arcutis Biotherapeutics, Inc. (Arcutis)

Arcutis Biotherapeutics, Inc. (Nasdaq: ARQT) is a medical dermatology company that champions meaningful innovation to address the urgent needs of individuals living with immune-mediated dermatological diseases and conditions. With a passion for understanding what really matters to patients and healthcare providers, Arcutis leverages extensive dermatology development expertise to meaningfully advance the treatment of immune-mediated skin diseases.

This expertise, along with Arcutis' focus on biologically validated targets and its unique dermatology drug development platform, positions the company to fill the innovation gap in medical dermatology. Founded in 2016 by a leadership team with deep dermatology and commercialization experience—including 50+ FDA-approved products among them—Arcutis features seven dermatology clinicians on staff. In July 2022, Arcutis announced that the Food and Drug Administration (FDA) had approved the New Drug Application (NDA) for ZORYVE® (roflumilast) cream 0.3% for the treatment of plaque psoriasis, including intertriginous areas, in patients 12 years of age and older. This product is the first and only topical phosphodiesterase-4 (PDE4) inhibitor approved for the treatment of plaque psoriasis. Please see full Prescribing Information at [zoryve.com](https://www.zoryve.com).

For more information about Arcutis, visit www.arcutis.com.



Arcutis ESG Program

At Arcutis, we recognize our responsibility to serve people with unique dermatological needs, as well as caregivers, employees, partners, and the communities where we operate. We are passionate about doing better and pushing our industry forward for the benefit of all of our stakeholders. We have assembled a cross-functional ESG team and appointed an ESG leader, with ESG reporting into the Nominating and Governance Committee. The full board reviews sustainability disclosures. **Our first ESG report details the strategies and initiatives we have grown intentionally as a foundation for our ESG program that is aligned with our purpose, strategy, and operations.** As we scale our operations as a commercial-stage company, ESG will continue to be ingrained into our expansion. We are committed to reporting on our progress. We will continue to grow and innovate, ensuring all stakeholders that we will address our responsibility as a corporation with the same level of rigor that we devote to patients, caregivers, and the healthcare professionals (HCPs) that partner with us to overcome the most persistent challenges in dermatology.

Activity Metrics

Metric	Disclosure
Number of patients treated	As of the reporting period (2021), Arcutis did not have any commercially available products. Arcutis will consider providing more information on patients treated with commercially available products in future disclosure.
HC-BP-000.A	
Number of drugs (1) in portfolio and (2) in research and development (Phases 1-3)	Products in Phase 1-3 <ul style="list-style-type: none">• ARQ-151• ARQ-154• ARQ-252
HC-BP-000.B	Products that will have patients treated later in 2022 <ul style="list-style-type: none">• ARQ-255
	Products in portfolio but no patients treated <ul style="list-style-type: none">• ARQ-234



Our Approach to Patient Care

Clinical Trial Program

Meaningful innovation is at the heart of everything we do at Arcutis. We look to tackle the most persistent challenges in treating immune-mediated dermatological diseases and conditions. Our unique approach to dermatological product development has enabled Arcutis to advance a robust pipeline for a range of inflammatory skin conditions. At every step of the research and development (R&D) process, we are implementing best practices to ensure safety and quality care in everything we do.

Arcutis is committed to adhering to both domestic and international applicable laws, regulations, and guidelines. Clinical trials are governed by the International Conference on Harmonization (ICH) and the FDA's Good Clinical Practice guidelines. We maintain clinical trial compliance through processes, policies, and trainings. Our processes and practices are covered under either internal Standard Operating Procedures (SOPs), or those of our contracted partners, to ensure ethical standards are maintained.



Our SOPs for Clinical Trials Registration and Results Posting includes policies and procedures that apply to Arcutis employees and contracted partners who manage, oversee, and conduct regulated research on behalf of Arcutis.

Our SOPs cover the reporting, monitoring, and auditing of clinical research. We conduct regular training for both employees and contracted partners related to our products, services, and overall safety, as well as on the requirement to report adverse events. All training is recorded in an internal tracking system and monitored for completion on an ongoing basis.

For more information on our clinical trial practices, see [Our Approach to Clinical Trials](#).

Diversity in Clinical Trials

In the research, design, and manufacturing of our products, diversity of thought, experience, and background is essential for the creation of drugs that are effective, safe, and advantageous for individuals they are intended to treat. Our approach to forming clinical trial participant pools is no different.

Arcutis relies on diverse representation in clinical trials to ensure that data on responses to new treatments accurately represent all the populations that may receive care in the future.

To establish representative clinical trials, we recruit participants from a wide variety of geographic locations and intentionally host trials in areas with diverse demographic representation. Arcutis seeks to identify clinical trial investigators with diverse backgrounds and trains them to conduct trials to support the improvement of diversity in trial enrollment.

To continuously improve the trial process and ensure we are using best practices, we contact third parties and utilize comparative data analysis. Arcutis measures clinical trial participant demographics against U.S. Census data and reports results to senior management throughout the year. In the event that gaps are identified, senior management may implement process changes where relevant.

Throughout 2021, Arcutis brought in speakers to educate employees about industry leading insights on the power of representation in dermatological research, as well as key techniques for treatment of diverse skin types. Prioritizing continuing education on diversity in our operations and practices is integral for the future of our organization and our industry. We are committed to doing things differently because we believe that change is possible.

Arcutis has built a network of industry partners including HCPs, medical advisors, and organizations like the Skin of Color Society that provide essential perspectives on opportunities and techniques to increase diversity in our clinical operations. Our commitment to enhancing diversity in dermatology is apparent across our pipeline. For us, meaningful innovation demands that we face challenges head-on so we can make a difference in the lives of individuals.



Clinical Trial Quality and Safety

Discussion, by world region, of management process for ensuring quality and patient safety during clinical trials

HC-BP-210a.1

Arcutis R&D follows a quality manual which outlines our Quality Management System (QMS) including the formalized system of policies, procedures, and processes in place that comply with applicable laws, regulations, and standards related to Good Laboratory Practices (GLP), Good Clinical Practices (GCP), and Pharmacovigilance (PV) that ensure the controls surrounding the planning, conduct, analyses, and reporting of drug development results.

Well-designed policies, procedures, and processes ensure that quality standards are met, performance is monitored, staff are properly trained, errors are minimized, issues are reported, investigated and escalated, and corrective and preventive actions (CAPA) are implemented, as required. Procedural and process adjustments are made as necessary for efficiency and continuous improvement.

In addition, fit-for-purpose documentation processes are in place, which serve as the foundation for the QMS. R&D Quality Assurance conduct risk-based audits for each program and host regulatory inspections, as needed.

We have made a concerted effort to implement leading safety and quality processes and training to ensure that individuals receive the standard of care that they deserve. Clinical trial participants are compensated for time, travel, and out-of-pocket expenses associated with study visits.

Arcutis' safety protocols, aligned with industry-recognized frameworks and best practices, are in place to ensure that we are diligent, thoughtful, and patient-oriented in the development of essential dermatological treatments.

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

Ensuring the safety of our products and facilities is a core component of our operations. In 2021 there were no FDA-sponsored inspections related to clinical trial management and pharmacovigilance resulting in VAI or OAI.

Total amount of monetary losses as a result of legal proceedings associated with clinical trials in developing countries

HC-BP-210a.3

In 2021, Arcutis had no material monetary losses as a result of legal proceedings associated with clinical trials in developing countries. For more information see Arcutis' 2021 [10-K](#).





Arcutis Cares™

Advancing
access for all.

Access and Affordability

Access to Medicines

Description of actions and initiatives to promote access to healthcare products for priority diseases and in priority countries as defined by the Access to Medicine Index

HC-BP-240a.1

Arcutis is uniquely positioned in our industry to make momentous strides for individuals impacted by some of the most pressing dermatological conditions. Our product development platform, diverse research staff, and experienced scientific advisors give us a competitive edge and the tools necessary to achieve essential progress in addressing unmet patient needs. We are committed to meaningful innovations for the dermatology community.

We see patients and providers as our partners—not as data points. We’ve taken the time to collect feedback and understand the challenges they face. Creating solutions for gaps in patient access is an essential component in our ability to serve those in need of care. The Arcutis team advocates for patients and their needs, because what matters most to them, matters most to us.

We believe in pricing our therapies responsibly and have created programs to help individuals get access to the care they need.

In July 2022, ZORYVE® (roflumilast) cream 0.3%, Arcutis’ first commercial-stage product, was approved for use by the FDA. Our goal is to make ZORYVE affordable and accessible to maximize the number of patients who may benefit from this new treatment option as quickly as possible. Our pricing strategy for ZORYVE is simple—a responsible price that can help enable broad access that minimizes the prescriber burden and limits the number of payer restrictions. Notably, Arcutis has chosen to price ZORYVE nearly 40% lower than the average of the last five branded topical treatments launched.

In August of 2022, we began offering access and support programs, including our patient assistance program (PAP) for Arcutis’ medication.



The ZORYVE® Direct patient access support program is a key element for enabling commercially insured individuals with plaque psoriasis to get access to the care they need. The program helps both healthcare providers and their patients navigate the payer process, lowering eligible patients' out-of-pocket treatment costs and offering support opportunities to continue ZORYVE® (roflumilast) therapy.

The Arcutis Cares™ PAP provides ZORYVE at no cost to eligible uninsured or underinsured patients with financial need.*

Affordability and Pricing

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

Arcutis did not have any settlements of ANDA litigation that involved payments or provisions to delay bringing an authorized generic product to market for a defined time period. For more information see Arcutis' 2021 [10-K](#).

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

Arcutis' first commercially available product, ZORYVE, was approved as a New Drug Application (NDA) by the Food and Drug Administration (FDA) as of July 29, 2022. Prior to 2022, Arcutis did not have commercially available products to provide list-price disclosure.





Community Engagement

Arcutis' Community Engagement Strategy

We believe that being a good corporate citizen means being a good neighbor, supporting the communities where we live and work, supporting the patient communities we serve, and going the extra mile for individuals, their families, and our employees, in any way we can.

Arcutis is committed to being a steward of the communities where we operate. Each year we encourage employees to make time to volunteer with organizations they are passionate about. Employees are able to use time off to prioritize volunteer efforts and philanthropic initiatives. **In 2021, employee volunteer time totaled over 2,300 hours across more than 70 different organizations in their local neighborhoods.** Employee giving campaigns benefited local non-profits Casa Pacifica and Manna, whose respective efforts provide foster care support for children and food assistance to neighbors experiencing food insecurity.

Throughout 2021, Arcutis contributed more than \$100,000 to charitable and community organizations. We have built strong relationships with philanthropic organizations that benefit disadvantaged community members by ensuring that along with their health, they have safe, affordable housing and resources to support their well-being.

In 2021, Arcutis employees were able to return to in-person volunteer opportunities. We prioritized partnerships benefiting veteran outreach and community building. Arcutis employees worked with Habitat for Humanity to assist in building projects for veterans and their families. In July 2021, more than 100 Arcutis employees donated their time and built playhouses for military and veteran families in our community.

In 2022, Arcutis employees are continuing to support veteran communities through partnerships with Hives for Heroes, a national veterans non-profit organization supporting military personnel upon their transition from service. The organization provides returning veterans with the knowledge and skills to become beekeepers and connect with communities through the shared focus of bee conservation.





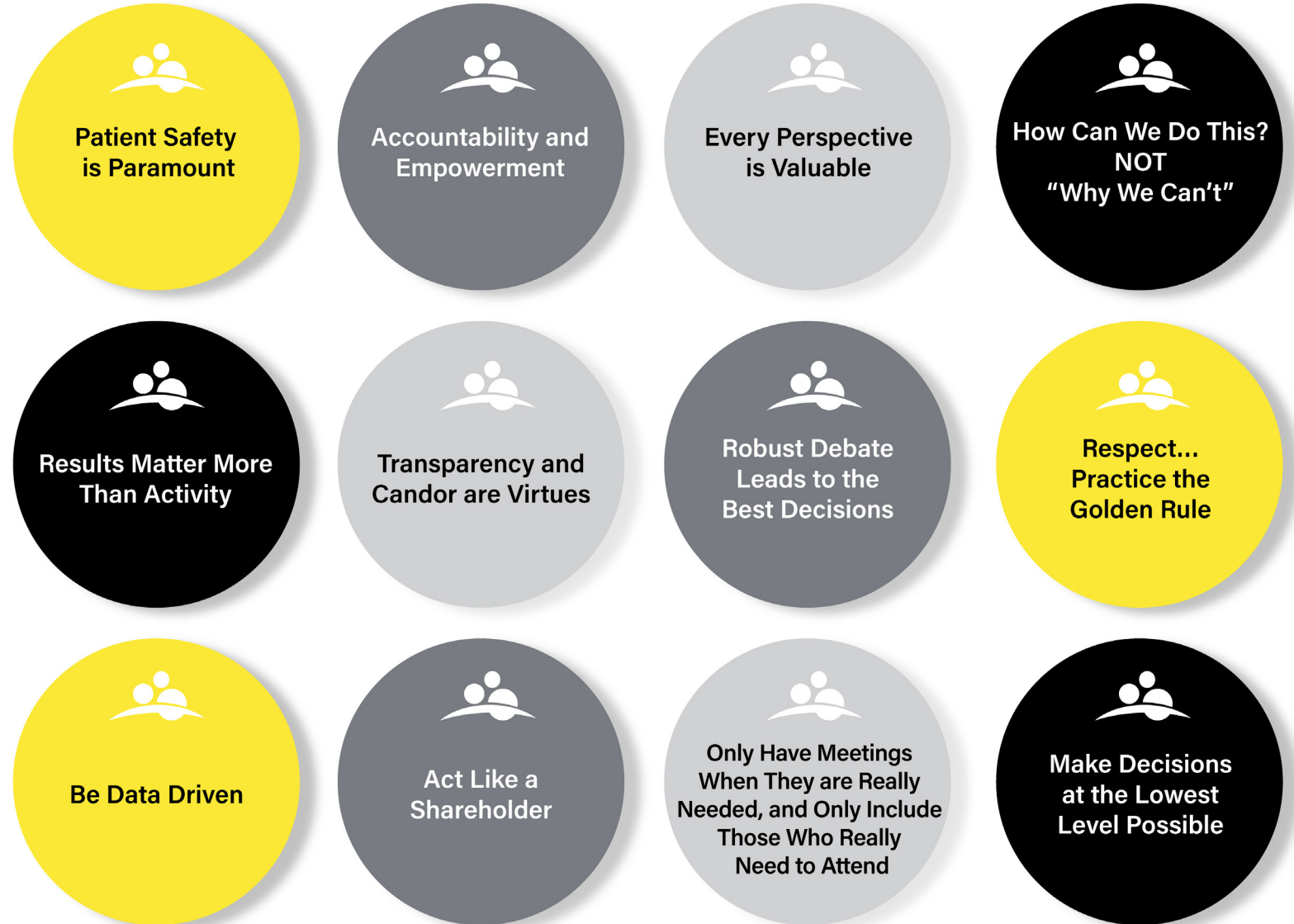
Human Capital Management

From its inception, Arcutis has invested in the development of a strong culture.

We have defined twelve operating principles that describe expectations of our team members; we constantly discuss these in staff meetings and all-company communications, highlight team members who demonstrate these principles, and recognize outstanding examples with awards.

We operate as a hybrid organization, allowing employees to work remotely while also providing in-person opportunities for connection. At Arcutis, we hold monthly all-staff meetings (either in person or virtual) that all team members are expected to attend, and when in person, we dedicate as much time during those meetings to unstructured relationship building as we do to official business. We also invest in an annual offsite company-wide retreat, where the major focus is on relationship building. We hold monthly social hours—which transitioned to Zoom during the pandemic. Although more than 60% of our staff joined since the beginning of COVID-19, we’ve been able to foster growing relationships between existing and new staff.

We believe in managing results, not people. At Arcutis, we’ve never required attendance in the office except for monthly all-staff meetings, nor have we specified work hours or limits on paid time off. Instead, we set very clear and measurable, mutually agreed-upon goals for each employee. We continuously track and measure progress against those goals and evaluate team members’ performances and calculate bonuses based on delivery against those goals. This approach has been incredibly effective at producing outstanding results on time or ahead of schedule throughout our corporate history.





Our twelve operating principles guide us in our actions, intentions, and strategic business decisions. Meaningful innovation is centered around thinking critically about how we can move our industry forward while empowering our people to solve the most pressing matters in medical dermatology.

Employee Engagement

At Arcutis, caring for people is in our DNA. We are committed to fostering a culture that prioritizes its people through engagement surveys and feedback mechanisms to ensure we incorporate the individual employee voice no matter the role or location. We conduct pulse engagement surveys twice each year as well as an annual Fortune's Best Places to Work® survey.

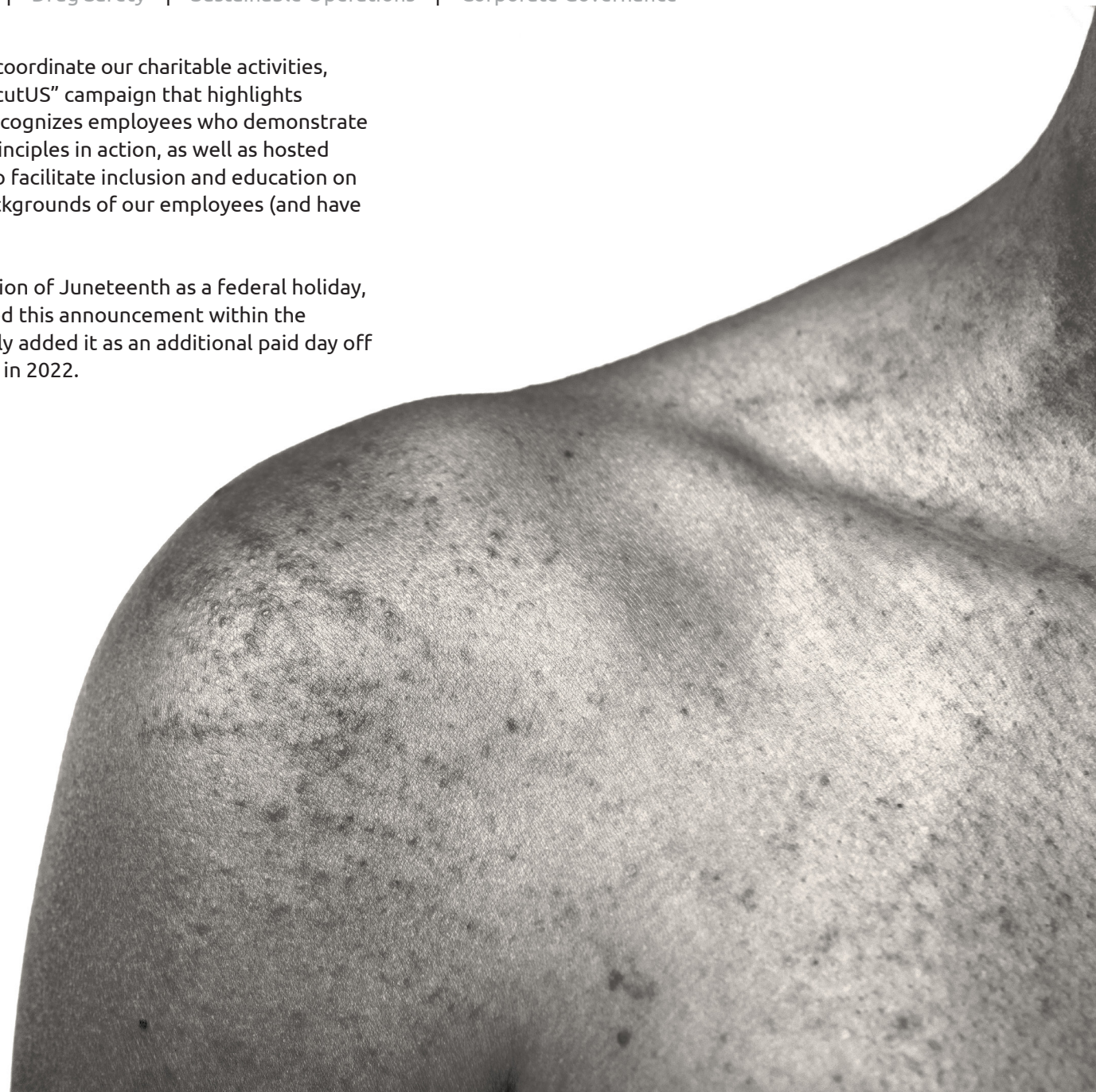
In 2021, Arcutis was named a Fortune's Best Place to Work in Biopharma™ and Fortune's Best Place to Work for Millennials™. **Based on the 2021 survey, 97% of employees at Arcutis say it is a great place to work compared to 57% of employees at a typical U.S.-based company, and 99% agree management is honest and ethical in its business practices.**

Feedback from surveys is reviewed and used to improve business practices. Two of Arcutis' four professional development programs, Intent-Based Leadership® and Colors® training, were created as a result of employee feedback in survey responses.

Surveys are also used as part of our Arcutis Culture Team to determine events and collaboration opportunities. Since 2020, the Arcutis Culture Team has been engaged to plan, coordinate, and communicate employee engagement opportunities. Our Arcutis Culture Team represents a cross-section of employees throughout various levels and functions to integrate and facilitate the education of our employees and provide opportunities to strengthen our employee community.

In 2021, this team helped coordinate our charitable activities, initiated a new "This is ArcutUS" campaign that highlights employee diversity and recognizes employees who demonstrate our internal values and principles in action, as well as hosted monthly cultural events to facilitate inclusion and education on different cultures and backgrounds of our employees (and have fun in the process).

In 2021, with the recognition of Juneteenth as a federal holiday, we immediately celebrated this announcement within the company and subsequently added it as an additional paid day off for all employees starting in 2022.





Developing Top Talent

Talent development (all workforce)

HC-BP-330a.1

Arcutis champions meaningful innovation, seeking to improve the standard of care for all. Without industry-leading talent across our operations, we would not be able to deliver on our promise. Engaging, recruiting, and retaining top talent in the medical dermatology space is vital to the continued growth of our organization and our ability to do more for our patients.

In 2021, we launched our professional development program with the mission of supporting continuous learning to enhance awareness, competence, performance, and innovation. This program focuses on three key objectives: grow, connect, and lead.





We utilize tools such as personal skills and interest inventories, Insights® Discovery workshops, and Intent-Based Leadership® workshops to support our workforce on their career paths. We have planned for over 95% of our employees to participate in both our Insights® Discovery and Intent-Based Leadership® workshops.

In addition to these company-wide professional development activities, Arcutis is also a corporate sponsor of the Healthcare Businesswomen's Association (HBA). We encourage and sponsor participation in the HBA, #IamRemarkable, HCL Technologies' Women Lead mentoring program, and Women in Biotech. Investing in organizations and opportunities to enhance representation across our operations makes us stronger. It is a key tool used to help us grow a network of leaders and innovators across our operations.

In order to align the activities of all employees to our corporate goals, each employee develops individual performance goals as part of our annual performance planning and review process. Managers conduct mid-year performance discussions with their

teams to review progress towards goals, obtain feedback from their employees, and ensure adequate resources are available to complete the goals. At the end of each year, managers conduct formal performance reviews of their staff.

Arcutis provides employees who regularly work 30+ hours per week a comprehensive benefits program that includes medical, dental, and vision insurance and an employee-friendly split of monthly premiums. **We have a broad-based equity program where everyone is a shareholder of the company.** Each employee receives a new-hire equity grant when they join the company, and they are also eligible to receive annual equity grants. We also sponsor a 401k program with company match, a flexible paid time off program, 12 paid holidays, and a generous employee stock purchase plan (ESPP).

To support employees in their wellness journeys, we provide monthly stipends towards fitness activities. Arcutis employees enjoy a flexible schedule, allowing for a combination of remote work and in-office networking opportunities as well as better opportunities to balance personal and work commitments.

We are intentional in our efforts to ensure our employees feel supported and excited to be a part of the Arcutis team every day.

In 2022, Arcutis is launching an annual pay equity analysis to ensure equitable compensation practices are utilized throughout our employee base.

Arcutis is committed to promoting high standards of ethical business conduct and compliance with applicable laws, rules, and regulations, as well as our Code of Conduct and Ethics. We also have a corporate Whistleblower and Complaint Policy, including a reporting hotline available to all employees 24/7 for confidential and anonymous reporting of any improper activities.

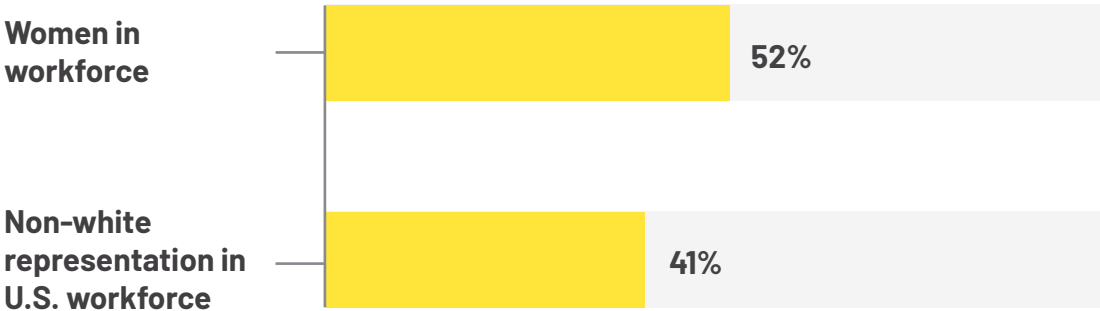
Workplace Safety

In 2021, Arcutis did not have any workplace injuries and/or lost time injury rates. In future reporting, Arcutis will consider disclosing more information about the scope of outsourced manufacturing and safety practices.

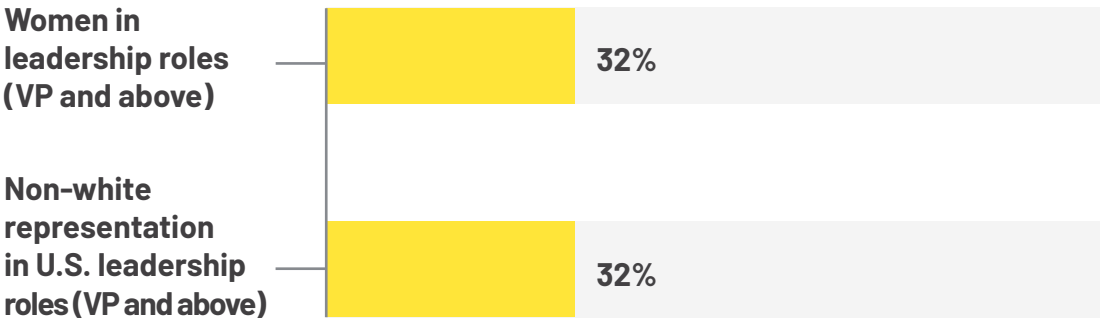


Acrutis Employee Data*

Workforce Demographics



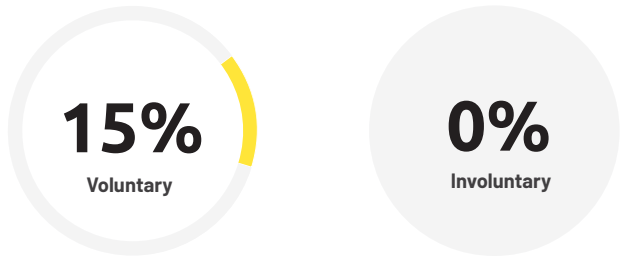
Leadership Demographics



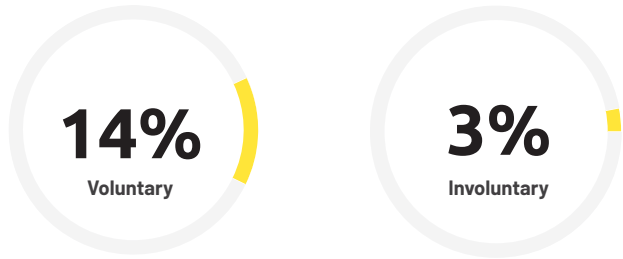
* As of December 2021

Turnover
HC-BP-330a.2

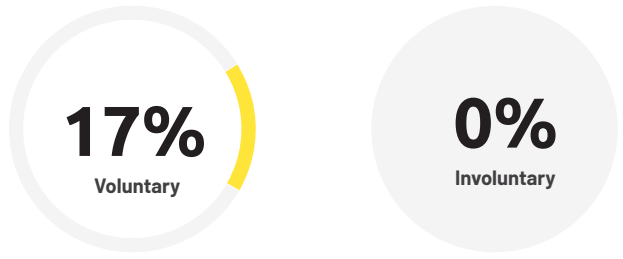
Executives/Senior Managers



Mid-level Managers



All Others





Drug Safety

Product Safety Strategy

Creating a culture of safety is our priority not only for the individuals we serve, but for our entire staff and the healthcare providers on the front lines of patient care. Patient Safety is Paramount is our first operating principle for a reason. Our Interactions with Healthcare Professionals and Patients Policy delineates the importance of reporting adverse events, product complaints, and other safety findings and refers to our SOP on the reporting thereof. 100% of Arcutis employees and contractors are annually trained on the reporting of adverse events. Our Chief Medical Officer, a board certified dermatologist, is the Chair of our Product Safety Team, which is responsible for identifying and investigating safety signals and other related topics. Our Patient Safety and Pharmacovigilance Team operates under procedures and work instructions that require annual training, including the generation of metrics that are reported to the Product Safety Team. We use a qualified vendor that is periodically audited to perform pharmacovigilance operations activities and maintain our safety database. At every step of the research and development process, across all of our disease focus areas and in every aspect of our operations, a culture of safety guides us to make meaningful innovation.

List of products in the Food and Drug Administration's (FDA) MedWatch Safety Alerts for Human Medical Products database *HC-BP-250a.1*

As of this reporting period, Arcutis did not have any products listed in the FDA's MedWatch Safety Alerts for Human Medical Products database.

Number of fatalities associated with products as reported in the FDA Adverse Event Reporting System *HC-BP-250a.2*

As of the reporting period, Arcutis did not have any fatalities associated with products as reported in the FDA Adverse Event Reporting System.

Number of recalls issued, total units recalled *HC-BP-250a.3*

In 2021, Arcutis had no product recalls issued. For more information see Arcutis' 2021 [10-K](#).

Total amount of product accepted for take-back, reuse, or disposal *HC-BP-250a.4*

In 2021, Arcutis had no product accepted for take-back, reuse, or disposal. For more information see Arcutis' 2021 [10-K](#).

Number of FDA enforcement actions taken in response to violations of current Good Manufacturing Practices (cGMP), by type *HC-BP-250a.5*

In 2021, Arcutis had no FDA enforcement actions taken in response to violations of current Good Manufacturing Practices. For more information see Arcutis' 2021 [10-K](#).



Counterfeit Drugs

Description of methods and technologies used to maintain traceability of products throughout the supply chain and prevent counterfeiting

HC-BP-260a.1

Arcutis uses robust supply chain inventory control measures across the entire end-to-end supply chain. Contract packaging organizations execute finished drug product packaging with access to legitimate printed packaging components. Contractors have inventory reconciliation requirements for each packaging project to ensure printed packaging components are not mishandled and potentially diverted and/or available for counterfeiting by a fraudulent third party. Product serialization is tracked through TraceLink systems to ensure quality and mitigate potential fraud risks.

Discussion of process for alerting customers and business partners of potential or known risks associated with counterfeit products

HC-BP-260a.2

We are committed to and will work exclusively with partners who comply with all aspects of the Drug Supply Chain Security Act (DSCSA). We diligently follow serialization requirements which are intended to deter supply chain partners from using illegal sources to gain access to illegitimate or counterfeit products.

Through the serialization process and the TraceLink system, Arcutis will be required to notify the FDA and partner organizations within 24 hours of confirmation of illegitimate or potentially illegitimate product.

Number of actions that led to raids, seizure, arrests, and/or filing of criminal charges related to counterfeit products

HC-BP-260a.3

In 2021, Arcutis had no actions that led to raids, seizure, arrests and/or filing of criminal charges related to counterfeit products. For more information see Arcutis' 2022 [10-K](#).





Supply Chain Management

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

In the reporting period ending in December 2021, Arcutis did not have any commercially available products in the market. As we scale operations as an early-commercial stage organization, we have implemented standard operating procedures detailing supplier expectations and internal-facing expectations for supplier communication and auditing.



Our internal quality manual details supplier classification and risk models that are used to analyze supplier operations and partnership viability. Arcutis requires suppliers to be qualified to an approved supplier list and maintains a GMP auditing program to ensure best practices in production, safety, and quality monitoring.

Ethical Business Practices

Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery

HC-BP-510a.1

Arcutis did not have material monetary losses as a result of legal proceedings associated with corruption or bribery. For information on material legal proceedings, please see the General Risk Factors section of Arcutis' 2021 [10-K](#).

Description of code of ethics governing interactions with healthcare professionals

HC-BP-510a.2

Arcutis maintains both a publicly available Code of Business Conduct and Ethics and an additional, internal policy specific to interactions with healthcare professionals. Arcutis' internal-facing policy on Interactions with Healthcare Professionals and Patients outlines expectations for ethical conduct for our employees and any entities we interact with in business operations. Expectations outlined in the policy define, but are not limited to the following topics: acceptable promotional practices, adverse events reporting, ethical and compliant interactions with HCPs, promotion, scientific exchange, and activities such as trade conferences, meals, and speaker programs.

Total amount of monetary losses as a result of legal proceedings associated with false marketing claims

HC-BP-270a.1

In 2021, there were no monetary losses resulting from proceedings associated with false marketing claims. For information on material legal proceedings, please see the General Risk Factors section of Arcutis' 2021 [10-K](#).

Description of code of ethics governing promotion of off-label use of products

HC-BP-270a.2

Along with our foundational Code of Business Conduct and Ethics, Arcutis' Policy on Interactions with Healthcare Professionals and Patients is the company's primary guide for ethical expectations related to external interactions, ethical conduct expectations, and appropriate marketing principles. Arcutis requires all employees to comply with local, state, and federal laws associated with product promotion. Our Chief Compliance Officer is responsible for monitoring corporate ethics expectations, and implementing appropriate policies to prevent improper promotion of products.

Data Security and Privacy Program

Arcutis prioritizes privacy and security across our organization by continuously monitoring system security and implementing best-in-class practices to ensure business continuity in all facets of operations. We have completed comprehensive security risk assessments across all of our systems, implementing suitable policies and procedures to identify risks and potential vulnerabilities across our operations.



Sustainable Operations

Arcutis recognizes our responsibility to be stewards of the environments where we operate. We collaborate with vendors who are environmentally conscious. Before initiating a partnership with a supplier, we evaluate them across several criteria; one of those is a commitment to sustainability with a dedicated program in place. We're proud to say 100% of our suppliers do meet this criteria.

We are proactive about choosing our product packaging. At Arcutis, we take pride in ensuring all our packaging is fully recyclable, including the carton and aluminum tubes. Aluminum can be recycled repeatedly into all sorts of consumer products. As we move to a commercial phase company, Arcutis is exploring opportunities where we can provide patients, caregivers, and healthcare providers with educational information on how to properly recycle these different types of packaging components. We're dedicated to doing our part as we expand our product portfolio and grow as a company.

Arcutis uses a hybrid in-office and work-from-home model. Our footprint is limited to one corporate office space that uses environmentally friendly practices to reduce our impact. Since Arcutis' founding in 2016, we have utilized digital tools to minimize printing and use of paper and facilitated remote work in our efforts to reduce carbon emissions. We use reusable containers and utensils in our breakrooms and do not offer water in plastic bottles. All office waste is sorted and appropriate materials are recycled. At our corporate office, we use motion-sensitive lights, low-flow water fixtures, and LED lighting and have electric vehicle charging stations available.

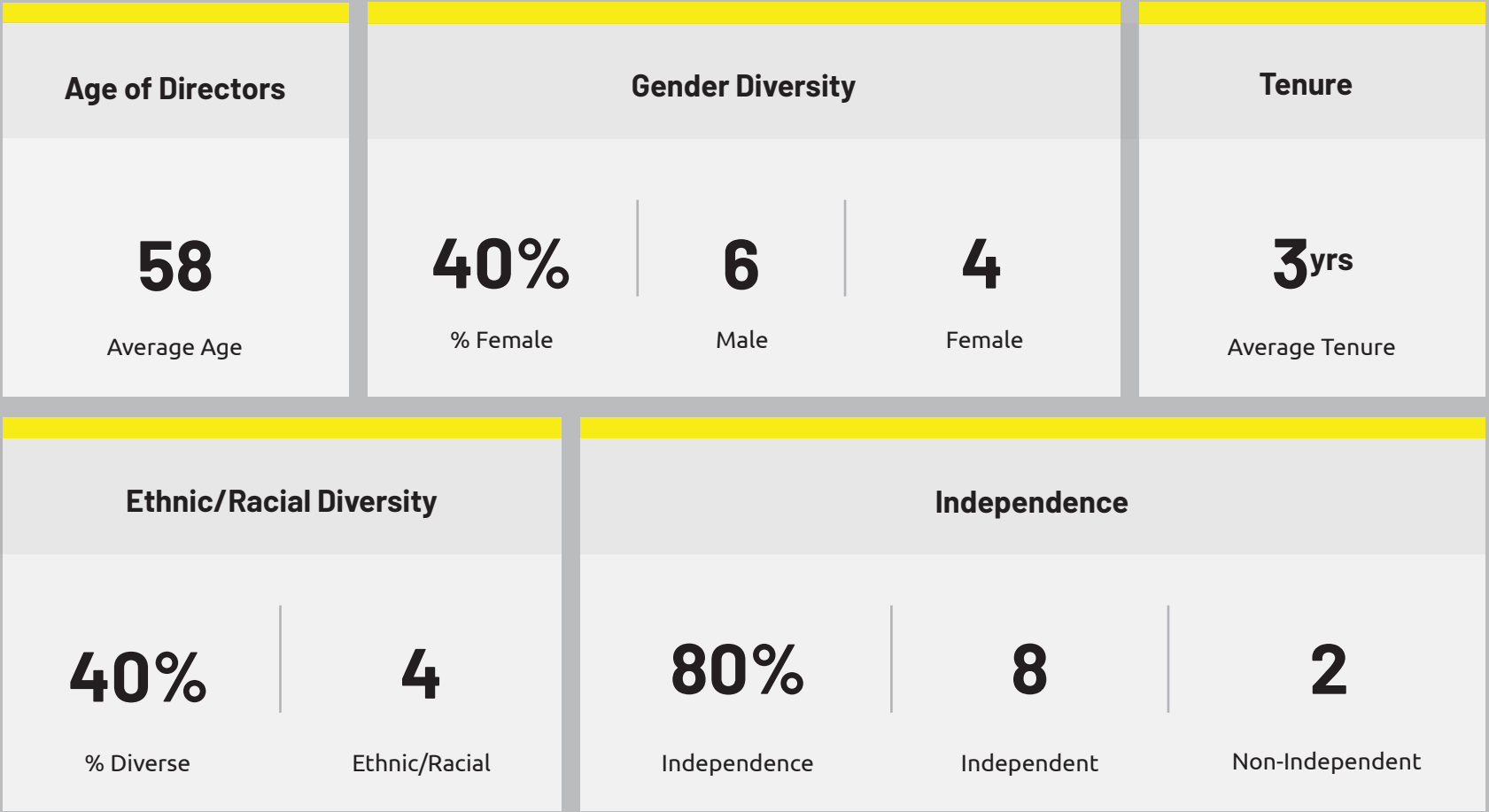
We are committed to reducing the carbon footprint of our sales force. We offer incentives to our sales force to adopt carbon-friendly transportation: for example, electric and hybrid vehicles. As we continue to grow and develop our environmental programs, we will explore opportunities to enhance our practices and to track our impact.





Corporate Governance Practices

Board Composition as of October 1, 2022







Best Practices	Disclosure	
Stock ownership guidelines for executive officers and directors	Yes	
Board oversight of ESG	Yes	
Independence	Disclosure	
Separate CEO and Chair roles	Yes	
Independent Lead Director	Yes	
Accountability	Disclosure	
Annual board and committee self-evaluation	Yes	
Annual evaluation of CEO by independent directors	Yes	
Clawback policy	Yes	
Shareholder Rights	Disclosure	
One-share, one-vote	Yes	
Vote standard for bylaws	67%	



United Nations Sustainable Development Goals (UN SDGs)

UN SDG	UN SDG Code	2021 Disclosure
Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small-, and medium-sized enterprises, including through access to financial services.	<div>SDG 8.3</div> <div></div>	<p>In 2021, we launched our professional development program with the mission of supporting continuous learning to enhance awareness, competence, performance, and innovation.</p>
By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	<div>SDG 10.2</div> <div></div>	<p>Arcutis relies on diverse representation across our operations, among our employee base, in our leadership ranks, and in clinical trials to ensure our culture and our processes are equitable and inclusive.</p> <p>We have implemented programs to recruit, engage, and retain a diverse employee base including learning opportunities and professional development initiatives to ensure we are aiding in the growth and development of all of our employees. For more information on our DEI initiatives, see the Human Capital Management section of this report.</p> <p>We also rely on diverse representation at every stage of the clinical trial process to ensure that responses to new treatments accurately represent all the populations that may receive care in the future. To establish representative clinical trials, we recruit participants from a wide variety of geographic locations and intentionally host trials in areas with diverse demographic representation. For more information on our clinical trial practices, see the Approach to Patient Care section of this report.</p>



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