

SUSTAINABILITY REPORT

Our purpose is to develop, register and supply high quality veterinary medicines and vaccines to improve the health and welfare of pigs and poultry providing sustainable livelihoods to producers.

We are committed to sustainability as an integral component of the ECO Group's commitment to acting with the highest standards in its business dealings.

Core to our conduct is a set of ethical principles designed to:

1. respect, protect and keep safe members of staff, customers, suppliers, collaborators, stakeholders and shareholders,
2. protect the environment and
3. enhance the reputation of the Group in its chosen field of business, animal health.

These principles ensure that we provide a safe and fulfilling work environment, create a business with whom other like-minded businesses will wish to collaborate, make a positive contribution to the communities in which we work, and enhance shareholder value.

This Sustainability Report is divided into the three key areas of Social, Environment and Business Governance. Details of ECO's approach to corporate governance is set out in the Corporate Governance Report.

Social

We maintain regular communication and dialogue with our stakeholders such as employees, customers, shareholders, suppliers and regulators to understand their needs and concerns and factor these requirements into our decisions and activities.

Our People

ECO is a global company with a diverse and inclusive workforce and employs local teams to work with local people rather than head-office staff working abroad on assignment. The Company follows the UK and relevant local laws to ensure fair employment practices and complies with national legal requirements

regarding pay, working hours and annual leave for our employees who are highly skilled individuals with specific training, expertise and experience.

ECO invests in healthy and safe workplaces and our employee policies which protect our staff include the Employee Privacy Notice, GDPR Policy, Equal Opportunities Notice and Statement, Antiharassment and Bullying Policy, Flexible Working Policy, Business Travel, Health and Safety Policy Statement, Lone Working Policy, Parental Leave Policy and Display Screen Equipment Use Guidelines.

Further policies provide guidance for ethical work practices and include the Employee Code of Conduct, Anti-Bribery and Corruption Policy, Whistleblowing Policy, Fraud Policy and the Company's Modern Slavery Act Statement.

To ensure engagement with the wider business, all ECO staff are notified and provided full information by the CEO when interim and full year Annual Reports are published and new regulatory approvals are achieved as well as by the Executive Leadership Team or CEO when new starters join the company.

Over the past year with COVID-19 forcing the closure of the UK Head Office, ECO has supported staff in working from home. In preparation for reopening in line with UK government recommendations, a detailed COVID-19 risk assessment has been carried out and steps put in place to create a safe and secure work environment with consideration paid to hygiene and social distancing to protect both staff and the wider community. Staff who have been self-isolating will have their needs considered before returning to the office. Only business travel deemed essential will take place.

Our Community

Shareholders:

ECO communicates regularly with shareholders through the Annual Report and Accounts, Interim Statements, regulatory announcements, the AGM and other meetings. Annual Reports, regulatory announcements and related information are available to all stakeholders on the ECO Animal Health Group plc website.

Business Partners - Veterinary Surgeons, Producers and Distributors:

We recognise that our product and customer offerings to veterinary surgeons and producers must be of consistently high quality. We offer educational opportunities and programmes to veterinary surgeons and large pig and poultry producers. The topics are those which support a wider animal health and welfare agenda such as prevention and management of disease, biosecurity, Antimicrobial Resistance ("AMR") and industry updates as well as how our products fit with these themes using globally recognised experts and ECO staff with specialist knowledge. Many of these training sessions are hands-on, practical and delivered locally and include subjects such as poultry hatchery audits and respiratory lung lesion scoring workshops, for example, the initiative between ECO and an Indian Veterinary College and Research Centre which allowed for information sharing on mycoplasma isolation and drug sensitivity testing.

During the COVID-19 pandemic, we carried out virtual meetings and events to ensure that these value-added services could continue safely.

ECO's third party distributors are an integral part of our success. We have close relationships and offer technical and marketing support, training and educational customer events. In line with our values, our distributors must comply with local pharmaceutical laws and sector industry regulations including but not limited to those around bribery and corruption and pharmacovigilance.

The Wider Community:

ECO, like all businesses, has a responsibility to the wider communities in which we operate. Healthy pigs, poultry and laying hens make significant contributions to the protein volumes that feed the world. In addition to the negative welfare consequences, diseased animals, whether clinical or subclinical, grow more slowly, consume more feed and water, need more accommodation and space and require more treatments if not administered the most appropriate medication from the start than do healthy animals.

CORPORATE GOVERNANCE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

ECO manufactures and sells a novel antimicrobial containing the active product ingredient (API) tylvalosin under the registered trademarks Aivlosin® and Valosin®. We do not support or promote increased use of antibiotics but focus instead on awareness that if a macrolide antibiotic is the best treatment option (based on diagnostics and veterinary surgeon experience) then Aivlosin® is likely to be an ideal choice requiring a low milligram of medication per kilogram bodyweight use over a treatment course because of its low effective therapeutic dose and short treatment duration and having a very short drug withdrawal period.

Aivlosin® is available only by veterinary prescription and is not licensed for use in human medicine. It is licensed for the treatment and metaphylaxis (disease control) of economically important diseases in pigs and poultry following strict regulatory procedures insisted upon by regional and local authorities.

The Company's response to the globally important issue of AMR especially in the areas of Stewardship, Marketing and Distribution, Research and Development (R&D) and Manufacturing and Production are laid out in detail in an 'ECO Animal Health Position Paper - Approach to AMR' which is available on request.

ECO is a member of the National Office of Animal Health ("NOAH"), in turn a National Association Member of Animal Health Europe and Health for Animals, and an active member of the Livestock One Health Subcommittee which includes AMR in its remit. We are aware of the vital importance of antimicrobials to both human and veterinary medicine and of the recommendations and classifications within the World Health Organisation, World Organisation for Animal Health and the European Medicines Agency antibiotic lists.

ENVIRONMENT

We take our responsibility towards the environment seriously and are working towards further means of reducing our impact.

We aim to keep use of consumables to a minimum by promoting the effective and efficient usage of equipment, facilities, supplies and services. We encourage all staff to reduce wastage, not to print unnecessarily, to turn off

excessive lights or heating/cooling equipment, to use water resources appropriately and to switch off any electronic equipment which is not in use.

The main company UK office in Southgate was recently refurbished and the changes made have helped to reduce the Company's energy footprint. During the COVID-19 lockdowns when business travel was not possible and staff were homeworking, the Company energy footprint was lowered even further and could pave the way for exploring new ways of working to continue this trend.

ECO's manufacturing and research functions are mainly outsourced which reduces our direct impact. This requires us to put in place measures to ensure the companies with which we work take their responsibilities as seriously as we do.

The Company's tylvalosin API manufacturer in China has developed an industry-leading wastewater treatment system that meets and exceeds local regulatory requirements and is now marketing the system to other producers who also wish to reduce their environmental impact on watercourses. Chinese legislation requires biomass remaining at the end of API manufacture to be steam-dried and then incinerated using significant amounts of natural energy. ECO has facilitated the introduction of new technology to the site in the form of thermophilic anaerobic digestion, which should enable the biomass to be broken down at high temperature into a digestate suitable for use as a land fertiliser free from antibiotics and pathogens, for example, the African Swine Fever ("ASF") virus. The by-product of the biomass breakdown is methane which is used to heat the process with the excess being converted into electricity and heat which is fed back into the main manufacturing site.

The establishment of minimum order quantities for shipments of finished goods has helped to reduce the amount of packaging and energy used for land, water and air transportation.

BUSINESS GOVERNANCE

ECO strives to provide best in class, scientifically proven, ethical solutions to optimise the health, productivity and wellbeing of pigs and poultry. We aim to do this sustainably, working in partnership with animal

health professionals and livestock producers bringing value to all by improving animal husbandry around the world.

Our flagship product Aivlosin® is marketed and distributed by ECO in more than 70 countries around the world. Promotion and communications with distributors, subsidiaries and customers highlight the need for diagnosing infection before treatment, using preventative methods such as management and vaccines to reduce the risk of animals becoming sick and using antimicrobials responsibly when they are needed.

With the end-user in mind, the ECO R&D pipeline is focused on preventative vaccines and biologicals along with further claims and variations for Aivlosin®. In this way, we will contribute to making available a wider range of options for veterinary surgeons, pig and poultry producers and their animals in the future.

Product Development:

ECO develops medicines and vaccines to improve the health and welfare of pigs and poultry. The scientific studies required to obtain marketing authorisations are determined by the regulatory authorities and supported by published literature and laboratory testing where possible. Protocols for trials placed at Universities and Contract Research Organisations are reviewed by animal welfare committees focused on the health of animals. All stakeholders subscribe to the application of the principles of reduce, refine and replace for animal testing.

Manufacturing:

ECO complies with all the requirements of operating within the highly regulated pharmaceutical industry. The ECO contract manufacturers are under the direct control of ECO with contractual obligations and operate in accordance with Good Manufacturing Practice (GMP) guidelines. For example, we work with an exclusive API contract manufacturer in the production of tylvalosin. This manufacturing plant is registered with the US Food and Drug Administration ("FDA") standards and by many other national authorities. It has passed routine inspections every two to three years since first being FDA-registered in 2009. ECO performs

manufacturing plant audits and inspections at a minimum of every three years either directly or via an independent, qualified third-party. UK-based ECO manufacturing personnel visit the plant twice per year and while in the plant make observations in line with the ECO Animal Health Group Plc Modern Day Slavery Statement. During this last year COVID-19 has resulted in these visits being virtual but physical inspections will recommence as soon as travel allows.

All batches of API are subject to third-party independent Quality Control laboratory testing when entering countries for manufacture into final Aivlosin® product.

Pharmacovigilance:

ECO takes pharmacovigilance (“PV”) responsibilities very seriously. Annual training is compulsory and provided to all staff to ensure that ECO continues to meet its obligations in this very important area of pharmaceutical industry compliance. We work with a dedicated PV consultant, have an internal Qualified Person Responsible for Pharmacovigilance (“QPPV”) and a Deputy QPPV and seek to improve our processes continuously. Any suspected adverse event reports are rigorously investigated to determine the causality and reported to the relevant competent authority.

Technical Support:

ECO’s technical teams have significant knowledge of the Company’s targeted species and disease areas, and how our products work. They answer distributor and customer queries and provide individualised training during on-farm and virtual meetings. Our technical services teams support veterinary surgeons and their producers in demonstration trials and best practice product usage. They work with a network of Key Opinion Leaders across the globe who support ECO and our customers with the most up-to-date information and research findings. ECO employs many veterinary surgeons across all areas of the business, contributing further to the high standards of understanding and communication around our products and relevant disease areas.

Product Promotion:

We are members of our industry professional body NOAH and comply with their Code of Practice. Product information provided to our customers is aligned to the Summary of Product Characteristics (“SPCs”) and is factual, fair and not designed to mislead. All customer materials including brochures, posters and publications go through an internal review process involving technical and regulatory review with final sign-off by the CEO.

Dr Andrew Jones

Chairman
25 July 2021