

**ECO Animal  
Health Group Plc**

SUSTAINABILITY REPORT  
2022-2023

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# Section 1: Introduction

ECO Animal Health is dedicated to the development, registration, and distribution of high-quality veterinary medicines and vaccines, with a focus on enhancing the health and welfare of pigs and poultry, thereby ensuring sustainable livelihoods for producers.

Our commitment to sustainability is an integral part of the ECO Group's overarching commitment to conducting business at the highest standards. This commitment is rooted in a set of ethical principles designed to:

- 1 Respect, protect, and ensure the safety of our staff, customers, suppliers, collaborators, stakeholders, and shareholders.
- 2 Protect the environment.
- 3 Enhance the reputation of the Group within the field of animal health.

These principles guide our actions and underline our dedication to providing a secure and fulfilling work environment, fostering collaborations with like-minded businesses, making positive contributions to our local communities, and enhancing shareholder value.

ECO Animal Health recognizes the paramount importance of embedding the principles of Environment, Social, and Governance (ESG) into every aspect of our operations. The responsibility for this lies with the Board of Directors, working in conjunction with the business leadership team.

This second ESG Report underscores the significant time and effort invested in the past year in three key areas: Social, Environment, and Business Governance. It builds upon the activities previously reported in last year's inaugural ESG Report. Further

details regarding ECO's approach to corporate governance can be found in the Corporate Governance Report.

At ECO, we understand the significance of incorporating environmental factors alongside social, governance, and commercial considerations into our comprehensive investment and risk management framework. We are also committed to making a fair contribution to mitigating the potential environmental impact of our business operations.

Substantial progress has been achieved in the ECO ESG arena over the past year, aligning with the commitments outlined in the previous year's report. This progress is particularly evident in the areas of environmental reporting, Diversity, Equity, and Inclusion (DEI), and the establishment of ECO's current position relative to others in the industry. We have also developed clear objectives and metrics for the upcoming financial year, working closely with the Board and Leadership Team.

One significant milestone was the completion of a comprehensive project in the past year, involving the development of a framework of ESG metrics and targets through a two-step process:

## Step 1: Benchmarking Exercise

In this step, we conducted an analysis of companies considered to have 'best practice segmental ESG reporting' within a space similar to ECO. We examined their key metrics and targets across six ESG categories, identifying multiple criteria. Discussions with ELT (Executive Leadership Team) members based on this analysis resulted in draft ESG metrics and targets for each area of our business. These drafts were then collated, reviewed, and discussed within the context of the entire Company.

## Step 2: Development of ECO ESG Intentions and Metrics

This step involved the creation of a shortlist of ECO metrics and targets, along with a clarified view of our intentions in the ESG space. We have set clear aspirations for each area, defined what we can do and measure now, and in the future, and committed to challenging yet achievable targets.

ECO has set ambitious goals to continue its commitment to environmental sustainability and promoting diversity, equity, and inclusion within the organization.

**Firstly, the company is dedicated to achieving carbon neutrality by the year 2045.** ECO acknowledges the urgent need to address climate change and is taking proactive steps to reduce its carbon footprint. This commitment extends beyond the UK to encompass its global business operations. ECO is actively working on implementing a range of initiatives aimed at reducing greenhouse gas emissions, improving energy efficiency, and transitioning to cleaner, more sustainable practices. By setting the target of carbon neutrality by 2045, ECO is making a significant contribution to combating climate change and protecting the environment.

In addition to its environmental efforts, **ECO is also deeply committed to promoting diversity, equity, and inclusion within its organization.** The company recognizes the importance of fostering a workplace that is inclusive and representative of the diverse regions in which it operates. ECO is working actively toward achieving excellence in diversity, with a particular focus on two key areas: gender parity and ethnic diversity. By addressing these aspects, ECO aims

to create a workplace that reflects the diversity of its workforce and the communities it serves. This initiative not only strengthens the company’s internal culture but also contributes to the broader goals of social and environmental responsibility.

ECO’s commitment to these twin pillars of sustainability and diversity reflects its dedication to making a positive impact, both within the company and in the world at large. These goals are integral to ECO’s vision for a better and more responsible future.

**SDG Alignment**

Livestock production is one of the most consequential sectors on our planet and essential to all economies, especially those in developing regions. By acquiring livestock, households in developing countries significantly improve their economic situation. In developed regions, people working in livestock have employment and income. ECO focuses on economically important diseases of pigs and poultry, by treating and controlling these diseases. As a result, animals are healthier and

grow more profitably, enhancing the incomes of their keepers. ECO is fully committed to aligning with the United Nations Sustainable Development Goals (SDGs), recognizing their significance as a blueprint for sustainable actions. The company aims to contribute to six specific SDGs that strongly resonate with its present and future business intentions.

**ECO prioritises alignment with six UN SDGs**



**No poverty.** ECO acknowledges the crucial role of livestock production in improving the economic conditions of households in developing regions. By focusing on economically vital diseases in pigs and poultry, ECO contributes to healthier animals and increased income for their keepers.



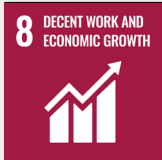
**Zero hunger.** ECO’s efforts in the pig, poultry, and egg sectors provide high-quality protein to address global hunger. ECO’s solutions enhance the health, welfare, and profitability of pigs and poultry, resulting in improved wealth, nutrition, and mental well-being for producers.



**Good health and wellbeing.** ECO provides a challenging and safe workplace to global staff, business growth to distributors, funds to enable chosen charities to help those they support and profitable pig and poultry production to producers, increasing their livelihoods and nutrition.



**Gender Equality.** ECO is committed to achieving gender parity within its workforce and promoting diversity and inclusion. The company’s chosen international charity shares the mission of promoting gender equality.



**Decent work and economic growth.** ECO, as an AIM-listed company with a focus on innovation, utilizes its profits for sustainable growth and to benefit its stakeholders. This includes providing work and development opportunities for its staff, offering training and knowledge to customers to enhance their businesses, and establishing upstream and downstream partnerships that create employment opportunities for suppliers and distributors.



**Responsible consumption and production.** ECO recognizes its role in producing and distributing products, and it emphasizes the importance of responsible consumption and production. ECO has already implemented operational changes to increase recycling and is pleased to collaborate with key suppliers to achieve sustainability goals. Additionally, office improvements in ECO’s London headquarters have positively impacted the company’s sustainability efforts. This aligns with the broader aim of responsible consumption and production, contributing to a more sustainable future.

## Section 2: Business Governance

### Business Governance Commitment

At ECO, we are unwavering in our commitment to maintaining the highest standards of business governance and rigorous risk management practices. This commitment extends to both our internal operations and our relationships with business partners. To ensure sound risk management, we have developed and continually update strategies and procedures tailored to our specific business needs, addressing the primary risk categories identified by our Board of Directors. The Board has been diligently focused on enhancing our business governance practices for an extended period.

### Ethical Culture

Recognizing the paramount importance of reputation and trust within our

industry, we actively cultivate a culture of ethics throughout our organization via our corporate values. Our clients' interests are consistently at the forefront of our activities. We remain steadfast in preserving our elevated legal, ethical, and moral standards. Our aim is to foster and promote a culture that rigorously adheres to local and international laws and regulations. Our supplier agreements clearly outline the expected behaviours and responsibilities of our suppliers across all aspects of our business, and we intend to consolidate this further with an additional, stand-alone Supplier Code of Conduct in 2023-2024.

### Commitment to Sustainable Solutions

ECO is dedicated to providing best-in-class, scientifically proven, and ethical solutions designed to optimize the

health, productivity, and well-being of pigs and poultry. Our commitment to sustainability is demonstrated by our collaborative approach, working closely with animal health professionals and livestock producers worldwide. By improving animal husbandry practices, we bring value to all our stakeholders.

### Research and Development

With the end-user in mind, ECO's Research and Development (R&D) pipeline is strategically focused on preventative vaccines and biologicals, along with expanding claims and variations for Aivlosin<sup>®</sup>. Our goal is to offer a wider range of options to veterinary surgeons, pig and poultry producers, and their animals in the future.



## Section 3: Environment

### Environmental Responsibility

At ECO, we recognize the vital importance of incorporating environmental considerations into our broader investment and risk management framework, alongside social, governance, and commercial factors. We acknowledge the potential impact of our business operations on the environment and are deeply committed to making a meaningful contribution to reducing this impact.

### Carbon Emissions and Energy Use

Building upon our previous commitment, we have expanded our focus on carbon emissions and energy use. We have transitioned from a voluntary UK carbon reporting (SECR) initiative to a voluntary Global SECR report for the current financial year. Additionally, we have collected data for a UK ESOS (Phase 3) report for the first time.

### Targeted Environmental Initiatives

We have identified meaningful areas where we can make a difference in our environmental impact, including waste reduction, water conservation, responsible packaging practices and a greener car fleet.

### Partnering for Sustainability

Our largest supplier, responsible for manufacturing tylvalosin, the Active Pharmaceutical Ingredient in Aivlosin<sup>®</sup>,

continues to make significant strides in reducing their environmental footprint. Their commitment aligns closely with our ESG aspirations.

### Head Office Sustainability

At our Company Head Office in Southgate, London, we have taken significant steps to reduce our environmental footprint. Hybrid working arrangements have contributed to lower energy consumption. Additionally, we actively promote reduction and recycling practices among our staff.

### Recycling and Reduction Initiatives

We emphasise the efficient use of equipment, facilities, supplies, and services to minimise consumables. Confidential paper is collected, shredded, and recycled. We have significantly enhanced recycling efforts within our head office, eliminating single-use plastics and initiating recycling facilities through our landlord.

### Discontinuation of Single-Use Plastic

We have ceased the use of single-use plastics.

### Environmentally Friendly Consumables

Since April 2022, we have exclusively used recycled, single-use paper products, rechargeable batteries and, since March 2020, LED lights.

### Smart Meter Installation

To monitor real-time electricity usage and cost, a smart meter was installed in our Southgate office in March 2023. This technology will help us identify energy-saving opportunities and optimise office behaviour.

### Ongoing Environmental Projects

Several projects are underway to further reduce our environmental impact:

- Transitioning to a 100% green energy supplier for our Southgate office in 2024.
- Sale of the New Malden Office\*, which consumes electricity and natural gas.
- Assessing the possibility of increasing the temperature (reducing cooling) in the Southgate server room or relocating it to a secure, off-site location.

\* The sale was completed in January 2024.

**IT Equipment and Company Car Fleet**

Our approach to IT equipment involves reuse or recycling. In 2022-2023, no IT equipment was collected for refurbishment or recycling. Company computers are typically cycled every three to five years, with a preference for extending their service life to five years when possible. Equipment that cannot be refurbished is donated to Innovent Recycling, a company with a Zero Percent Landfill Policy.

In the case of our company car fleet in the UK and Europe, we have added two electric cars in 2022-2023. Our commitment for the next financial year is to ensure that all car renewals in the UK will be to lower emission and/or more sustainable choices.

**Energy and Carbon Reporting**

While ECO is a low energy user and not subject to mandatory climate reporting, we recognize the importance of environmental stewardship. To establish a baseline for improvement, we have undertaken a voluntary climate assessment focused on our UK operations, in collaboration with external climate consultancy, Enistic. This report will serve as a foundation for the development of a streamlined energy and carbon report and ESOS (Phase 3) report.

In conclusion, ECO is committed to responsible environmental practices and sustainability, with a proactive approach to reducing our environmental impact across all facets of our operations.

For the UK, 2022-2023 can be compared to last year's baseline for which office energy use and company car business miles were calculated.

The Rest of World data reported this year includes Brazil, Mexico, China, Japan and the USA.

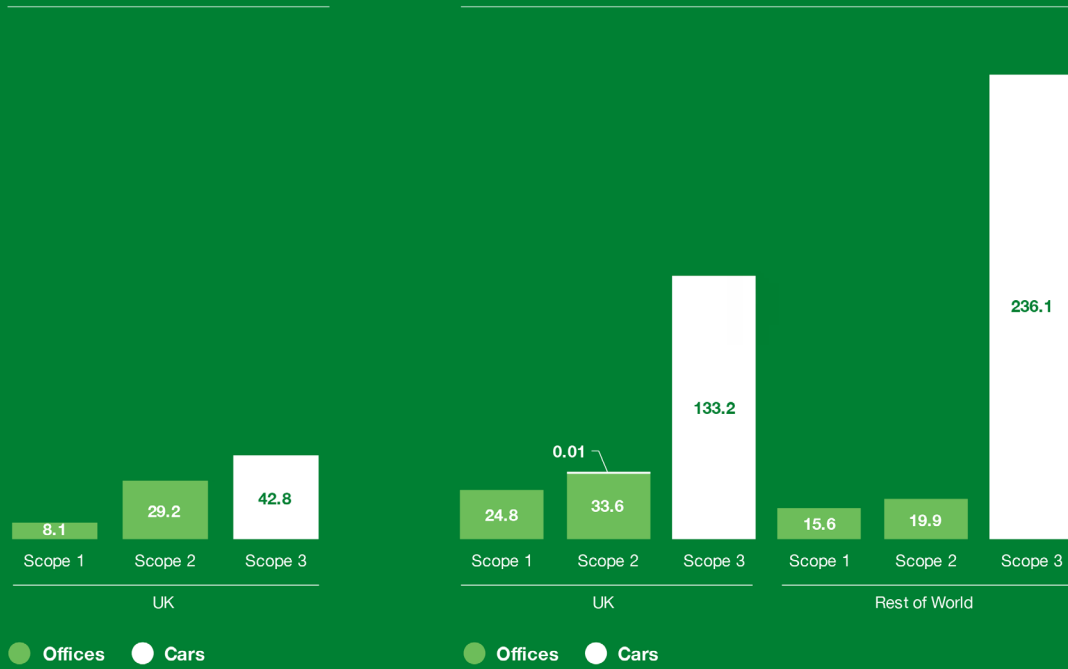
ECO plans to sell the New Malden office during 2023-2024 which will reduce energy used to heat this unused property.



Graph 1: kWh Consumed ('00s)

2021-2022

2022-2023



In 2022-2023, combined Scope 1 and Scope 2 kWh per ECO employee was 930 kWh.

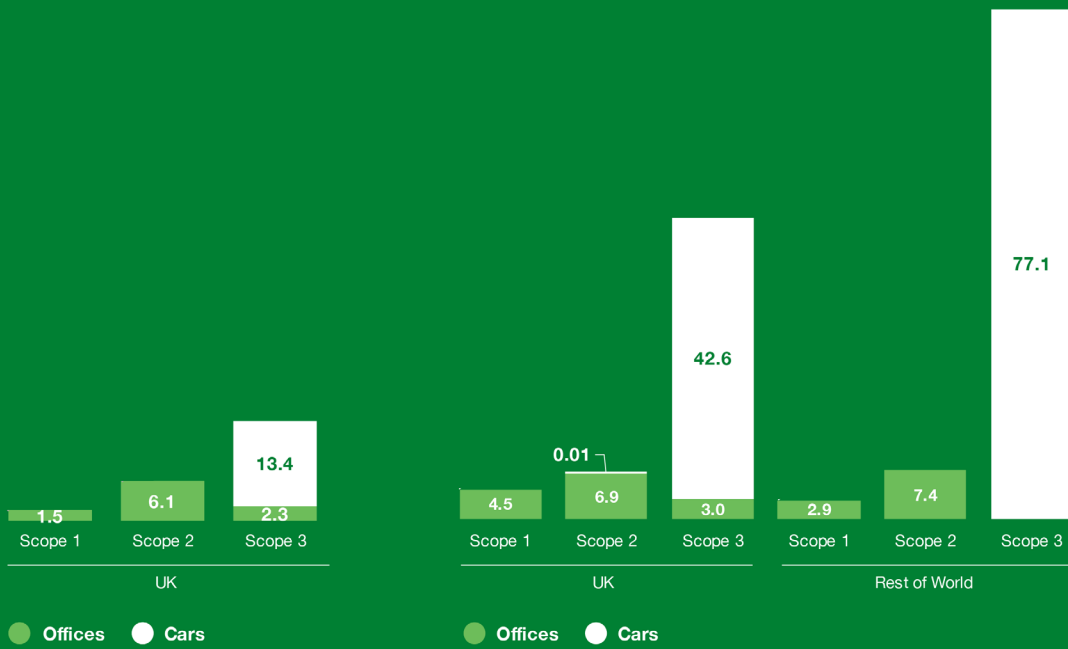
2022-2023	kWh ('00s)
Total Scopes 1 & 2	93.88
# Employees	101
kWh per employee	0.930



Graph 2: Total CO2 Equivalent Emitted

2021-2022

2022-2023



In 2022-2023, combined Scope 1 and Scope 2 emissions per ECO employee were 0.215 tCO2e.

2022-2023	tCO2e
Total Scopes 1 & 2	21.71
# Employees	101
tCO2e per employee	0.215

## Section 4: Social

### Stakeholder Engagement

ECO maintains consistent communication and dialogue with its stakeholders, including employees, customers, shareholders, suppliers, and regulators. This proactive approach allows us to comprehend their needs and concerns and incorporate these requirements into our decision-making and operational activities.

### Our People

At ECO, we recognize that our people are our most valuable asset. We are committed to attracting and retaining a diverse and talented workforce by providing an exceptional working environment and ample opportunities for professional and personal growth.

Our commitment to diversity and inclusion is deeply ingrained in our respect for local culture and practices. We prioritise employing local teams to work with local communities, fostering a unique sense of belonging among our employees. We adhere to UK and relevant local laws, including the Equality Act 2010 and the National Minimum Wage Act, to ensure equitable employment practices. Our employees are highly skilled individuals with specialised training, expertise, and experience. Our continued growth is indebted to our ability to recruit and retain talented individuals from diverse backgrounds and with varied skill sets. Our Group Trading Companies also employ local nationals.

### Employee Policies and Protections

ECO invests in creating and maintaining healthy and safe workplaces, supported by a range of employee policies and protections. These include:

- [1 Employee Privacy Notice](#)
- [2 GDPR Data Privacy Notice](#)
- [3 Anti-Harassment and Bullying Policy](#)
- [4 Flexible Working Policy](#)
- [5 Business Travel Policy](#)
- [6 Health and Safety Policy Statement](#)
- [7 Lone Working Policy](#)
- [8 Parental Leave Policy](#)
- [9 Display Screen Equipment Use Guidelines](#)

In 2023-2024, we remain committed to updating and providing training on our bullying and harassment and diversity and inclusion policies.

### Ethical Work Practices

ECO has established policies to guide ethical work practices, including:

- [1 Employee Code of Conduct](#)
- [2 Anti-Bribery and Corruption Policy](#)
- [3 Company's Modern Slavery Act Statement](#)
- [4 Whistleblowing Policy](#)
- [5 Fraud Policy](#)

During the current financial year, there have been no incidents of whistleblowing or fraud.

### Employee Benefits

There is a life insurance scheme and permanent health insurance benefits in the UK, with steps being taken to ensure that ECO offer competitive and appropriate benefit funding in other locations.

### Fraud Prevention and Reporting

The Board of Directors holds ultimate responsibility for ensuring that the ECO Fraud Policy complies with both legal and ethical obligations and that all parties under our control adhere to it. The Chief Executive is accountable to the Board and is responsible for implementing the policy, monitoring its use and effectiveness, addressing any queries, and auditing internal control systems and procedures to counter fraud effectively. Management at all levels ensures that those under their supervision understand and comply with this policy, receiving regular training. The adequacy and effectiveness of these controls are evaluated internally by the Finance Department, as audit procedures alone cannot guarantee fraud.

The ECO Fraud Policy encourages the reporting of ethical concerns and actual or potential breaches of our policies or the law to the Group. While concerns are typically raised with line management, those involving potential breaches of the law or serious non-compliance with ECO policies should be reported to David Hallas (CEO), Chris Wilks (CFO), or Ruth Mitchell (HR Director).



## Transparency and Engagement

To ensure engagement with the broader business, all ECO staff are notified and provided with complete information by the CEO when interim results and a full-year annual report are published and when new regulatory approvals are achieved. This information is also conveyed by the Executive Leadership Team or CEO when new employees join the company. Town Hall meetings are held every three months, during which the CEO and other speakers update staff on the Company's progress.

## Remote and Hybrid Work

Many ECO employees take part in remote and hybrid working.

## Social Responsibility Commitments

During this year's benchmarking exercise, ECO has pledged to advance gender parity and create an inclusive and equitable work environment, reflecting our commitment to social responsibility.

## Fostering Employee Engagement

In the 2022-2023 period, ECO conducted its first Employee Engagement Survey with the objective of enhancing the workplace and cultivating a culture that instills a deeper sense of connection and commitment among employees to ECO's goals and values. Engaged employees exhibit higher productivity, more effective work, increased retention rates, superior internal and external customer service, greater attendance, and heightened innovation.

The survey identified the seven top-performing areas, which are highlighted in Table 2.

ECO aims to raise the percentage of respondents who agree that ECO is a good place to work to above 80% in 2023-2024.

The Company has proactively committed to analysing and implementing measures to improve the four lowest-performing areas, as outlined in Table 3.

Upon completing the survey, employees were invited to participate in Engagement Workshops to determine why these scores were low and suggest actions to improve them within the next 12 months. Fourteen ECO volunteers from various departments convened to discuss these issues, and the outcomes will guide future efforts in the upcoming financial year.

The Employee Engagement Survey will be repeated every two years, with a goal of increasing each of the four lowest-performing areas by 5%.

ECO is also committed to empowering employee volunteers to create a social committee, promoting informal interactions and relationship-building activities in the local Southgate office area.

**Table 2:**  
The seven top scoring areas in the Employee Engagement Survey

Question	% of respondents who said they agreed or strongly agreed
I know what is expected of me	93%
I feel the work I do is important and has purpose	91%
I have autonomy (the freedom to work in a way that suits you) in my role	79%
I have the materials and equipment to do a good job	79%
Employees treat each other with respect	79%
I would recommend ECO Animal Health as a good place to work	78%
My line manager and I have a good working relationship	78%

**Table 3:**  
The four lowest performing areas in the Employee Engagement Survey

Question	% Respondents who agreed or strongly agreed	Actions underway to address these areas
'There is good communication from the leaders of this organisation'	59%	(1) Maintain and improve townhall meetings (2) Develop 'Talking points' for cascading across the organisation to be agreed after ELT meetings
'I am satisfied with the job-related training available'	55%	(1) Carry out an internal training review (2) Introduce informal mentoring
There is good collaborative cross-departmental working'	47%	(1) create department and team responsibilities sheets (2) company-wide communication on talking as a means of reducing e-mail (3) introduce an ECO-Teams coffee break
'Total compensation package is competitive'	41%	(1) Introduce a performance related element to pay increases (2) Provide greater clarity on how individual bonus amounts are determined (3) Benchmark benefits in relevant country (4) Introduce a day off for birthdays (5) Introduce the opportunity to buy extra holiday.

## Empowering Employees through Learning

In the 2022-2023 period, ECO introduced its electronic Quality Management System (eQMS), enabling the rollout of various training modules and Standard Operating Procedures (SOPs). Among these, an SOP for induction training for new starters was established. The Company clarified the annual mandatory training, encompassing topics such as Modern-Day Slavery, Cyber Security, Anti-Bribery and Corruption, Data Integrity, Good Manufacturing/Laboratory Practices, and Pharmacovigilance.

ECO encourages all staff to proactively manage their ongoing personal and professional training. In 2022-2023, the Executive Leadership Team committed to a minimum of ten hours of training per person annually. It will be the responsibility of each individual, and training progress will be discussed during one-to-one meetings with managers, with the intention to introduce an IT platform for recording training and establishing a baseline in 2023-2024.

## Diversity and Inclusion Data

ECO's Diversity, Equity, and Inclusion (DEI) strategy falls under the purview

of the Board, in collaboration with the CEO, HR, and the Executive Leadership Team. As detailed in the ECO Corporate Governance Report, the Nomination Committee is responsible for the Board's diversity policy.

ECO, as a global company, maintains a diverse and inclusive workforce. The Board recognizes the advantages of diversity in its broadest sense, encompassing a wide range of skills, backgrounds, international and industry experiences, race, and gender. These factors are considered when appointing new Directors to the Board.

The Company is devoted to creating an inclusive environment for employees, as outlined in the Equal Opportunities Statement and Diversity, Equity, and Inclusion Policy. These policies are designed to promote equality and eliminate any potential discrimination in how employees are treated by colleagues or the Company, irrespective of their sexual orientation, gender identity, sex, race, or other attributes.

For the 2022-2023 period, diversity, both in terms of gender and ethnicity, for the non-ELT ECO workforce was assessed from the perspective of being a manager versus a non-manager, offering a more insightful view of the Company's gender breakdown.

## Gender Parity

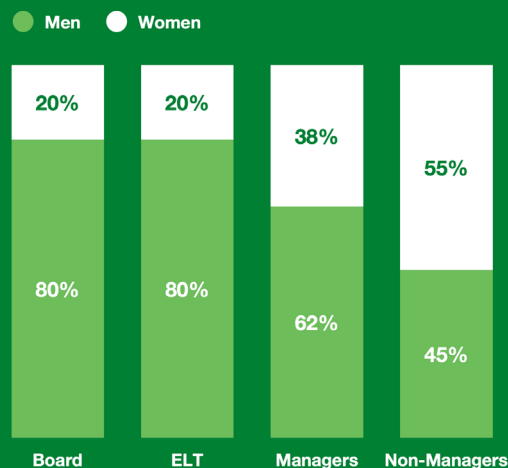
ECO places significant importance on gender diversity within the organisation. Gender diversity data was obtained from internal sources for the Board and Executive Leadership Team (ELT). A Diversity, Equity, and Inclusion (DEI) survey was conducted for the wider organization to gather insights. It's worth noting that the response rate for the DEI survey was 69%, with 70 out of 101 possible respondents participating. Next year, the introduction of a new Human Resources software program will facilitate the extraction of more comprehensive and accurate gender diversity data.

These statistics provide an overview of gender representation within ECO for the year 2022-2023. The Company is committed to fostering a diverse and inclusive environment, and ongoing efforts will be made to achieve greater gender diversity and parity across all levels of the organization.

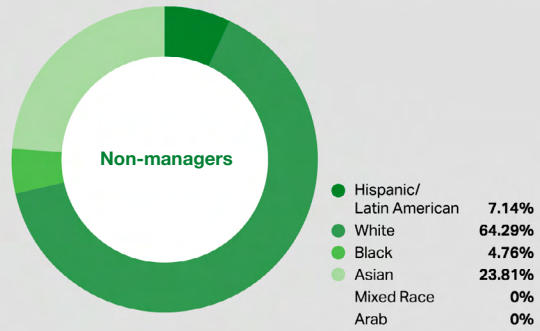
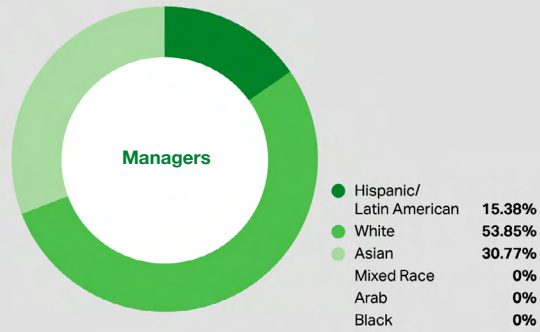
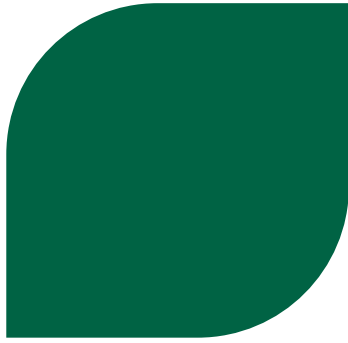
**Table 4:**  
Gender Diversity in 2021-2022 vs 2022-2023

	2021-2022	2022-2023	Change In Females
<b>Board</b>	17% Female/83% Male	20% Female/80% Male	↑
<b>ELT</b>	0% Female/100% Male	20% Female/80% Male	↑
<b>ECO AH Ltd &amp; plc</b>	45% Female/55% Male	Not measured	N/A
<b>Sales – EUMENAF</b>	0% Female/100% Male	Not measured	N/A
<b>Sales – SE ASIA</b>	20% Female/80% Male	Not measured	N/A
<b>Sales – Japan</b>	67% Female/33% Male	Not measured	N/A
<b>Sales – LATAM</b>	19% Female/81% Male	Not measured	N/A
<b>Operations</b>	63% Female/37% Male	Not measured	N/A
<b>PDRA</b>	50% Female/50% Male	Not measured	N/A
<b>Managers*</b>	Not measured	38% Female/62% Male	N/A
<b>Non-Managers*</b>	Not measured	55% Female/45% Male	N/A

**Gender Diversity**  
2022-2023



\*Metric determined by DEI survey



**Employee turnover vs retention rate  
2022-2023**



### Employee Engagement Group for Women

ECO is dedicated to supporting its employees in establishing an Employee Engagement Group for Women. This initiative is underpinned by a commitment from the Executive Leadership Team (ELT) to take any necessary actions to ensure the successful launch and execution of this group. The Employee Engagement Group will be operated and managed by volunteers, who will be responsible for presenting proposals to the ELT for implementation.

ECO's commitment to improving gender diversity spans all regions, levels, and functions within the Company. This will involve a multi-faceted approach that combines recruitment efforts, retention strategies, and training programs to address gender diversity across the organization.

### Other Diversity Metrics

In the current year, the analysis of diversity within the remaining ECO workforce is based on the perspective of being a (people) manager versus a non-manager. This approach is believed to offer more insightful information about the Company's gender breakdown compared to the method used in the previous year, which focused on business functions.

### Ethnicity

This year, data on ethnicity is presented based on the responses received in the Diversity, Equity, and Inclusion (DEI) survey. The ethnicity information is provided for Managers and Non-Managers, taking into consideration potential biases in response rates. This data will help ECO further assess and improve its diversity and inclusion initiatives with regard to ethnicity.

### Culture and Retention

Employee Turnover (2022-2023): **14%**

Retention Rate (2022-2023): **86%**

ECO values its employees and is committed to fostering a positive organizational culture that contributes to high retention rates.

## Healthcare Benefits

- 1 All ECO employees receive healthcare benefits.
- 2 In the UK, all 46 employees receive healthcare coverage paid for by ECO.
- 3 Outside the UK, the remaining 50 employees independently source and pay for their own insurance policies. These expenses are then reimbursed by the Company.

## Health and Safety

ECO places a strong emphasis on health and safety in the workplace:

- All ECO offices submit monthly Health and Safety Updates, reporting any major and minor accidents and car accidents.
- In 2022-2023, there were two minor accidents (China, Southgate), one major accident (China), and no car accidents.
- In the previous year, 2021-2022 (data available only for the partial year, July 2021 — March 2022), there were no recorded accidents.

## Maternity and Paternity Leave Policies

ECO has well-defined policies to support employees during significant life events:

- **Maternity Policy:** Ensures that all women are provided with support and encouragement before, during, and upon their return to work from maternity leave.
- **Paternity Leave Policy:** Outlines paternity leave entitlements and the process for employees to arrange this period of leave.
- **Parental Leave Policy:** Sets the Company's stance on providing parental leave to its employees, whether they are natural parents or adoptive parents. These policies demonstrate ECO's commitment to supporting its employees during important family milestones.

## Our community

### Shareholders

ECO maintains a robust communication channel with its shareholders through various means, including the Annual Report and Accounts, Interim Statements, regulatory announcements, the Annual General Meeting (AGM), and other meetings such as Capital markets day to highlight R&D progress and regular shareholder meetings at full and half year results time. All annual reports, regulatory announcements, and related information are accessible to all stakeholders on the ECO Animal Health website.

ECO's commitment extends to responsible taxation in the jurisdictions where it operates. The Company conducts its business fairly and ethically to ensure the proper payment of taxes, encompassing corporate, social, and personnel-related taxes. This approach aligns with the Fair Tax Mark accreditation awarded to ECO for the year ending 31 March 2022.

### Business Partners — Veterinary Surgeons, Producers, and Distributors

ECO is deeply committed to delivering consistently high-quality product and service offerings to veterinary surgeons and large pig and poultry producers. The company actively provides educational opportunities and programmes to equip these professionals with essential knowledge that aligns with the broader animal health and welfare agenda. These educational initiatives cover crucial topics including disease prevention and management, biosecurity, addressing the risk of Antimicrobial Resistance (AMR), and industry updates. ECO leverages globally recognised experts and in-house specialists to impart this knowledge, often in hands-on, practical formats delivered locally. Examples include poultry hatchery audits and pig respiratory lung lesion scoring workshops.

ECO conducts global and regional training sessions, participates in veterinary and industry congresses and engages with distributors and key accounts for training and practical sessions. The company expands these services on an ongoing basis due to a continuous commitment to enhancing offerings. Some value-added services provided by ECO encompass mycoplasma workshops, tailored training sessions on mycoplasma disease and control, round table discussions with customers on farm-related disease challenges, and industry tours aimed at sharing best practices.

ECO's third-party distributors are integral to the company's success. ECO maintains close relationships with these distributors and offers robust technical and marketing support, along with educational customer events. In alignment with the company's values, distributors are required to adhere to local pharmaceutical laws and sector regulations, encompassing areas like bribery and corruption prevention and pharmacovigilance. Compliance with the latest version of the ECO Modern Slavery Act 2015 Statement and the ECO Avoidance of Bribery and Corruption Policy is mandatory.

ECO's commitment to upholding ethical standards is evident through its Antibribery and Corruption Policy, accessible to all employees. The Board holds ultimate responsibility for ensuring that the policy aligns with legal and ethical obligations and is consistently followed throughout the organization. The CEO takes on the primary responsibility for implementing and monitoring the policy, addressing any queries, and conducting internal control system audits to counter bribery and corruption effectively. At all management levels, there is a shared responsibility to ensure that those reporting to them fully understand and comply with this policy, with regular training provided. Additionally, plans are underway to provide training in the areas of bribery and corruption for sales managers working with ECO distributors in the upcoming financial year.

## Community Well-being

ECO, as a responsible business, acknowledges its duty to the broader communities in which it operates. The company understands the significant role that healthy pigs, poultry, and laying hens play in contributing to the global protein supply. Recognizing the negative welfare consequences of diseased animals, ECO emphasizes the importance of administering the most appropriate medication from the outset. ECO specializes in the manufacturing and sale of a novel antimicrobial, Aivlosin<sup>®</sup>, which contains the Active Pharmaceutical Ingredient tylvalosin. Rather than promoting increased antibiotic use, ECO raises awareness of the judicious use of macrolide antibiotics like Aivlosin<sup>®</sup>. This antibiotic is an ideal choice when diagnostics and veterinary expertise indicate its suitability, as it requires a low milligram dosage per kilogram of body weight over a short treatment duration, with a short withdrawal period.

Aivlosin<sup>®</sup> is exclusively available through veterinary prescription. It holds licenses for the treatment and metaphylaxis of economically significant diseases in pigs and poultry, following stringent regulatory procedures mandated by regional and local authorities. ECO's commitment to addressing the globally important issue of Antimicrobial Resistance (AMR) is articulated in detail within the 'ECO Animal Health Position Paper – Approach to AMR,' which is available on request. The company actively participates in the UK [National Office of Animal Health \(NOAH\)](#) and is a National Association Member of [Animal Health Europe](#) and [Health for Animals](#). ECO is an engaged member of the Livestock One Health Subcommittee, which encompasses AMR as part of its purview. The company recognizes the vital significance of antimicrobials to both human and veterinary medicine and aligns with the recommendations and classifications provided by the World Health Organization, World Organisation for Animal Health, and the European

Medicines Agency antibiotic lists. ECO's external and internal communications consistently emphasize the importance of adhering to the prescribed Aivlosin<sup>®</sup> dosage and duration, advocating the selection of the most appropriate antibiotic for a diagnosed disease, even if it is not Aivlosin<sup>®</sup>.



# Section 5: Environmental and Social Responsibility as a Responsible Animal Health Pharmaceutical Company

ECO is committed to providing ethical and scientifically proven solutions to optimize the health, productivity, and well-being of pigs and poultry. This commitment extends to sustainability, working in collaboration with animal health professionals and livestock producers to enhance animal husbandry practices worldwide.

ECO's flagship product, Aivlosin®, is marketed and distributed in over 70 countries. The Company's promotional efforts emphasize diagnosing infections before treatment, using preventative methods such as management and vaccines to reduce the risk of animal illness, and utilizing antimicrobials responsibly when necessary. ECO's research and development pipeline is directed toward preventative vaccines, biologicals, and further claims and variations for Aivlosin®, aiming to provide a broader range of options for veterinary surgeons, pig and poultry producers, and their animals in the future.

## Product Development

ECO is committed to developing medicines and vaccines to enhance the health and welfare of pigs and poultry. The process for new product development or significant changes to existing products follows a structured approach:

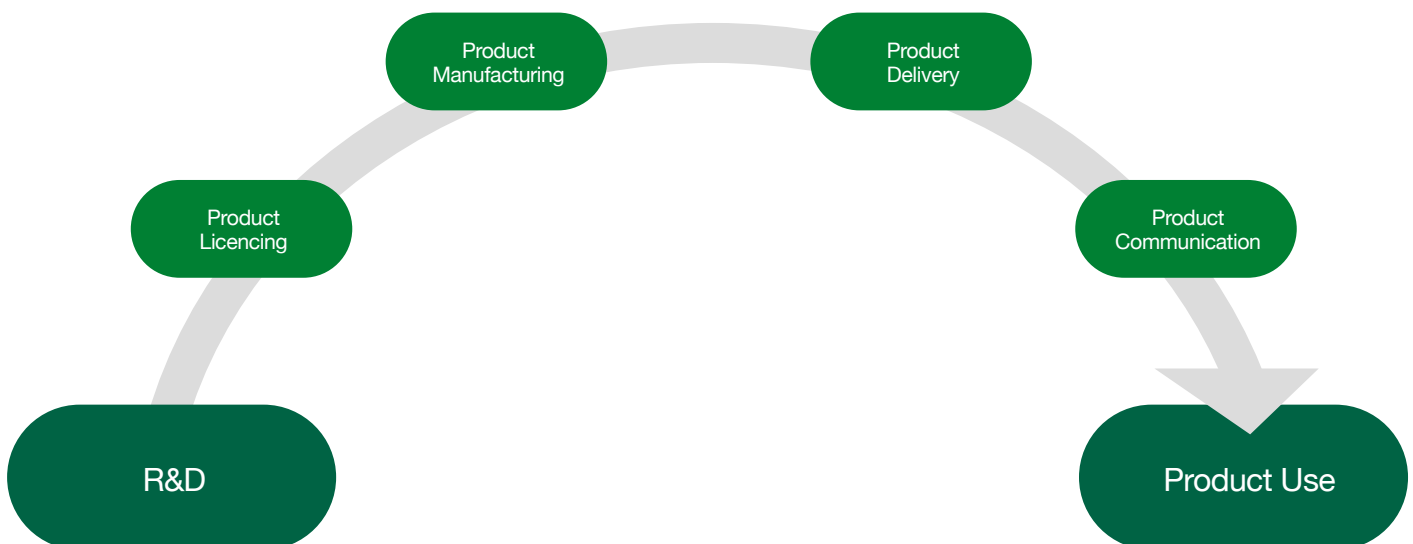
- The Global Project Leader initiates product development and, working with the Commercial Team, prepares a Business Case.
- The Executive Leadership Team reviews the Business Case and conducts an initial project assessment.
- If approved, the project progresses under the guidance of the Global Project Leader and Project Team.

Notable examples include securing marketing authorizations for Aivlosin® in China and an agreement on a research partnership with Moredun Research Institute, UK to develop an effective

first-in-class vaccine solution for the sustainable control of poultry red mite.

Scientific studies required for marketing authorizations adhere to regulatory authority guidelines, leveraging published literature and laboratory testing where possible. Research protocols placed at universities and contract research organizations are subject to animal welfare committees that focus on animal health. Stakeholders collectively embrace the principles of “reduce, refine, and replace” in animal testing.

Healthy livestock have a more positive environmental impact and contribute to societal well-being. ECO's key product, Aivlosin®, addresses respiratory and enteric diseases in pigs and poultry, promoting health, welfare, and efficient growth. ECO's focus on disease prevention and innovation aims to ensure more animals live longer and healthier lives without disease, further enhancing animal health and sustainability.







A significant portion of ECO's R&D efforts concentrate on the development of biological-based solutions for infectious diseases in swine and poultry. These projects undergo ethical review, with actions taken to address concerns raised.

ECO supports the livestock industry by sponsoring PhD students, even in areas outside its primary research interests, contributing to advancements in animal health.

**Manufacturing and Suppliers**

ECO adheres to the rigorous regulations governing the pharmaceutical industry, maintaining strict oversight of its contract manufacturers who operate in accordance with Good Manufacturing Practice (GMP) guidelines.

In 2022-2023, ECO's Chinese joint venture, Zhejiang ECO-Biok Animal Health Products Co. Ltd, completed the construction and outfitting of a new manufacturing plant in China. This plant complies with the latest standards and meets updated Chinese animal medicine GMP regulations.

In the upcoming year, ECO will measure the energy use, water consumption, and waste management at the new

ECO-BIOK plant to establish baseline metrics for future comparisons.

ECO's largest supplier produces the Active Pharmaceutical Ingredient (API) tylvalosin for Aivlosin® and operates as the exclusive API contract manufacturer. The manufacturing group demonstrates a commitment to energy conservation, emission reduction, and pollution control, holding various ISO certifications and accolades. Energy consumption is closely monitored, with ongoing efforts to reduce energy usage.

From 2020 to 2022, there was a 30% reduction in energy consumption, with a 9% reduction observed from 2021 to 2022. The target for 2023 is a further 3% reduction in energy consumption.

*From 2020 to 2022 there was a 30% reduction in energy consumption.*

**Table 5:**  
Energy consumption per 10<sup>4</sup> RMB turnover at ECO's tylvalosin contract manufacturer and largest supplier

Calendar Year	Energy consumption per 10 <sup>4</sup> RMB turnover tce/ 10 <sup>4</sup> RMB	Consumption reduction compared with the previous year /tce	CO2 emission reduction(t)
2020	0.59	N/A	N/A
2021	0.46	31632.24475	77815.32209
2022	0.42	12917.53778	31777.14294

*Tce – tonnes of coal equivalent*

**Environmental Initiatives and Quality**

Lukang, a critical manufacturing site for ECO, has taken several significant energy conservation and emission reduction measures.

The Lukang plant is registered in ECO's product licenses for API manufacture, including licenses for various global markets. This API manufacturing site has undergone inspections by global health authorities, including the U.S. Food and Drug Administration (FDA).

Third-party independent Quality Control laboratory testing is conducted in accordance with local regulations for each batch of API upon entry into different countries.

Lukang is a part of ECO's vendor management programme and undergoes audits in accordance with EU GMP, ICH Q7/2020, and Chinese Veterinary GMP standards. The most recent audit in 2021 identified no critical GMP findings, and there were no concerns regarding the site's Quality Management System. The next ECO audit is scheduled for 2024.

**Other Suppliers**

ECO has a unique business model where manufacturing and research functions are primarily outsourced, reducing the company's direct environmental impact. In line with ECO's ESG commitments, they intend to emphasize these values to both new and existing suppliers and expect suppliers to align with their ESG principles.

**Energy conservation and emission reduction measures**

<b>1</b>	<b>Photovoltaic Power Generation Project</b>	This project involves the installation of photovoltaic panels that began in 2020. Upon completion, it is expected to generate 10 million kWh of electricity, saving 1,500 tons of standard coal annually.
<b>2</b>	<b>Sewage Biogas Project</b>	Upgrades were made to the original equipment, resulting in savings of 1,200 tons of standard coal and over 6 million RMB per year.
<b>3</b>	<b>Energy-Saving Air Compressors</b>	Following the installation of the second of two air compressors in June 2023, this initiative will save 3,000 tons of standard coal and over 17 million RMB annually.
<b>4</b>	<b>Air Compressor Heat Utilization</b>	Generated heat is utilized to warm the office and workshop, saving 7,000 tons of standard coal and over 14 million RMB per year.
<b>5</b>	<b>Energy-Saving Motors in Fermentation and Agitation Process</b>	Installation of energy-saving motors results in annual savings of 1,200 tons of standard coal and 7 million RMB.
<b>6</b>	<b>Replacement of Low-Energy-Saving Equipment</b>	The substitution of low-energy equipment with energy-saving magnetic levitation blowers and refrigerators will save 1,000 tons of standard coal annually, equivalent to over 6 million RMB.
<b>7</b>	<b>Solvent Recovery Facilities</b>	Optimization and increased efficiency of solvent recovery facilities have led to solvent recovery utilization of over 99% in 2022.
<b>8</b>	<b>Solid Waste Antibiotic Biomass Residue</b>	Efforts to reduce and optimize solid waste antibiotic biomass residue have included producing organic fertilizer. This aligns with Chinese legislative requirements for the proper disposal of biomass residue.
<b>9</b>	<b>Wastewater Reuse Project</b>	The new wastewater reuse project, operational since 2022, has reduced water consumption and wastewater discharge, exceeding local regulatory requirements.

**Quality**

**Site Audits:** Routine audits by the Quality function are scheduled based on site risk and external requirements, influencing the frequency of audits for each site. The number of audits and the sites audited vary each year.

In 2022-2023, a total of 29 audits were conducted, with 22 on-site and seven remote. No human rights breaches or instances of modern-day slavery were observed during these audits. ECO aims to maintain a record of zero human rights and modern slavery breaches in future audits.

**Product Complaints:** In 2022-2023, there were no product recalls. There were 16 product complaints, all related to damage during transportation. This low number of complaints represents one product complaint per £5.52 million in sales.

**Pharmacovigilance:** Following mandatory pharmacovigilance training, all adverse event reports were processed and submitted to the relevant regulatory authorities within stipulated timelines. Signal reviews, as required by EU legislation, were conducted, and relevant reports were submitted to the European Medicines Agency (EMA) within required timelines.

**Operations and Logistics**

ECO has committed to reviewing the use of recyclable and recycled materials for product packaging and reducing energy use for product transportation. The Operations function encourages the use of minimum order quantities for shipments to enhance business efficiency and reduce energy consumption for transportation.

**Recyclable and Recycled Packaging:** ECO’s Ivermectin Injectable formulation will transition from HDPE to PET containers in 2023-2024 lowering carbon footprint and increasing recyclability. The introduction of PET containers aims to reduce plastic waste entering landfills, with metrics planned for monitoring the impact.

**Environmental Impact Metrics**

Packaging for Ivermectin Injectable Formulations:

- In the period covered, a total of 29,194 litres of Ivermectin Injectable formulations were sold.
- These formulations used 3,403 kg of HDPE plastic containers, resulting in an average of 0.117 kg of HDPE used for every 1 litre sold.

**Focus on Aivlosin®**

Our flagship product, Aivlosin®, is marketed and distributed by ECO in over 70 countries worldwide. Our promotional efforts and communications with distributors, subsidiaries, and customers emphasise the importance of diagnosing infections before treatment, the use of preventative methods such as management and vaccines to minimise the risk of illness, and the responsible use of antimicrobials when necessary.

**Packaging Choices for New and Existing Products:**

ECO commits to choosing packaging with the least environmental impact for new and existing products, whenever regulatory requirements permit such choices.

**Product Transportation, Route, and Number of Shipments:**

Baseline metrics for product transportation, including the number of pallets/skids shipped from the Company’s global contract facilities and the details of routes and shipments, were established for the 2022-2023 period.

**Table 6:**  
Ivermectin Injectable formulation sales in HDPE containers 2022-2023

Pack size (ml)	Units sold (n)	Bottle weight (g)	Total plastic used (kg)
50	10,505	11	116
200	27,225	32	872
500	46,445	52	2,415

**Table 7:**  
Baseline metrics for 2022-2023 for pallets/skids, route and number of shipments of all products

Total number of pallets / skids shipped	5,387
<i>Pallet/skids route</i>	%
Land/road	2,087 39%
Sea	3,038 56%
Air	262 5%
<b>Total number of shipments</b>	<b>489</b>

### Product Promotion

ECO is a proud member of the UK industry professional body, The National Office of Animal Health (NOAH), and diligently adheres to their Code of Practice. This affiliation underscores the company's commitment to upholding high ethical and professional standards within the animal health industry. By being a part of NOAH, ECO actively contributes to the collective efforts of the industry to ensure the responsible and ethical provision of animal health solutions.

When it comes to providing product information to its customers, ECO places a strong emphasis on accuracy, transparency, and fairness. The company aligns all product information with the Summary of Product Characteristics (SPCs), ensuring that customers receive comprehensive, reliable, and evidence-based information. ECO's dedication to providing factual and fair product information reflects its commitment to promoting informed and ethical decisions in animal health.

Moreover, ECO goes the extra mile to maintain the integrity of its customer materials, including brochures, posters, and publications. Each of these resources undergoes a thorough internal review, which involves both technical and regulatory assessments. This meticulous review process is in place to ensure that all customer materials meet the highest standards of accuracy and transparency. ECO's dedication to these principles reflects its proactive stance on promoting responsible practices in the animal health industry, assuring its customers of the highest ethical standards.

### Supporting the Wider Community

ECO actively supports two charities, namely SHIVIA and SignPost, and encourages its staff to contribute to these causes. The company takes its charitable commitment one step further by matching individual donations

made by its employees. This initiative aligns with ECO's ethos of being a socially responsible organisation that not only focuses on animal health but also contributes to the well-being of communities and individuals in need.

SHIVIA, an international charity, operates in India and other countries and plays a pivotal role in empowering families, especially female-led families, living below the poverty line. The organisation helps these families start income-generating businesses, such as raising chickens and rearing goats. The choice to support SHIVIA reflects ECO's commitment to its broader purpose of aiding in the production of a safe, healthy, and sustainable food supply. By supporting SHIVIA, ECO not only fosters economic opportunities but also uplifts communities facing financial hardship.

On a local level, ECO has chosen to back SignPost, a charity associated with Community Heart London. SignPost specialises in assisting individuals who find themselves on the margins of their community, helping them access crucial resources such as housing, food, benefits, and emotional support. This commitment to a local charity underscores ECO's dedication to making a positive impact on the lives of individuals within its immediate community.

In the fiscal year 2022-2023, ECO's contributions to these charities have been notable. The company donated £4,000 to SHIVIA and an additional £4,000 to SignPost. This financial support not only demonstrates ECO's commitment to its corporate social responsibilities but also highlights its efforts to address both international and local social challenges. As a socially conscious organization, ECO is actively involved in initiatives that extend beyond its core business, and its charitable contributions exemplify this commitment to creating a positive impact on the world.



*ECO is also deeply committed to promoting diversity, equity, and inclusion within its organization.*

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