

ESG Report

ECO is committed to embedding sustainability into its business dealings at the highest standards. ECO recognises the value of incorporating the principles of Environment, Social and Governance (ESG) into everything we do and significant progress was made in the area in 2022-2023. As ESG is of key importance to the Company, it is the responsibility of the Board of Directors, working through the business leadership team.

The Company completed a large project over the past year in which a framework of ESG metrics and targets was developed via a 2-step process. A Benchmarking Exercise in which the ESG disclosures of companies in our sector demonstrating best-practice were evaluated and used to inform the development of ECO metrics and targets by the leadership team that best reflect the aspirations and uniqueness of the Company.

As a result of this project, the Company is clear on what it aspires to achieve in each area, can do and measure now and in the future and what it will commit to in terms of stretching and achievable targets.

ECO is committed to the United Nations Sustainable Development Goals (SDGs) and their role as a blueprint for sustainability. Our aspiration is to contribute to the following six SDGs which are aligned with our current and future business and intentions.

ECO intends to continue our focus on the Environment and DEI

- We aim to be carbon neutral by at least 2045. This will be achieved by implementing a variety of initiatives in the UK and the wider global business.
- We aim to achieve excellence in diversity, focusing on gender parity and ethnic diversity that reflects the regions in which we work.



No Poverty. ECO focuses on economically important diseases of pigs and poultry; by treating and controlling these diseases, animals are healthier and grow more profitably, enhancing the incomes of their keepers.



Zero Hunger. ECO improves the health of pigs and poultry, providing healthy and nutritious meat and eggs to populations around the world.



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 gender parity for its workforce and our chosen international charity promotes gender equality as part of its work.



Decent work and economic growth. ECO staff experience work and development opportunities, customers are supported with training and knowledge to better their businesses and we develop upstream and downstream partnerships and employment to suppliers and distributors.



Responsible Production and Consumption. Changes and improvements made by our key supplier and in the UK Southgate office have increased our sustainability.



Our Commitment to the Environment

We are committed to making a fair contribution to reducing the potential of our business operations on the environment and have made significant progress in this area in 2022-2023.

Southgate, UK: In the Company's Head Office (Southgate, London, UK), major improvements to recycling of food and non-perishable waste were made along with the elimination of single-use plastics. Recycled consumables in the kitchen and bathrooms are now used exclusively along with LED lights throughout the office. Installation of a smart meter will enable monitoring of real-time electricity use and may identify opportunities for reduction. Confidential paper was collected (721 kgs), shredded and recycled at a paper mill for re-use in the form of household paper, writing paper, etc. by the company SDR (Secure Data Recycling). Batteries, including laptop batteries, are recycled. Company IT equipment is revived and reused by ECO. If this is not possible, it is donated to a British company, Innovent Recycling, which collect equipment and attempt refurbishment. No ECO IT equipment was collected for refurbishment or recycling in 2022-2023. The Company intends to switch from the current energy supplier (81% green) to a 100% green energy supplier in 2024 at the end of the current contract.

Cars: Two electric cars were added to the UK car fleet driven for company business, making 8% of fleet electric. The Company intention from 2023-2024 is that every UK and European car renewal is carbon-neutral or the employee is moved to a salary swap scheme.

Energy Used for Offices and Business Miles:

Manufacturing and Suppliers: During 2022-2023, ECO's Chinese joint venture 'ECO-Biok' finished building and fitting out their new plant and began manufacture of finished goods to supply the Chinese market. This new plant was built to the latest standards and meets new Chinese requirements including updated animal medicine GMP regulations which came into force in 2022.

Table 1: Office Energy Use

	2021-2022 (kWh)	2022-2023 (kWh)	CO2 equivalent (tCO2e) 2022-2023
Southgate Office	25,501	30,032	8.7
New Malden Office	11,759	28,278	6.3
Japan		9,049	4.2
China		3,687	2.0
Brazil		2,758	0.2

Table 2: Business Miles Driven (Company and Private Cars)

	2021-2022 (tCO2e)	2022-2023 (tCO2e)	# cars driving business mileage	tCO2e/Car
UK	11.3	-	-	-
UK		42.7	27	1.6
Japan		0.03	2	0.0
Brazil		11.3	5	2.3
Mexico		14.2	8	1.8
Europe		35.4	9	3.9
LATAM		1.0	2	0.5
SE ASIA		14.0	6	2.3
USA		1.4	7	0.2

ECO's largest supplier is the manufacturer of tyvalosin, the active pharmaceutical ingredient (API) in Aivlosin®. From 2020-2022, there was an almost 30% reduction in energy consumption per RMB turnover and from 2021-2022, a 9% reduction. The target for 2023 is a further 3% reduction. These reductions were driven by energy conservation and emission reduction measures including photovoltaic power generation, a sewage biogas project and energy-saving air compressors.

Operations: Baseline metrics for 2022-2023 were collected for pallets/skids, route and number of shipments from the Company's global contract facilities. Baseline metrics for the use of HDPE containers for ECO's Ivermectin Injectable formulation were also developed in anticipation of the introduction of PET containers which will reduce the amount of plastic entering landfill. When the same data are collected next year and compared to these baselines, targets can be developed.

Social – Our focus is on gender parity and ethnic diversity

The first ECO Employee Engagement Survey took place in 2022-2023; 78% of respondents agreed or strongly agreed that ECO is a good place to work and the Company aims to increase this to above 80% in 2023-2024. Engagement Workshops were conducted to suggest actions to improve the lowest-performing areas by 5% in 2023-2024. Employee turnover in 2022-2023 was 14% and the retention rate was 86%.

ECO recognises the value of gender diversity in business. The ratio of women:men on the Board and ELT increased in 2022-2023 compared to last year. For the first time, the ratio of women:men was determined for Managers and Non-Managers. ECO has committed to supporting an Employee Engagement Group for Women and to improve gender diversity across all regions, levels and functions of the Company through a combination of recruitment, retention and training programmes.

Using this year's DEI survey, ethnicity information is presented below for Managers and Non-Managers; other data was excluded due to potential biases in the response rate.

ECO supports two charities, SHIVIA and SignPost, encouraging staff to donate to them with the company matching individual donations. In 2022-2023, £8,000 was donated. A commitment has been made to continued support of both charities next year.

Governance – Ongoing commitment to very high standards

We are committed to meeting high standards of business governance and risk management practices. This applies both to our own operations and our business partners. We have developed, and continue to update, strategies and procedures specific to our business for managing the main risk categories identified by our Board of Directors. The Board is and has been tirelessly focused and committed to improving Business Governance for some time.

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Gender Ratios

