

ESG

Our commitment to sustainability is an integral part of ECO

ECO is committed to incorporating sustainability and the principles of Environment, Social and Governance (ESG) into everything we do. Substantial progress was made again in 2024 as outlined in this focused report. This ESG report covers the calendar year to 31 December 2024 and future ESG reports will cover the calendar year rather than the ECO financial year to better meet the needs of the business.

A key undertaking in 2024 was a Materiality Analysis, in consultation with the Sustainability Accounting Standards Board (SASB) topics. This large project elaborated the internal and external views of global ECO stakeholders through comprehensive investor, distributor, customer and ECO leadership and staff interviews to inform the ongoing development of ECO's ESG strategy. The top material topics identified were product quality and safety, regulatory compliance, transparency and disclosure, community engagement and innovation along with ethical business conduct and leadership, supply chain responsibility and employee engagement, diversity & inclusion. These are essential priorities for ECO's ESG strategy which, combined with a benchmarking exercise also undertaken in 2024, are pivotal in shaping ECO's future ESG strategy and ensuring its continued success.

ECO remains committed to the United Nations Sustainable Development Goals (SDGs), particularly the six most closely aligned with our business operations:



ECO intends to continue our focus on the Environment and Diversity, Equity and Inclusion (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.

Our Commitment to the Environment

ECO is committed to making a fair contribution to reducing the potential impact of our business operations on the environment and has made continued progress in 2024. As our business grows, we acknowledge that some key environmental metrics will correspondingly increase. Initiatives such as the ECO Business Partner Code of Conduct are in place to align our environmental and social commitments with our growth.

During 2024, we established systems for data collection for six additional Scope 3 metrics (waste, commuting, working from home, business travel, upstream and downstream distribution and water) to ensure this data is collated for 2025.

Further Increasing Office Sustainability

ECO offices play a central role in advancing our environmental mission. In 2024, we made significant progress in advancing initiatives across our global operations.

Three major energy-reducing projects were completed as planned in the UK offices during 2024.

The New Malden office, which consumed electricity and natural gas while empty, was sold in January 2024, saving 11,451 kWh. In May 2024, ECO's Head Office in Southgate, London, transitioned to a green energy supplier, Engie, for electricity. Engie provides 100% UK-sourced and certified Green Gas, with verification through the Green Gas Certification Scheme. The allowable temperature in the on-site server room was increased to 23°C to decrease cooling energy and increase energy efficiency in February 2024, saving 631 kWh.

The above reductions are offset by increased office energy use in the US, with the opening of a new facility and continued responsibility for a vacant office.

Table 1: Office energy use

	2024 (kWh)	Last year (kWh)
UK Southgate office	26,095	28,968
UK New Malden office	1,236	11,451
Japan	9,398	8,779
China	4,684	4,582
Brazil	2,494	2,430
USA	125,573	72,945

Table 2: tCO₂e emissions per 1,000 miles driven for business mileage 2024

	Total tCO ₂ e emissions	Total business miles driven	tCO ₂ e/ 1,000 miles driven
UK	13.4	49,223	0.27
Japan	0.04	251	0.16
Brazil	5.4	21,517	0.25
Mexico	11.8	30,774	0.38
Europe	26.3	95,655	0.27
LATAM	0.8	2,281	0.35
SE Asia	11.6	41,689	0.28
USA	3.5	6,821	0.51

Our commitment to sustainability is further enhanced by our approach to recycling. Mixed materials and battery recycling continued, and no ECO IT equipment was collected for refurbishment or recycling in 2024. Recycling and sustainability information was collected from all offices and shared to enhance best practice.

Reducing the Impact of Business Miles Driven

ECO secured a new, sustainable fleet partner in 2024, meeting last year's commitment. This partner, Tusker Cars, provides only electric and hybrid vehicles. In addition, fleet schemes from the Electric Car Scheme and Octopus Electric Vehicles are available to the Group as competitive offerings to Tusker.

In future, every UK car (over 30% of the total car fleet in 2024) renewal and new starter car will be electric or hybrid or the employee will be moved to a salary swap scheme, aligning with our sustainability aspirations and lowering the CO₂e emissions per mile driven in the UK (Table 2). Ethanol fuel use in Brazil has increased car fleet sustainability. These efforts reflect ECO's desire to reduce emissions whilst continuing to grow.

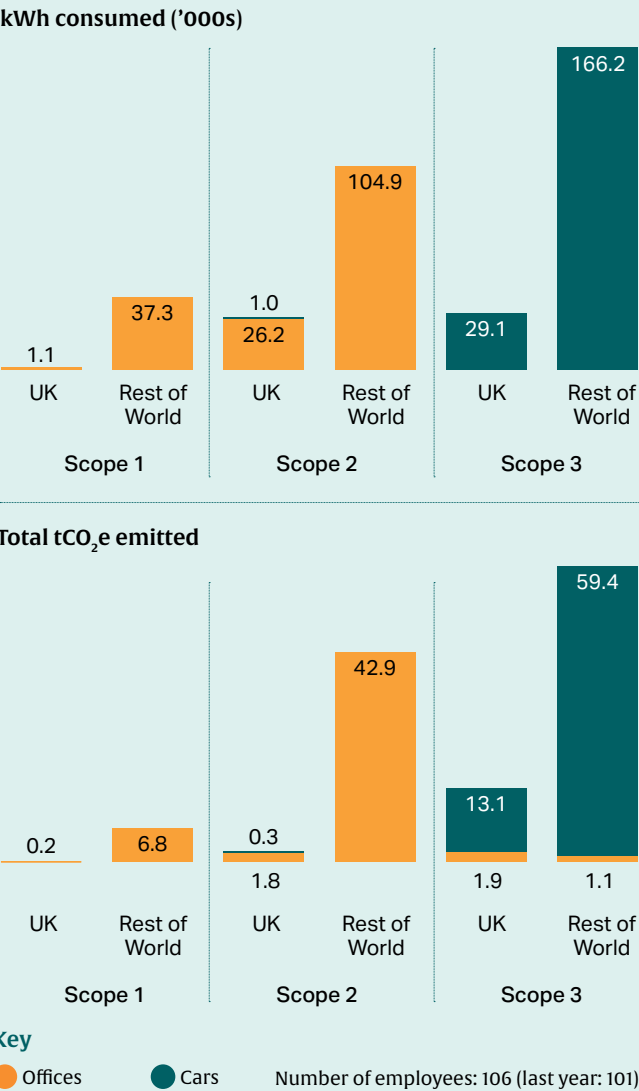
ESG continued

Scope 1, Scope 2 and partial Scope 3 metrics for ECO offices and cars

Further progress has been achieved in the collection of data for energy consumed and tonnes of CO₂e emitted at offices and business mileage in the UK and Rest of World (Graph 1).



Graph 1: kWh consumed ('000s) and total tCO₂e emitted 2024*



* Scale of the vertical axes for UK is smaller than for Rest of World.

Combined Scope 1 & Scope 2 kWh ('000s) per employee

Total Scopes 1 & 2 ('000s)

170.4

Last year: 131.4

kWh ('000s) per employee

1.6

Last year: 1.3

Combined Scope 1 and Scope 2 tCO₂e emissions per employee

Total Scopes 1 & 2 ('000s)

52

Last year: 32

tCO₂e per employee

0.5

Last year: 0.3

Manufacturing and Suppliers

ECO works with many manufacturing and supplier business partners and has prioritised the largest in each group to begin to measure upstream and downstream energy use and emissions. We intend to collaborate with additional manufacturers and suppliers in the future.

Key environmental parameters for the manufacture of finished goods for the Chinese market by ECO's Chinese joint venture ECO-Biok were measured in 2024 and compared to the previous year's baseline.

- Increased revenue (from USD24.180m to USD29.756m) increased electricity consumption (from 1.14 to 1.34 GWH) and reduced electricity intensity (from 0.047 to 0.045 GWH electricity consumed per USD m).
- Increased production led to increased machinery and equipment use and reduced cleaning frequency, reducing water intake intensity (from 609.974 to 500.504 water (m³) intake per USD m) and wastewater intensity (from 71.630 to 61.097 wastewater (m³) per USD m).
- Waste intensity also decreased (0.385 to 0.309 total waste in tons per USD m).

ECO's largest supplier remained the manufacturer of tylvalosin, the active pharmaceutical ingredient (API) in Aivlosin®, where progress in energy conservation and emission reduction measures continued. Two large energy conservation and emission reduction measures continued in 2024 with one completing, the installation of permanent energy-saving motors. The installation of photovoltaic power generation equipment will be completed in Q2 2025.

Operations

The Group made further progress on the three focus areas in the operations function: shipping, packaging and recycling.

Maximise the use of sustainable shipping routes: Shipping routes from the Group's global contract facilities in 2024 remain primarily via land/road or sea routes (93% of the 4,290 pallets) rather than by air (7%), similar to 2023-2024. Data collection will continue.

ESG continued

Collaborate with suppliers to increase the sustainability of secondary product packaging: As intended, further data extraction modifications were made to evaluate the sustainability of secondary packaging; in 2024, 34,609 kg of secondary packaging materials were used with 23,278 kg (67%) deemed recycled and/or recyclable, 27% deemed recycled and 78% deemed recyclable. An aspiration is to collaborate with suppliers to increase their use of recycled materials.

Transition from less recyclable HDPE to PET containers for ivermectin injectable formulations: During 2024, the transition from HDPE to PET containers for ivermectin injectable formulations continued, with 96% (up from 37% in 2023-2024) of the total volume filled in PET containers. The transition will continue until the move to PET containers is complete.

Social – Our focus is on gender parity, ethnic diversity and employee engagement

The Group is committed to fostering a diverse and inclusive environment and undertakes ongoing efforts in this area.

Gender parity

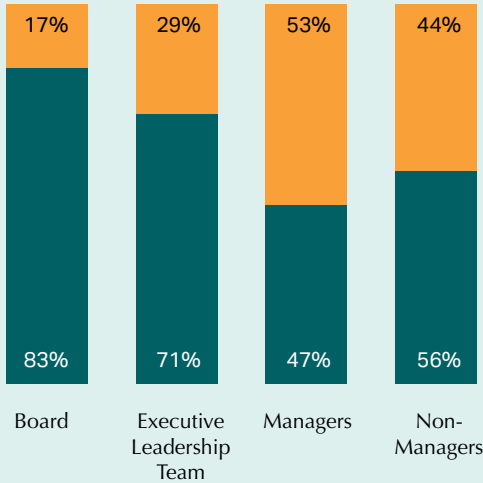
ECO recognises the value of diversity in business and commits to improving gender diversity across all regions, levels and functions of the Company through a combination of recruitment, retention and training programmes.

As at 31 December 2024, the Board and Non-Manager gender ratios remained the same as last year, while the Executive Leadership Team (ELT) female gender ratio increased (Graph 2).

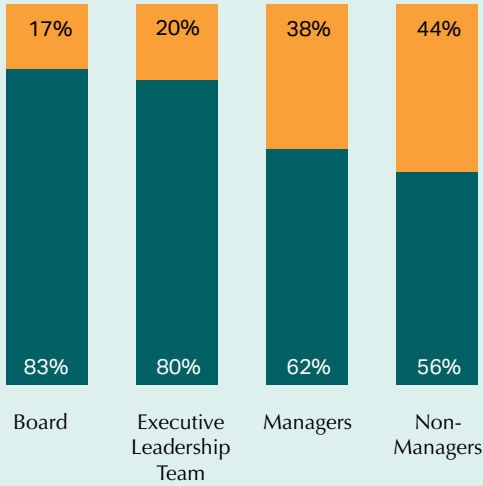
The ECO Women's Employee Resource Group was established in early 2024 to create a supportive and empowering space for women to collaborate, advocate and drive initiatives that promote inclusivity and equality. The six members met three times in 2024. To date, the group has proposed the new Menopause policy which was adopted and implemented to support menopausal age women.

Graph 2: Gender ratios

2024

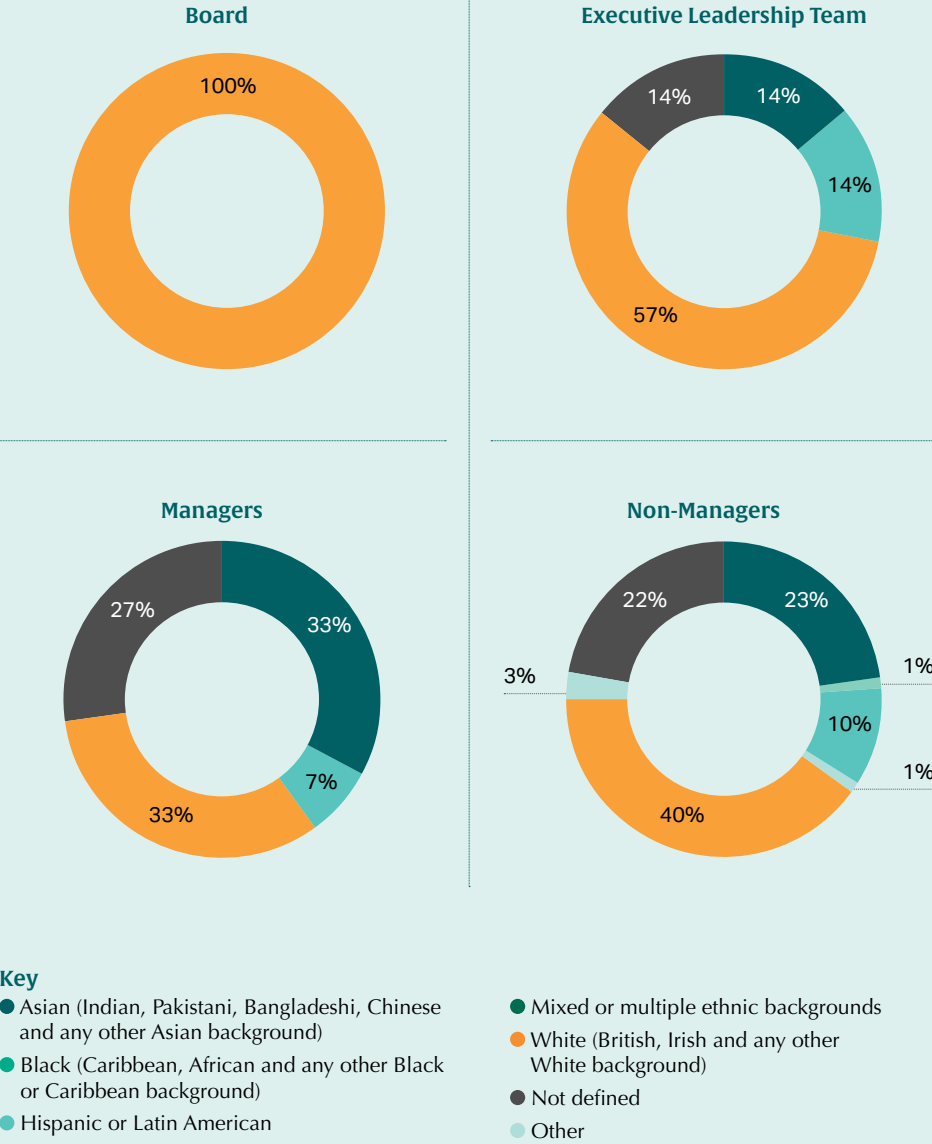


Last year



Key
● Male %
● Female %

Graph 3: Ethnicity data 2024



ESG continued

Ethnic diversity

Ethnicity data for 2024 was retrieved from the HR Software programme and is shown in Graph 3. In 2024, 22 nationalities worked in 19 global locations, with 88% working in their home country. ECO's approach to valuing global diversity while hiring and retaining local people to meet local needs continues, while ongoing monitoring ensures our business needs are met.

Employee Engagement

Employee engagement has improved further since 2022 (Graph 4). This significant increase was driven by many people's efforts and dedication, guided by employee workshops that provided input into an engagement action plan that was delivered over the year.

Opportunities for improvement were identified as opinion counting, line manager feedback, collaboration between departments and compensation package. Employee workshops and various engagement activities in 2024 led to actions including increased performance-related pay, health insurance being introduced in the US and improvements to the UK pension scheme

In 2024, employee turnover (6%) and retention rate (94%) improved again compared to last year (12% and 88%, respectively), a testament to the ongoing commitment by ECO in this area.

Community

ECO continued to support two main charities, SHIVIA and Signpost, encouraging staff to donate to them with the Group matching individual donations. In 2024, the Group donated £9,000 to SHIVIA and £4,000 to Signpost, up from a total of £8,000 last year. Individuals were also supported with fundraising for events and/or donations including for the Nightingale Cancer Support Centre, Cancer Research, the USA Humane Society and Circus Star in alignment with last year's commitment to support additional charities.

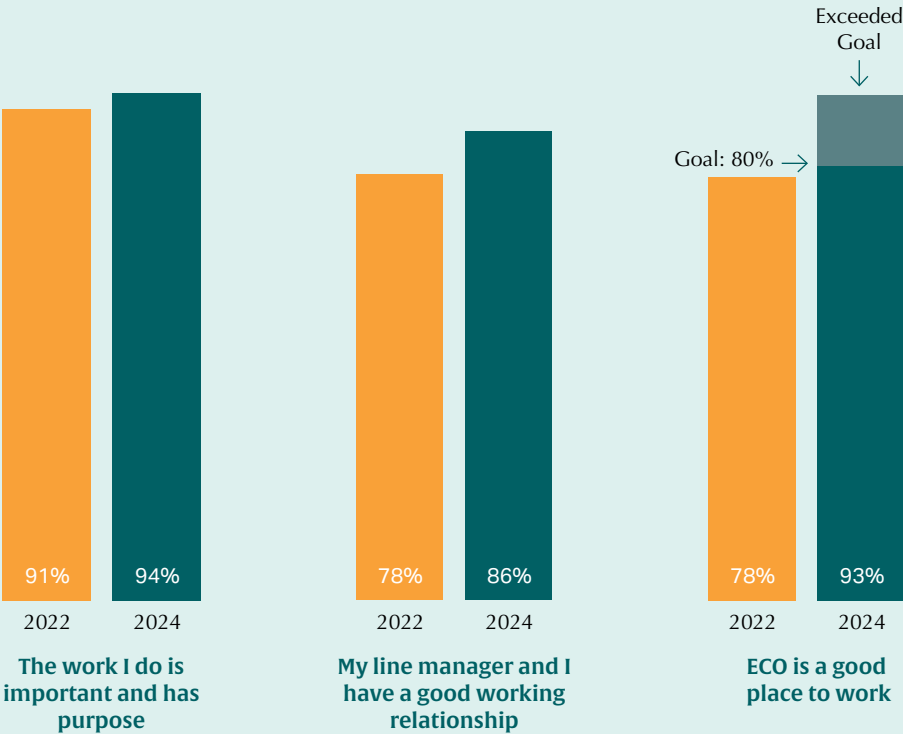
Governance – Ongoing commitment to very high standards

The Board maintains oversight and responsibility for ESG, strives for competency on ESG matters and promotes the link between achievement of ESG metrics to ELT remuneration. The Board remains tirelessly committed to maintaining and improving business governance and our efforts to enhance sustainability.

Two examples of this commitment are the proper payment of taxes and the ESG Working Group. ECO is committed to responsible taxation in the jurisdictions in which we operate and was again awarded the Fair Tax Mark accreditation, this time for the year ending 31 March 2024. The ESG Working Group has a direct line to the CEO and Board. This group represents all parts of the business and met three times in 2024 to add additional ideas for increasing sustainability, especially in the environmental area, and to promote the ESG ideals across the business.

Graph 4: Employee Engagement Results*

ECO Engagement Survey 1 took place in December 2022. Survey 2 took place in February 2024.



* Those agreeing or strongly agreeing.

