



STATEMENT ON EXTRA-FINANCIAL PERFORMANCE 2018

**Shaping the future
of animal health**

BUSINESS MODEL

VIRBAC

OUR VISION



A unique, innovative and agile company shaping the future of animal health, empowering and engaging each employee to enrich the customer experience

OUR STRATEGIC AREAS OF FOCUS



Accelerating in the USA and emerging countries



Improving competitiveness



Bringing innovative products & services



Transforming the company

OUR RESOURCES



HUMAN

4,900
EMPLOYEES
ACROSS MORE
THAN 30
COUNTRIES

FINANCIAL



SUSTAINABLE, PROFITABLE AND RESPONSIBLE GROWTH

LONGSTANDING FAMILY OWNERSHIP

INTELLECTUAL



R&D CENTERS OVER FIVE CONTINENTS

WIDE RANGE OF PRODUCTS



INDUSTRIAL



PRODUCTION FACILITIES IN 10 COUNTRIES

SOCIAL AND SOCIETAL



STRATEGIC PARTNERSHIPS

PROXIMITY TO ITS ECOSYSTEM

OUR VALUE CREATION

Addressing animal health challenges



CREATE

INNOVATION
DEVELOPMENT

MAKE

INDUSTRIAL
QUALITY

SELL

BUSINESS
MARKETING

SUPPORT

COMMUNICATION
HUMAN

SOURCING
FINANCE

LEGAL
TECHNOLOGY



OUR VALUE PROPOSITION

Nurture entrepreneurship - Stimulate innovation
Foster a customer-driven approach - Pay for value

KEY CHALLENGES IN THE ANIMAL HEALTH ECOSYSTEM



ANIMAL WELFARE



FEEDING THE PLANET
(food security & food safety)



REGULATIONS



QUALITY

With deeply humane values and stable family ownership, Virbac offers a range of products and services covering the majority of species and animal pathologies. Based on both technological advances and customer feedback, Virbac innovation relies on production facilities that meet the highest international quality standards. Through its personal relationship with veterinarians, farmers and owners in each country, Virbac helps to create lasting growth for all of its stakeholders.

PRODUCTION MODEL

Supplying innovative products and services



VALUES

Innovation - Demonstrate our engagement
Attention to people - Choose sustainability

ANIMAL HEALTH SECTOR

OUR VALUE SHARING



EMPLOYEES



INTERNATIONAL MOBILITY

ENGAGEMENT

DIVERSITY

CLIENTS & PARTNERS

RESPONSIBLE INNOVATION

NEW PRODUCTS & SERVICES

INVESTORS

SUSTAINABLE PROFITABLE & RESPONSIBLE VALUE CREATION

SUPPLIERS

STRATEGIC PARTNERSHIPS

RELIABILITY OF THE CHAIN

RESPONSIBLE PURCHASING

COMMUNITY & SOCIETY

INTERNATIONAL PRESENCE

EMPLOYMENT OF LOCAL POPULATIONS

ENVIRONMENTAL CONSERVATION

FACTS AND FIGURES



Our vision
through performance
indicators

ACHIEVEMENTS

High employee
satisfaction rate

Animal nutrition range
named range
of the year

R&D investment:
8.4% of revenue

2018 organic growth:
+4.5%

Ebita: +1.3 pt
at constant rates
Decrease in the debt level

Securing our
supply model

Regionalized R&D

Virbac Foundation
Projects



DIGITALIZATION AND BIG DATA



CONSOLIDATION



ONE HEALTH



DIVERSIFICATION



OUR COMMITMENTS FOR THE FUTURE

Virbac initiated a strategic reflection about CSR (Corporate social responsibility), and conducted an analysis of materiality in order to assess the Group's key issues in terms of sustainable development, particularly with regard to the social and environmental consequences of activity, effects of activity on human rights, and the fight against corruption and tax evasion.

To do this, Virbac used a third-party expert, who directed the analyses and assessments. This matrix was updated in 2018.

This analysis was carried out using a methodology involving factual analysis of credible external and internal sources:

- conducting interviews with industry experts for reflection on key CSR challenges;
- sharing information about surveys and internal and external communication tools;
- reviewing sectoral documentation;
- media analysis, etc.

Based on a materiality threshold defined at the confluence of internal expectations (impact of the key challenges on Virbac's activity and business model) and external expectations (importance of the stakeholders' expectations), the results were summarized and

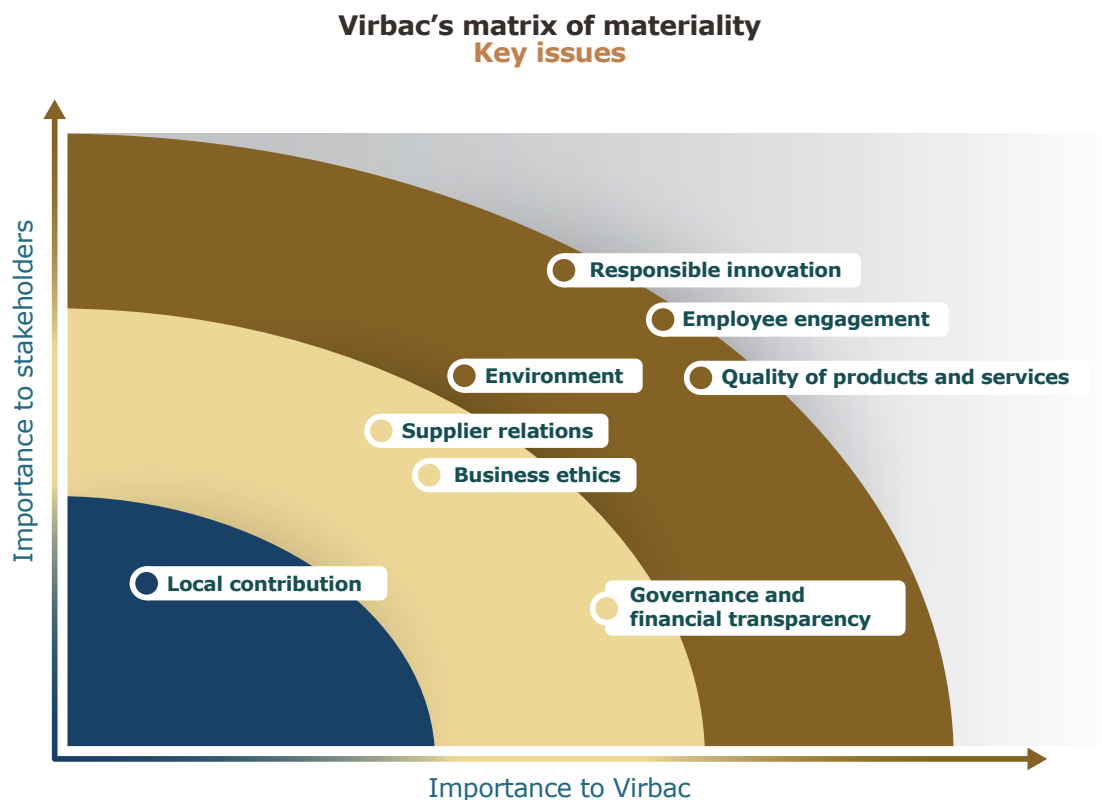
submitted to the chairman of the executive board for approval. A consulting company specialized in non-financial reporting that assisted throughout the entire process guaranteed its independence and objectivity.

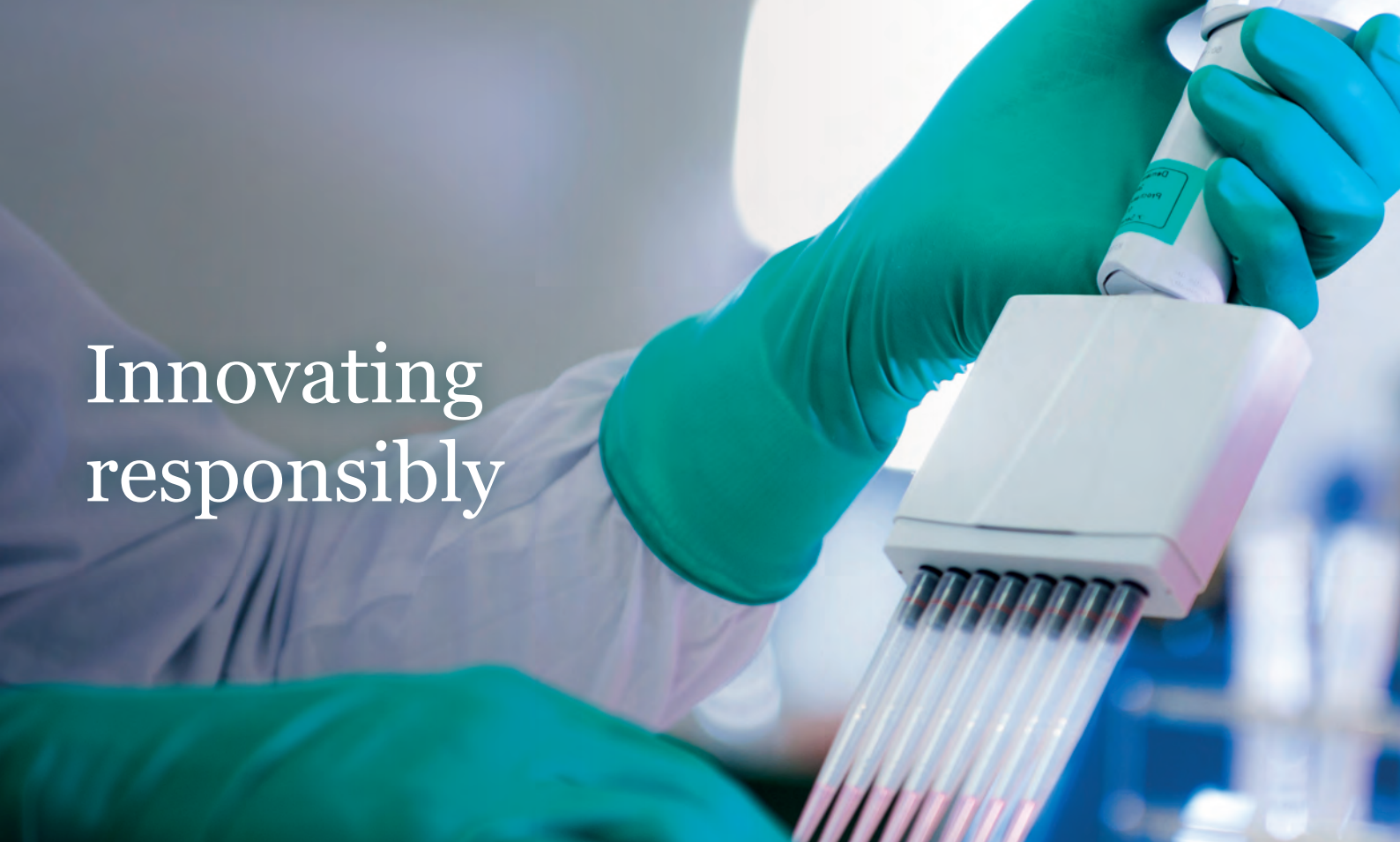
It should be noted that the areas required by the statement on extra-financial performance (social & societal, human rights, business ethics and environment) were reviewed during interviews.

Virbac has always had a reasonable fiscal policy aimed at ensuring the interests of shareholders while maintaining a relationship of trust with the countries in which we operate. Central and local financial teams, with the support of a tax advisor, are committed to complying with national and international tax obligations. Also reviewed were SEFP-related topics that, given our activity, do not concern us, particularly actions to combat food waste, food insecurity, and to respect responsible, fair and sustainable nutrition.

The topics deemed the most material are reflected in detail through the four key challenges as documented in the sections below.

- Innovating responsibly
- Strengthening employee engagement
- Ensuring the quality of products and services
- Protecting the environment





Innovating responsibly

CHALLENGE

In an evolving environment, the Virbac group must provide an innovative, safe range of products and services, developed and produced in respect of animal well-being. Customers, veterinarians, farmers and animal owners are becoming increasingly mindful of their impact on the environment and human health. As a result, Virbac is naturally driven to direct its activities accordingly. For the Group, it's about focusing on research over the long term and

offering innovative solutions that address a variety of diseases and production needs, depending on the individual geographic areas in which they appear. It's also about improving how we go about achieving this while maintaining quality and health standards.

STRATEGY

All of the Group's activities and products are governed by this responsibility requirement. An intrinsic part of Virbac's DNA, this strategic area of focus requires us to continually improve the innovative solutions offered and the way in which they are developed.

Two areas of focus stand out as fundamental for the Group:

- Virbac innovates and operates within a strong ethical framework, by promoting

in-vitro tests as much as possible and by partnering with its stakeholders (suppliers, monitoring authorities, professional associations, etc.);

- the result is products and services that are focused on long-term animal health and that always meet the highest pharmaceutical requirements.

RISKS

The risks related to this innovation challenge have to do with the delays/setbacks tied to innovation projects (incomplete R&D projects, failure to obtain marketing authorizations, loss of license, lack of innovation, etc.). These risks also factor in responsible innovation requirements throughout the product's life cycle. For more information on

the risks associated with this CSR challenge, see the chapter on risk factors page 60 of the annual report, risks related to the innovation process (research, development, and licensing) and/or product registrations.



POLICIES & ACTIONS

RESPONSIBLE INNOVATION AND DEVELOPMENT

AN ETHICAL ENVIRONMENT

To ensure implementation of the fundamental principle of responsibility, the Group has developed an ethical charter for studies on animals that applies to all Group employees; for all studies conducted on animals, in all of the Group's animal units, and to all service providers (charter attached to contracts). Furthermore, the Group has two policies governing animal studies: "Animal ethics committee" and "Animal welfare".

Key actions implemented:

- ethics committees are systematically established, governed by the same ethical principles (independence, impartiality, absence of conflicts

of interests) and operational principles (diverse membership, study assessments, deliberation, voting, etc.), reviewing 100% of the studies;

- regarding studies outsourced to third parties or subcontractors, the Group imposes the same level of requirements on its partners (Contract research organizations, universities, etc.). These requirements include the establishment of their own ethical committee and deployment of strict follow-up procedures for their studies.

ALTERNATIVES TO ANIMAL STUDIES

As an animal health actor, Virbac must rely on animal studies, in accordance with applicable pharmaceutical regulations. However, the Group is committed to limiting them to the necessary minimum, in specific cases where they are required by regulations and no known alternative method is possible.

These animal studies deal mainly with:

- the animal: verification of the product's safety (non-toxicity, no impact on reproduction, non-carcinogenic, etc.) and of its efficacy in healing or protecting the target animal;
- humans: verification of safety for the product user and the absence of residues in species intended for consumption (meat, milk, eggs);
- the environment: verification of the absence of toxicity for organisms other than the target species that may come in contact with the product.

In general, clinical studies are subject to a regulatory submission or prior trial authorization (depending upon the country) and are conducted by veterinarians. As for pre-clinical trials, they are governed by regulations that affect every dimension of animal studies: the institutions where the studies are carried out, staff training and qualifications, the sources of the animals and their traceability, prior ethical evaluation of studies and their follow-up, controls by the authorities, ethics committees, and internal audits.

worldwide. For example, when possible, carrying out *in-vitro* tests in lieu of *in-vivo* tests, or by capitalizing on reproducible tests, on bibliographic research or computer modeling.

- Furthermore, studies are carried out on the species for which the health products are intended (efficacy and safety studies). As a result, no tests are carried out on primates. Rodents and rabbits are mainly used in the validation phases for new vaccines.
- Various initiatives (including negotiations with regulatory agencies to eliminate routine tests, the production of batches intended for countries that do not require animal testing, etc.) have resulted in a significant reduction in the number of tests on domestic carnivores, used mainly for quality tests (regulatory requirements for the release of vaccine batches).

Furthermore, since 2013, Virbac has had in place an adoption program in partnership with the main French association dedicated to animal well-being. The objective, ensuring a host family for 100% of adoptable dogs and cats, has been reached.

Key actions implemented

The above-mentioned charter is based on the international principles of the 3Rs: Reduce, Replace, Refine animal studies.

- The 3Rs rule constitutes our guiding principle of substituting animal studies and tests in our laboratories as much as possible and promoting alternative techniques to regulatory agencies

INVOLVING STAKEHOLDERS

Innovating and producing in a responsible manner cannot be accomplished on a consistent basis without involving the entire Virbac ecosystem. This virtuous path, which consists of assuming social responsibility, valuing the women and men who make up this ecosystem and making animal well-being the focus of its projects and activities, comes about through regular dialogue with stakeholders.

Virbac's relationship with its suppliers reflects this continuity, with regular exchanges, focusing on a close community relationship with local suppliers. As such, the Group has policies and tools to ensure responsible purchasing practices consistent with the Group's guiding principles (supplier charter, assessment questionnaires that include CSR criteria, targeted

audits, follow-up on indicators related to CSR topics, etc.).

For every invitation to tender and for main suppliers, Virbac administers a questionnaire to assess compliance with environmental standards currently in force. Since 2015, new framework contracts have included a provision requiring compliance with these standards. In 2018, the assessment process carried out by Virbac with its new suppliers did not identify any relevant risks. Should Virbac identify a non-compliant supplier, the latter would be required by the Group to comply, or else have its contract terminated.

INNOVATIVE AND TARGETED PRODUCTS

ENCOURAGING THE PREVENTIVE USE OF VACCINES

Prevention development, particularly by vaccination, is one of the ways to reduce the use of antibiotics in animal production. Recent investments by Virbac in vaccines research centers and production facilities intended for food-producing animals in France, Australia, Chile, Uruguay and Taiwan reflect this willingness to strengthen the Group's

development in this area. Virbac is also involved in several partnership programs with public research institutes and private companies for the purposes of developing alternatives to antibiotics.

DEVELOPING MODERN ALTERNATIVES TO TRADITIONAL TREATMENTS

Furthermore, the Group's aim is to develop alternatives to certain traditional therapies, to ensure the well-being of the entire ecosystem and for the sake of protecting the environment.

As part of our responsible innovation process, a Group product (Suprelorin) represents a real alternative to surgical castration in dogs, through

hormonal regulation that neutralizes the animal's reproductive capacity for six months or a year. The animal's well-being is preserved and, for the sake of the animal and its owner, any irreversible surgical procedure is currently unnecessary.

"ONE HEALTH" APPROACH

Virbac's ecosystem (its customers, veterinarians, farmers and animal owners) is becoming increasingly mindful of its impact on the environment and human health. Virbac is naturally driven to direct its activities accordingly. To illustrate this approach, Virbac's innovation impacts the lives of animals first, followed by the lives of humans. For example, Virbac is developing and marketing vaccines for rabies and leishmaniasis in dogs, diseases that are apt to affect humans.

Virbac's oral anti-rabies vaccines administered to foxes contributed to the eradication of rabies in several European countries, and key public health issues related to this disease are still a concern in several large emerging countries.

Innovation is also geared towards societal issues, for example supplying protein to a constantly growing world population. It is in this context that the Group invested in aquaculture, the most productive source of animal protein.

Furthermore, the organization in charge of Group innovation, structured as research centers divided by species and global regions, also affords the Group a range of relevant, suitable products and services to the benefit of all its customers, thanks to this close proximity.

Lastly, the Virbac corporate foundation's mission is first and foremost to raise awareness, educate and inform the public about respect for and responsibility towards animals; and secondly, to support programs that place animal health at the center of the health of ecosystems by protecting and promoting health care for pets or wild animals in their natural habitat and implementing educational or awareness campaigns among local communities.

The foundation fulfills its objectives by developing initiatives and partnerships with health professionals,

veterinary practices, regional and local communities and French and international institutions.

For more information about the Group's various policies to address this CSR challenge, please refer to the sustainable development report (GRI standard).



AIMS & INDICATORS

AIMS	INDICATORS
Reducing animal studies in R&D studies and quality controls	R&D STUDIES: 14% Out of the 5,598 rodents and rabbits used in studies, 1,286, or 23%, were used for the set-up and development of alternative methods. This temporary phase makes it possible to prove the reliability of alternative methods, particularly for the quality control of vaccines, and to foresee a significant medium-term reduction in the use of animals: ■ including rodents: 89.71% ■ including rabbits: 7.26% ■ including food producing animals: 1.09% ■ including domestic carnivores: 1.94%
	QUALITY CONTROL: 86% (regulatory trials for the release of vaccines) 36,361 animals were used as part of Quality Control activities: ■ including rodents: 96.48% ■ including rabbits: 2.39% ■ including food producing animals: 1.03% ■ including domestic carnivores: 0.10% 0,10% of domestic carnivores are used for the Target animal batch safety test (TABST) still required by several countries outside of Europe in order to release vaccines. Over the past few years, Virbac has made a major effort to reduce the number of tests and animals (-80% between 2013 and 2018).



Strengthening employee engagement

CHALLENGE

The success of Virbac is directly linked to the engagement of its employees, an engagement that stems from the role played by the women and men at the heart of the company and its major decisions. The challenge is ongoing for a company that has to change its method of operating in line with globalization, market changes and new technologies, while adhering to its client proximity model. In such an environment,

the issue of human capital plays a major role in the company's strategy, our ambition being to support change in organizations and professions, as well as in the specific needs of populations, by building a strong partnership with managers and all employees.

STRATEGY

In the area of social responsibility, respect for people has been one of the key values championed by the company's founder. Virbac is committed to preserving and fostering this legacy by complementing it with ambitious policies aimed at developing its human capital.

Virbac's strategy in this area can be seen in many policies and actions aimed at reaching the following objectives: safety and irreproachable working conditions that

protect employee health, maintaining a real social dialogue, a favorable compensation and social welfare policy for employees with the lowest wages, individualized skills development, internal professional and geographic mobility and promoting an environment conducive to diversity and equal treatment amongst our employees.

RISKS

There are several types of key risks associated with a drop in employee engagement. Examples of key risks identified include:

- risks to the Group's ability to attract, develop and keep the talents and skills it needs to bring its strategy to fruition;
- risks to employee safety while doing their jobs and the Group's ability to ensure the workplace well-being needed for everyone to perform to their highest potential;
- risks to the health of employees due to insufficient mastery of certain materials used in the composition of medicines or used in the R&D or production processes;

- risks of unfair treatment amongst our employees based on age, gender, nationality or disability.

For more information on the risks associated with this CSR challenge, please refer to the chapter on risk factors pages 62 and 63 (risks related to the ability to attract and retain key skills and risks related to the use of hazardous materials and HSE risk).



POLICIES & ACTIONS

Virbac's policy as it pertains to this human capital issue is based on three complementary pillars:

- training, skills development, performance compensation;
- well-being in the workplace and recognition;
- mobility and diversity aspects that provide a valuable resource for the Group.

Virbac continues to pay close attention to the opinion of its employees and looks to them to define its policies and the areas of improvement so as to unite employees around strong values, thus increasing each and everyone's commitment and motivation. All employees regularly participate in a satisfaction survey that allows them to confidentially express their expectations on a very broad range of topics, many of which involve the human capital CSR challenge. Analysis of survey results serve as a basis for identifying key actions to undertake.

For all social performance indicators that follow, the scope includes the Group's key subsidiaries (84% of the total number of employees): South Africa, Germany, Australia, Brazil, Colombia, Spain, United States, France, India, Italy, Japan, Mexico, New Zealand, United Kingdom, Vietnam and Uruguay. These social indicators cover both permanent and temporary contracts.

COMMUNICATION, RECRUITMENT AND MOBILITY, TRAINING AND PERFORMANCE RECOGNITION

COMMUNICATION

The ability to work together cross-functionally and at a global level is turning out to be a major issue in meeting increasingly ambitious common goals. Information and communication are essential for Virbac.

This first component is reflected in the improvement in the communication of strategic company-wide decisions made through the use of digital tools that

foster the sharing of experiences, knowledge and transversality necessary to the success of the Group's various strategic projects. Increasing the visibility of the actions carried out within the various departments also makes it possible to enhance Virbac's expertise, both individually and collectively.

RECRUITMENT AND MOBILITY

In 2018, 610 new employees were hired, compared to 519 in 2017. India, with 184 new recruits, France, with 115 and North America with 53 account for 58% of the total number of new recruits.

In terms of age groups, 47% of new hires are under 30, 46% are between 30 and 50, and 7% are over 50 years of age.

The subsidiary that hires the most young people is India, with 69% of new recruits under 30 years of age (compared to 82% in 2017). North America recruited the most experienced employees, with 55% between 30 and 50 and 23% over 50 years of age.

In terms of gender, India stands out for recruiting a majority of men, as this practice relates to the role of seller, which is typically assumed by males in this country.

Developing employees also means offering more career opportunities within the Group. To encourage increased internal and international mobility, practices in this area have been standardized through the development of a full and fair Group-wide policy for international mobility that aims to retain employees worldwide, foster transversality and efficiency through sharing of inter-cultural and inter-professional experiences, in addition to securing key positions by leveraging skills and knowledge transfer internally.

TRAINING AND SKILLS DEVELOPMENT

The Virbac Group has in place a skills development policy with a variety of training programs (management, professional efficiency and industry-specific expertise in particular) that aim to maintain employability and develop skills for all employee categories.

Digital Learning plays a major role in the deployment of training paths, combining online learning and practical activities tracked over time (campus innovation,

Virbac Business School, Virbac Quality Academy). For example, training expenses in France this year amounted to 2.79% of payroll, or an investment of €1,884,160.

INDIVIDUAL AND COLLECTIVE PERFORMANCE ASSESSMENT

With respect to performance appraisals, a digital collaborative tool (e-Perf), available in 14 languages, has been rolled out in 33 countries, thus enabling Group-wide alignment of practices and improving the quality of exchanges between managers and employees. Virbac is therefore intensifying its desire for its employees to play a key role in their performance and development, all while responding to business challenges.

The digitization of Perf processes is no substitute for the face-to-face meeting, which is still a special, must experience in the context of employee supervision and support. The vast majority of Group employees are afforded, at a minimum, one annual interview that evaluates their performance over the year and their proficiency in their functions. This interview is also an opportunity to discuss objectives for the following year as well as development needs.

PERFORMANCE RECOGNITION

In France, for example, during the 2018 fiscal year, 100% of employees were compensated at a level above that of the legal minimum wage. The policy for base salaries is set at +5% above the industry minimum for all categories of staff. In addition, the policy follows a rationale of competitiveness vis-a-vis the life sciences market and is globally at the median for this market.

In addition to financial elements related to individual performance compensation, the Virbac Group continues to pay close attention to collective

performance compensation plans. For this reason, several mechanisms are already in place, such as a triennial incentive agreement entered into in 2017, and a profit-sharing agreement signed in 2008. Amounts originating from these agreements or voluntary payments can be invested in mutual funds, in the *PEE* (*plan d'épargne entreprise* [company or Group savings plan]) or in the *Perco* (*Plan d'épargne pour la retraite collectif* [Group retirement savings plan]); as of 2016, unused vacation days can also be paid into the *Perco*, with a limit of ten days per year.

WELL-BEING AT WORK

HEALTH AND SAFETY

This is a priority area of focus for the Group and has become ingrained in the corporate culture year after year. To boost and further reinforce the safety culture, a Group project was set up with a multi-year action plan. All managers in the industrial organization have been trained. An Intranet tool has also been developed, enabling all employees to access all types of documents about people, facilities and products.

In all countries, numerous measures have been taken regarding employee health and safety, without any formal agreement necessarily being entered into with the trade unions. Concerning the subject of psychosocial risks, the various departments, with the support of the HR teams and the parity group "well-being at work", are moving towards a global approach

to quality of life at work. As such, various actions related primarily to working conditions, manager training, and the communication of good practices are being phased-in.

These actions also made it possible to finalize an internal "living better together" charter, a company-wide agreement on the right to log-off and a teleworking agreement.

DIVERSITY

The diversity policy aims to ensure equal treatment of staff, encourage variety among people and human relationships, and maintain worker employability. It is built around three key areas of focus: gender equality, disabilities, and age diversity through the intergenerational agreement.

GENDER EQUALITY

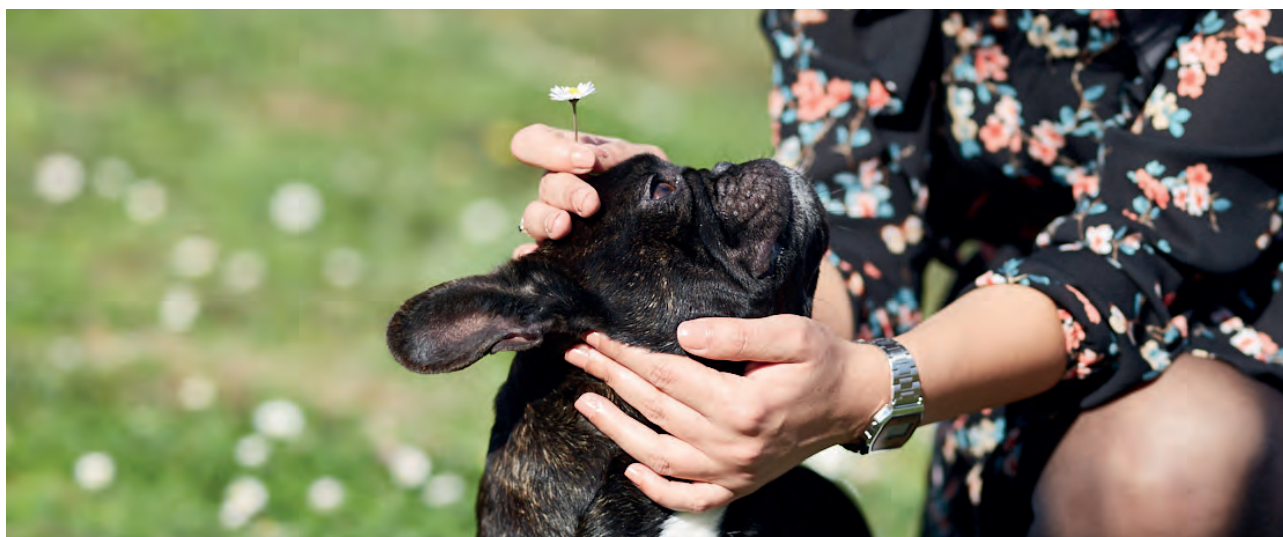
For Virbac, job equity between women and men is fundamental and requires that no form of discrimination exists and is tolerated, both in terms of access to employment and promotions, wage policy and other determinants of working conditions.

Globally, Colombia, Spain and the United States are the countries with the fewest adverse gaps for women in all professional categories. On average, the female/male base salary ratio is equal to 87% for leaders, 90% for managers, 89% for technicians/employees, and 89% for workers.

Regarding pay equity between men and women, actions have been taken to measure the gaps, find the causes and take measures, following the example of France through an agreement signed in 2012 that ensures equality between women and men in their career paths (access to vocational training, pay equity between women and men doing the same job with the same level of skill, and work-life balance).

In 2018, ten countries were given an internal classification tool (grading) that provides improved management of internal equity and a rational approach to external competitiveness, in addition to establishing compensation and benefits policies. The Group regularly conducts company-wide surveys on compensation in order to ensure that it remains competitive in the job market and adjustments are made if necessary.

With regard to recruiting for key positions, priority is given to internal and local candidates. Recruitment decisions (internal or external) are based exclusively on the skills and qualification criteria for the position. The candidate's nationality or age does not play a role in the decision. However, to the extent possible, Virbac staffs leadership positions with local managers in order to be nearer to clients and the market culture. In 2018, of the sixteen subsidiaries (social scope), 90% of senior managers are local hires and seven subsidiaries have strictly local management.



DISABLED WORKERS

The disabilities agreement, signed in 2014 and renewed in 2017, aims to recruit, integrate and train persons with disabilities; to communicate, raise awareness among employees and managers, and

build a network of in-house disability stakeholders acting as ambassadors; to maintain and develop subcontracting activities in partnership with the protected and adapted work sector.

AGE AND CULTURE DIVERSITY

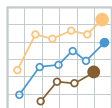
Virbac has always considered the contribution of the various generations and cultures of the countries in which the Group operates to be a real treasure. The Intergenerational Agreement, signed in 2013, aims to permanently integrate young workers, recruit and retain seniors in the workplace and foster intergenerational skills sharing.

For more examples of actions taken by the Group or its subsidiaries in meeting this CSR challenge, please refer to the sustainable development report (GRI standard).

Taking a cross-functional approach to these topics related to this major CSR challenge for the Group, adherence by our employees to our values as defined in the code of conduct is a prerequisite for any policy promoting human capital that can only be based on trust.

Taking the extended company into account, our partners' appropriate application regarding rules related to employment practices are taken into consideration by the Virbac departments involved. With regard to strategic suppliers, the Virbac Group has implemented several mechanisms (evaluation questionnaire, in situ visits) to ensure that their social practices are in compliance.





AIMS & INDICATORS

AIMS	INDICATORS
Promoting employee engagement and loyalty	2018 Absentee rate: 2.68% 2018 Staff turnover rate: 14.08%
Leading the roll-out of digitalization in the Group to improve the quality of exchanges and sharing between employees, and a higher level of information on and adoption of key development areas of focus defined by management	100% of Group subsidiaries have implemented e-PERF, a solution developed in-house for conducting annual appraisals, among other things.
Increasing employee safety in the workplace: reduction in work-related accidents, better protection from potentially hazardous materials, improved ergonomics and management of psychosocial hazards	WORKPLACE SAFETY ■ 2018 frequency rate: 5.61 ■ 2018 severity rate: 0.17 ■ Number of professional illness cases in France in 2018: 3 The frequency rate used is based on French regulations and defined as the number of work accidents that resulted in at least one lost working day, divided by the number of hours worked, multiplied by one million. The severity rate used is based on French regulations and defined as the number of lost days following a work-related accident that resulted in a minimum of one lost work day, divided by the number of hours worked, multiplied by one thousand.
Continuing with training initiatives aimed at improving skills and employability	Number of employees present on 12/31 who have taken at least one training session/total staff on 12/31: 80%
Promoting employee diversity and equality	RATIO OF FEMALE/MALE SALARIES (by category in %) ■ Leaders: 87% ■ Managers: 90% ■ Technicians/employees: 89% ■ Workers: 89%



Ensuring the quality of products and services

CHALLENGE

As an animal health stakeholder, Virbac designs, manufactures and sells veterinary medicines, vaccines, and general health products to prevent disease and improve animal well-being and health. The quality of products and services is essential in the eyes of stakeholders, who are veterinarians, farmers and animal owners.

■ The societal challenge related to the health of food producing animals is to contribute to a worldwide supply of meat and milk that is more abundant, of higher quality and less expensive. The goal is to meet the steadily increasing quantitative and qualitative food demands of a fast-growing global population that wants to eat better.

■ The challenge related to companion animals is to offer veterinarians and animal owners medicines, vaccines, health products and a petfood range tailored to carnivores (in keeping with the animals' needs) and that prolong the lives of animals and improve their quality of life. This in turn contributes to the improved well-being of the owners and is of particular benefit to people who live alone.

STRATEGY

In order to meet these major challenges, Virbac has defined a strategy aimed at ensuring the quality of its products and services, improving the quality of life and health of animals while ensuring the comfort and safety of those who administer these products: veterinarians, farmers and animal owners.

This strategy is based on two tenets; first, attaining an irreproachable level of

regulatory compliance as a policy principle at every stage in the manufacturing of our products, and secondly, a monitoring and quality assurance body that ensures proper application of this policy principle on Group sites as well as those of strategic partners.

RISKS

The key risk associated with this challenge would be producing medicines or vaccines of inadequate pharmaceutical quality, which could have negative effects on the health of animals and, in turn, on humans.

For more information on the risks associated with this CSR challenge, please refer to the chapter on risk factors page 61 (risks related to product compliance and risks related to product liability).



POLICIES & ACTIONS

To reduce exposure to this risk, and in compliance with the regulations of each country, Virbac meets the highest applicable quality-safety-efficacy standards, particularly essential for the purpose of obtaining a Marketing authorization (MA) for products. These standards involve every stage in the product life cycle, meaning before they are marketed and after they are placed on the market.

The Group's key commitments aim at maintaining a high level of product and service quality through a "right first time" approach to reducing waste and destruction throughout the manufacturing process.

ASSESSMENT THROUGHOUT THE PRODUCT LIFE CYCLE

KEY ACTIONS PRIOR TO THE MARKETING PHASE

Pre-development and development phases

- Implementation of Good laboratory practices (GLP) relative among others to data traceability.
- Selection of the CRO (contract research organization) working in compliance with these GLPs.
  - ▶ 100% of products subject to pharmaceutical registration are checked for animal/human/environmental safety, quality, stability and efficacy.

Purchasing and sub-contracting

- Systematic qualification of materials purchased from suppliers (active ingredients, excipients, packaging) in terms of quality and reliability.
- When possible, several sources are qualified to limit the risk of disruptions in supply, and preference is given to purchases from leading pharmaceutical suppliers.
- Outsourcing to specialized subcontractors based on pharmaceutical form.
  - ▶ 100% of active ingredient suppliers are qualified and analyzed during certification.

Production phase

- Implementation of Good manufacturing practices (GMP) that are applied through the certification of all of our manufacturing sites.
- Actions implemented at the production tool level in order to ensure end-of-production-line product quality from that is in compliance from the start, thus limiting scrap or destruction of materials or finished products.
  - ▶ 100% of products subject or not to pharmaceutical registration undergo component and raw material testing at every manufacturing stage.

- ▶ 100% of Virbac manufacturing sites are certified.

Distribution phase

- For the transporting of drugs, Virbac uses Good distribution practices (GDP), such as compliance with the cold chain, when required by the nature of the products.
- Organization of transportation in accordance with regulations governing the shipping of high-risk products (availability of safety data sheets for "raw materials" and "finished products" to staff and carriers, packaging of hazardous products in packaging that meets current standards, etc.).

Packaging and Promotion

- The development or selection of specific packaging is determined on the basis of a product safety assessment.
- The development of diagrams and pictograms and communication media that provide a clear understanding of information fundamental to consumer health and safety.
- All promotional communications: Virbac respects scientific and technical claims demonstrated during the product's development stages.
- Any product claims are scientifically demonstrated and made available to regulatory agencies in compliance with the requirements defined by national or supranational veterinary pharmaceutical agencies.
  - ▶ 100% of products, whether or not they require pharmaceutical registration, and nutritional products that do not require pharmaceutical registration are subject to advice and guidance from users of our products.

KEY ACTIONS OCCURRING AFTER MARKET LAUNCH

Pharmacovigilance

Virbac monitors what happens to those veterinary medicines it places on the market in terms of safety and efficacy in accordance with related regulatory obligations:

- a dedicated organization comprising a qualified person in (veterinary) pharmacovigilance and an interim qualified person, who compiles all of the cases, analyses them, and decides whether the side effects are attributable or not to the use of the drug in question, officially reporting these cases to the supervisory authorities when appropriate.
- the pharmacovigilance outcomes allow Virbac to develop knowledge of its products (for example: the addition of precautions for use), thus making their use safer.
  - ▶ 100% of products, whether or not they require pharmaceutical registration, and nutritional products that do not require pharmaceutical registration are subject to monitoring using the pharmaco/nutri vigilance process.

- ▶ 100% of products requiring pharmaceutical registration are subject to ongoing stability studies.

Regulatory monitoring

Virbac has had an efficient regulatory monitoring system in place for several years, allowing it to stay abreast of regulatory developments. This monitoring system is carried out through inter-professional organizations:

- at national level with SIMV in France, NOAH in the United Kingdom, BfT in Germany, etc.;
- at regional level with IFAH-Europe, AHI in the United States;
- at worldwide level with HealthforAnimals.
  - ▶ 100% of products, whether or not they require pharmaceutical registration, and nutritional products that do not require pharmaceutical registration are subject to regulatory monitoring.

Ongoing stability study

To ensure the efficacy over time of its pharmaceutical products that require registration, Virbac carries out ongoing research on their stability.

AN ORGANIZATION DEDICATED TO QUALITY

To ensure proper application of good practices at various stages of the product life cycle, Virbac has rolled out a dedicated Group-wide organization that covers the topics of Quality Control and Quality Assurance. Comprising more than 100 employees and spread out over various Group sites, this organization implements the Group's quality policy based on three areas of focus: product mastery, pharmaceutical compliance and sustainable economic output.

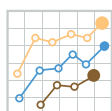
The goal is to elevate the quality standards in compliance with and in anticipation of regulatory requirements that apply to the various research and production facilities, as well as the commercial subsidiaries, and to ensure the Group's sustainability. In addition, this Virbac quality system allows the company to efficiently detect, trace and effectively address all quality incidents inherent to the pharmaceutical business.

KEY ACTIONS RELATED TO THE GROUP'S QUALITY STRATEGY

- Taking a collaborative approach to designing a Quality benchmark that integrates standards for all production and research facilities, in all departments and all subsidiaries while taking into account regulations and product and galenic forms varieties.
- Expansion of the Virbac Quality System (VQS), which presently includes the Group's organizations, processes, tools and Quality standards (core model).
- More precise identification and updating of the skills required, acquired and to be developed, so as to provide suitable training plans designed to enhance team skills and embrace a pharmaceutical culture.
- Deployment of a multidisciplinary team (research and development, production and quality assurance), aligned to deliver products on time and with the expected level of quality to satisfy our customers' expectations.

- The Group Quality repository was built and shared with 100% of the R&D centers and production sites.

For more information about the Group's various policies to address this CSR challenge, please refer to the sustainable development report (GRI standard).



AIMS & INDICATORS

AIMS	INDICATORS
Securing reliable information on product quality and use	Non-compliance with regulation and voluntary codes In 2018, out of a total of 8,333 products marketed worldwide, Virbac declared or was informed by the national authorities of 16 cases of non-compliance observed in the field. None of these cases posed any danger to animal health. In 2017, this non-compliance number was 78 out of a total of 8,376 products marketed worldwide.
	Non-compliance related to packaging In 2018, out of a total of 8,333 product references marketed worldwide, Virbac declared or was informed by the national authorities of 8 cases of packaging non-compliance, which had no impact on product distribution. In 2017, this non-compliance number was 21 out of a total of 8,376 product references marketed worldwide.
	Non-compliance related to promotion In 2018, out of a total of 8,333 product references marketed worldwide, Virbac declared or was informed by the national authorities of 3 communications that did not comply with regulations and codes relating to promotional marketing. In 2017, this non-compliance number was 6 out of a total of 8,376 product references marketed worldwide.
Training employees in all manufacturing process positions	100% of employees trained.
Supporting roll-out of the Group Quality referential at all sites	100% of sites supported.



Protecting the environment

CHALLENGE

Protecting the environment is a growing challenge and a priority for the Virbac Group. Beyond initiatives deployed at the subsidiary level, our ambition lies in our proactive efforts to reduce the environmental footprint

of all our activities and products. In seeking to optimize resource use, controlling energy use is at the heart of Virbac's strategy.

STRATEGY

This ambition is reflected in the structuring of a global approach made up of organizational, methodological and operational components of the entire Group. The objective being to identify competitiveness levers and align policies and actions aimed at acting on two key issues:

- the preservation of the planet's resources by controlling consumption (energy, materials) used in our manufacturing processes and

- the reduction, in the end, of emissions or waste resulting from our activities.

RISKS

Beyond possible operational cost overruns related to measures put in place to reduce consumption or emissions, Virbac identifies several themes associated with environmental protection:

- risks related to the use of hazardous materials during production, marketing and distribution (storage, shipping, etc.);
- HSE (Hygiene, safety, environment) risks related to operating permits and associated

regulatory requirements (waste volume, effluent volumes and quality, etc.);

- risks related to the effects of climate change, which, generally speaking, prompt Virbac to help reduce greenhouse gas emissions.

For more information on the risks associated with this CSR challenge, please refer to the chapter on risk factors page 63 and 64.



POLICIES & ACTIONS

From an organizational point of view, the creation of a corporate HSE department, reporting to the chairman of the executive board, supports this route. One of this department's initiatives involves re-framing the Group's reporting scope and methods, a precondition for gaining an overall perspective of exposure to environmental risks.

Involving all subsidiaries in environmental reporting and increasing the reliability of relevant indicators as priority actions that will serve, in the short term, to identify existing good practices, in the medium term, to define appropriate objectives and actions when it comes to optimizing resource consumption and reducing our emissions over the long term.

Virbac is also committed to developing a training and awareness segment dedicated to environmental themes for both existing employees and new hires. External stakeholders were also involved in the effort, with the inclusion of environmental clauses in supplier assessment questionnaires.

These initiatives, in conjunction with the roll-out of audits throughout an expanded range of subsidiaries (Mexico, Taiwan, United States, Australia, New Zealand, Uruguay, Vietnam and Chile) demonstrate this move towards consistency in the deployment of a Group-driven strategy.

CONSUMPTION: ENERGY & NATURAL RESOURCES

ENERGY

For several years, Virbac has been working to reduce energy and natural resource consumption by replacing equipment (improved performance), adding thermal insulation, optimizing air conditioning and by introducing consumption indicators in as close proximity to end-users as possible (better control of energy expenditures).

For all of its industrial sites around the world, whether choosing new equipment or through ongoing monitoring, Virbac strives to take account of energy consumption based on the Best available techniques applicable to its activity.

A few examples:

Virbac in France

- For an identical volume of activity, the electric power consumption has decreased by nearly 36% over the past ten years.
- Roll-out of an Energy savings plan with three areas of potential gains: better temperature management (in particular for the storing of raw materials and finished products in Carros); installation of a heat recovery unit at the water treatment plant, and, finally, installation of additional insulation on all steam circuits.
- The November 2017 startup of the heat recovery unit at the Carros water treatment plant helped reduce gas consumption.

Virbac Australia

- The Penrith site saw a reduction in electric power consumption (solar panels and optimized management of power demands) of approximately 200 MWh per year, and a 580 MWh reduction in gas consumption (optimized industrial boiler maintenance).
- At the Crookwell site, electric power consumption was cut in half.

Reducing the energy intensity of its activities and products is clearly a competitiveness lever, placing Virbac on a virtuous path, which, in turn, will help reduce its overall emissions of CO₂.

WATER

Virbac also strives to lower water consumption at equivalent activity volumes by setting up recycling or production facilities for various BAT-compliant grades of water. Water consumption at French sites has been reduced by nearly 18% over the past ten years.

The Group also includes in its analyses the environmental setting of the areas in which it operates. Apart from the site in South Africa, located

in a water stress zone based on the criteria of the FAO (*Food and Agriculture Organization*) and the WRF (*Water Risk Filter*), no other Group production plants are located in a water stress zone identified as such.

PRODUCTION: EMISSIONS, EFFLUENTS AND WASTE

EMISSIONS

Due to the nature of its pharmaceutical manufacturing activity (especially inhibiting technologies), Virbac does not generate any visual, noise or odor pollution.

Therefore, Virbac focuses on the real impacts of its activity, atmospheric emissions, effluents or waste resulting from its activities or products, by increasingly investing in environmental friendliness: taking into account EHS impacts in the management of industrial projects, improvements in the environmental performance of existing facilities, etc. Furthermore, the Group's environmental principles are tailored according to the various local regulations of the countries in question. Here again, the objective is to identify good practices at the subsidiary level to be consolidated within the Group context.

Greenhouse gases

Scope 1 & 2: Direct and indirect emissions (industrial site consumption and GHG related to refrigerant gases)

Actions

- Optimization of energy consumption: insulation of the energy recovery system on the wastewater treatment station for biological production units (Carros), solar boiler for industrial hot water (Mexico).
- Stability of emissions related to refrigerant gases (better control of facilities in Australia and France).

Scope 3: Emissions resulting from shipping of finished products

Actions

- New calculation method to increase the reliability of subsidiary data based on the emissions factors given by the French Environment and Energy Management Agency (see site www.bilans-ges.ademe.fr). Careful analysis of the various emissions factors used to adopt an appropriate calculation method will be rolled out in 2019.
- Shipping of finished products: destination grouping.
- Transporting employees: inter-site shuttles/ exterior/site shuttles, incentive policies to limit the carbon impact of company/service vehicles, carpooling, etc.



EFFLUENTS

Calculation and reporting methods are also being revamped for industrial waste management. The inclusion of all industrial sites (Carros) or the resumption of activity in Saint Louis in the United States and in Mexico may have affected the past few years' results.

The goal remains to bring about Group-wide consolidation of the various locally driven initiatives, subject to specific regulatory frameworks. In this regard, the Group's oversight leads to conservative guidelines. For example, many sites must recover

and treat a large portion of manufacturing water discharges in accordance with related standards for hazardous waste.

Steady investments are made in all of our facilities to best treat wastewater resulting directly from our activities and from the cleaning of equipment. Our goal is to reduce the amount of COD (Chemical Oxygen Demand), the key pollutant in discharged industrial water.

MATERIALS USED

Virbac seeks to fine-tune its use of active ingredients, excipients and packaging to avoid product wastage or the duplication of wrapping and packaging.

Key actions implemented are:

- optimized supply management to limit warehousing and internal transfers;
- optimization of shipping flows and rate;
- with the help of our strategic suppliers, this innovation aims to reduce wrapping and packaging;
- minimized wastage at every stage of the industrial process.

As part of its veterinary medicine manufacturing business, Virbac uses substances that present health, fire and/ or explosion, air pollution and spillage risks during the various phases of development and marketing (R&D, manufacturing, storage and shipping).

To limit these risks, which could cause harm to people, assets and the environment, the Group complies with the safety measures prescribed by the laws and

regulations in force, implements good manufacturing and laboratory practices, and ensures its employees are trained.

Virbac manufacturing sites and research and development facilities are also regularly inspected by the appropriate authorities.

Primary packaging in contact with medicines is subject to strict pharmaceutical industry quality standards that limit the use of materials originating from recycling channels.

However, Virbac is focused, as early as the research and development stage and in partnership with its suppliers, on principles of eco-design for secondary or tertiary packaging (optimized in terms of weight, use of recycled fibers in certain packaging, etc.).





WASTE

Virbac produces two kinds of waste: non-hazardous industrial waste and hazardous industrial waste.

The Group is committed upstream to reducing the volume of waste produced, and downstream to optimizing source separation before sending it to dedicated collection and sorting sectors in charge of recovering or recycling it.

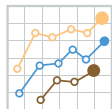
Non-hazardous waste

- In France, since 2003, Virbac has been contributing, along with other companies in the Carros industrial area, to the roll-out of a non-hazardous waste (aluminum, iron, glass, cardboard, plastic, paper, etc.) collection system through the "Tri&Co" effort. 100% of waste is recovered, no landfill is required.
- Mexico: pre-packaging facilities for non-hazardous waste to optimize the volumes produced.
- Within France, and with the help of a specialized company, a study is underway to identify key areas of improvement, firstly in terms of reducing waste volumes, and secondly in terms of reducing disposals.

Hazardous industrial waste

In addition to continually seeking to control the volumes generated and improve collection for treatment and maximum recycling, Virbac tracks all hazardous waste up to the point of disposal: soiled packaging, laboratory, production, medicinal or infectious wastes, and chemical effluents (mostly incinerated and therefore thermally utilized or recycled for solvent recovery).

Controlling waste volumes also begins at the research and development stage by considering treatment application methods so as to limit wastage and residues that could harm the environment (targeting/optimizing sprays, for example).



AIMS & INDICATORS

Virbac's energy management strategy translates into ambitious target figures from the consolidated results of all subsidiaries. It is about the Group's commitment to reduce its consumption so as to, over time, reduce its emissions, effluents and all waste resulting from its activities.

For more information related to the various objectives and indicators, refer to the sustainable development report (GRI standard).

AIMS	INDICATORS
	(CSR scope covering all major production sites that, in 2018, represented nearly 60% of the Group's revenue: South Africa, Australia, United States, France, Mexico, New Zealand, Uruguay and Vietnam).

CONSUMPTION: GAS, ELECTRICITY, WATER

Reducing energy and water consumption in the next five years, global objective addressed through initiatives across all subsidiaries	In 2018, the quantity of energy consumed (gas) was 33,101 MWh. In 2018, the quantity of energy consumed (electricity) was 50,060 MWh.
Controlling water withdrawals	In 2018, the total volume of water withdrawn by source was 237,462 m³ .

PRODUCTION: EMISSIONS, EFFLUENTS AND WASTE

Reducing GHG emissions	Scope 1 & 2: direct and indirect emissions (gas and electricity consumption at manufacturing sites and related to refrigerant gases) in 2018 were equivalent to 23,681 tons of CO₂. Scope 3: emissions from shipping of finished products was 16,927 tons, more than half of which was attributed to air transport.
Reducing the intensity of greenhouse gases (tons of CO₂/thousand €) *Ratio between direct and indirect greenhouse gas emissions (scope 1) and the value added in thousands of euros of each subsidiary (direct labor costs + indirect production costs).	In 2018, the intensity of direct and indirect emissions of GHG was 180 tons of CO₂/k€ .
Limiting the volume of discharged water (m ³) and its COD content	In 2018, the volume of discharged water was 142,259 m³ , including 121 tons of COD for the entire Group.
Reducing the overall share of materials, including all packaging placed on the market	In 2018, total packaging placed on the market amounted to 4,682 tons .
Controlling the production of non-hazardous and hazardous waste	In 2018, the volume of non-hazardous waste was 2,270 tons. In 2018, the volume of hazardous industrial waste was 2,966 tons at constant scope.

Report of one of the statutory auditors, appointed as independent third party, on the consolidated non financial statement published in the group management report

For the year ended December 31, 2018

To the shareholders,

In our capacity as Statutory Auditor of Virbac SA, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2018 (hereinafter the "Statement"), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French commercial code (*code de commerce*).

Company's responsibility

The board of directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement was prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on the company's website or on request from its headquarters.

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French commercial code and the French code of ethics for statutory auditors (*code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the statutory auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with Article R. 225-105 of the French commercial code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225 105 of the French commercial code, *i.e.* the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

However, it is not our responsibility to provide any conclusion on:

- the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation
- the compliance of products and services with the applicable regulations.

Nature and scope of procedures

We performed our work in accordance with Articles A. 225 1 et seq. of the French commercial code defining the conditions under which the independent third party performs

its engagement and the professional guidance issued by the French institute of statutory auditors (*compagnie nationale des commissaires aux comptes*) relating to this engagement and with ISAE 3000 (**Assurance engagements other than audits or reviews of historical financial information**).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- we familiarized ourselves with the Group's business activity, the report on the main social and environmental risks relating to this activity and the impacts thereof with regard to the respect for human rights and the fight against corruption and tax evasion, together with the subsequent policies and their results;
- we assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;
- we verified that the Statement covers each category of information stipulated in section III of Article L. 225 102 1 governing social and environmental affairs, the respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement includes an explanation justifying the absence of information required by paragraph 2 of section III of Article L. 225-102-1;
- we verified that the Statement presents the business model and the main risks relating to the Group's business activity, including, where relevant and proportionate, the risks generated by its business relations, products or services as well as policies, measures and outcomes, including key performance indicators;
- we verified that, when relevant to the main risks or policies presented, the Statement presents the information stipulated in section II of Article R. 225-105;
- we assessed the process of selecting and validating the main risks;
- we inquired as to the existence of internal control and risk management procedures set up by the company;
- we assessed the consistency of the results and key performance indicators used with regard to the main risks and policies presented;
- we verified that the Statement includes a clear and reasoned explanation justifying the absence of policy regarding one or more of these risks;
- we verified that the Statement covers the consolidated scope, *i.e.* all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement;
- we assessed the collection process set up by the entity to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that in our judgment were of most significance, we carried out:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and

procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities and covered between 27% and 73% of the consolidated data for the key performance indicators and outcomes selected for these tests;

- we consulted documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that in our judgment were of most significance ;

- we assessed the overall consistency of the Statement in relation to our knowledge of the company.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work engaged the skills of five people between January and April 2019.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

Conclusion

Based on our work, nothing has come to our attention that cause us to believe that the non financial statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comments:

As stated in the Declaration, the reporting scope of social results and key performance indicators represents 84% of the total workforce. As for the environmental results and key performance indicators, the reporting perimeter covers major production sites and represents nearly 60% of the total revenue of the Group.

Paris-La Défense, April 5, 2019

One of the statutory auditors,

Deloitte & Associés

Philippe Battisti - Partner

Eric Dugelay - Partner

¹ **Quantitative social information** : total workforce by gender and employment type; total number of recruitments; total number of dismissals; salaries by gender and socio-professional group; frequency and severity rate of work accidents; number of occupational diseases in France; absenteeism rate by geographical area.

Quantitative environmental information : quantity of industrial water discharged ; quantity of emitted COD ; amount of waste by type; water consumption ; total amount of packaging brought on the global market ; gas consumption ; electricity consumption ; direct and indirect greenhouse gas emissions (Scope 1, 2 & 3).

² Virbac SA, Virbac France, Virbac corporation

³ **Qualitative information** : alternatives to animal studies; the relationship with the suppliers and, in particular, the responsible purchasing practices; non-compliance with regulations and voluntary codes.

THE VIRBAC TEAMS
ARE LISTENING TO YOU
ON 5 CONTINENTS

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Shaping the future
of **animal health**

Virbac