

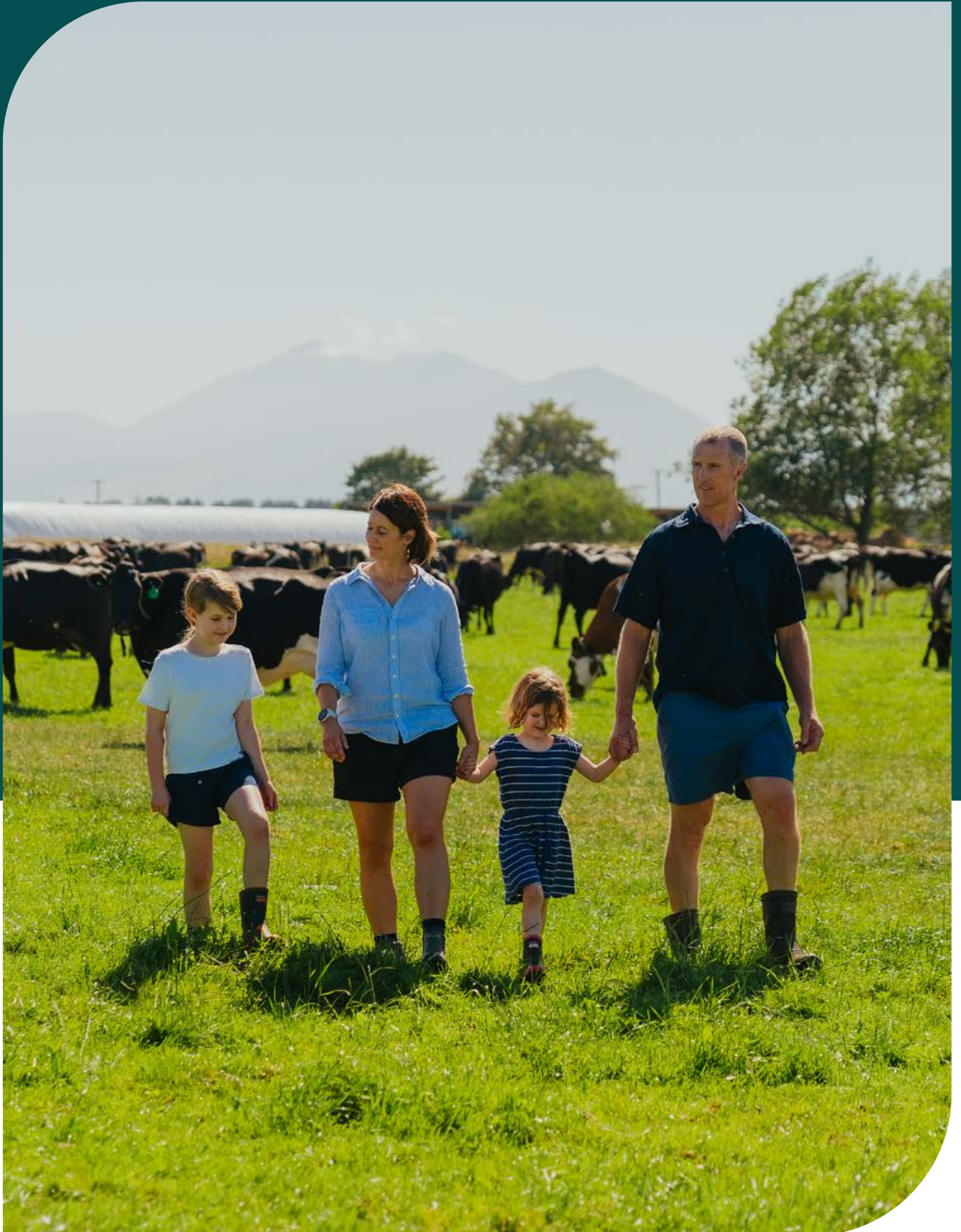


2024

SUSTAINABILITY  
STATEMENT



# INTRODUCTION



## **MESSAGE FROM HABIB RAMDANI, INTERIM CHIEF EXECUTIVE OFFICER, VIRBAC GROUP**

### **Our commitment to sustainable and responsible development**

Choosing sustainability comes naturally to us. Founded nearly 60 years ago by a veterinarian, our family-owned company was built on strong human values and a long-term vision. A corporate culture that continues to guide our actions today. Our commitment to sustainable development is fully in line with this vision and we know that economic performance and respect for the environment go hand in hand, a conviction that is increasingly shared by all our stakeholders.

### **Our mission: health of animals at the heart of the One Health concept**

Creating, manufacturing and selling health solutions for animals puts us at the heart of the One Health ecosystem. Scientifically recognized, this approach confirms that the health of all living beings on Earth is closely linked. Our customers - veterinarians, farmers and animal owners - are becoming increasingly sensitive to their impact on the environment and human health. We therefore actively focus our efforts in this direction.

### **Anchored locally, with a global presence**

Deeply rooted on the French Riviera (France), we are proud to contribute to the dynamism of our home territory. As our workforce and investments grow, so does our social and environmental responsibility. At the same time, we have become a global company, generating over 88% of our revenue outside of France, with subsidiaries on all continents. Wherever we operate, we ensure that we respect our core economic, social and environmental principles.

### **Our social commitments: a legacy more relevant than ever**

Respect for mankind was a key value for our founder. Social dialogue, fair compensation policy, favorable social coverage, trust and attention to each employee: these are all historical values that we preserve and build on every day.

### **Our environmental commitments: an ongoing drive for continuous improvement**

Our activity already demands high quality standards, in particular compliance with Good manufacturing and laboratory practices. But we are going even further. For several years, we have implemented an ongoing drive for continuous improvement to reduce our waste and optimize our consumption of resources. The search for energy savings and respect for the environment are systematically integrated into our key decisions, whether they concern investments, transportation or product design.

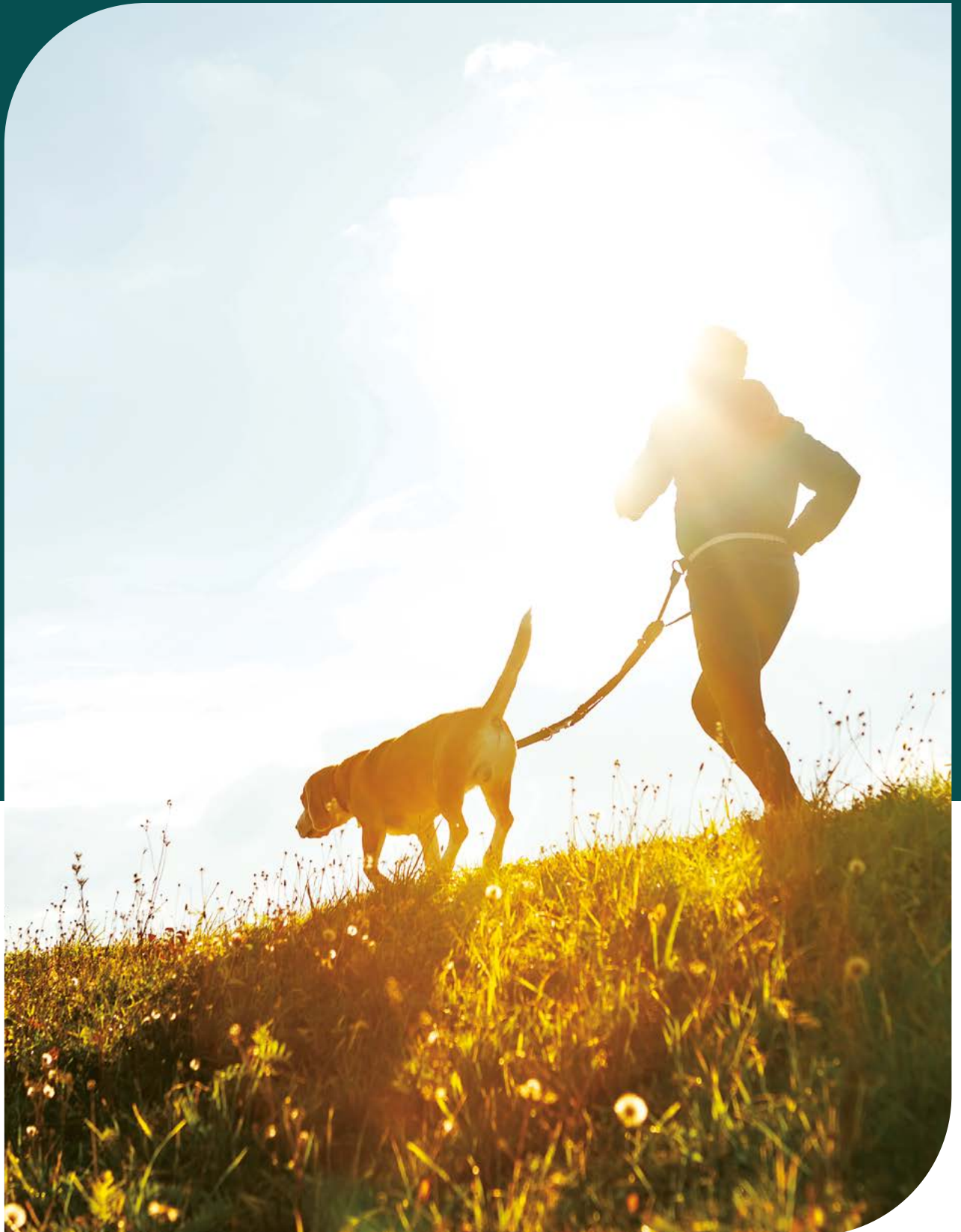
### **Our economic commitments: sustainable and responsible growth**

Our goal is to continue the Group's steady and profitable growth. This development is based mainly on solid organic growth, driven by innovation and the quality of our customer relationships. We add to this growth with targeted acquisitions, while maintaining a reasonable level of debt. To this end, we collaborate with efficient, reliable and ethical partners who share our values.

### **Transparent governance**

We pursue this strategy within the framework of simple and clear governance, guaranteeing a high level of transparency for our stakeholders. Our approach is authentic and aims for sustainable development, with respect for our customers, our employees, our shareholders, our partners and our environment, without resorting to publicity stunts.

# GENERAL INFORMATION





## ENTITY ACTIVITIES AND BUSINESS MODEL

### **SBM-1** Strategy

The Group's business model is presented below.

► For more detailed information on the company's activities and geographical areas, refer to the section Revenue performance page 124 and note A31. Operating segments.





## UPSTREAM

### RAW MATERIALS



**Pharma and bio** (active ingredients, diluents, excipients...) and **packagings** (glass, cardboard, plastic...)

**Nearly 1,000** suppliers  
**183 M€** of purchases



### SUBCONTRACTED & PURCHASES OF FINISHED GOODS



**Nearly 220** suppliers  
**232 M€** of purchases

### PURCHASES OF OTHER SERVICES



(marketing, research partners: universities, laboratories, biotechs)

**More than 8,000** suppliers  
**250 M€** of purchases

### INVESTMENTS (EXCLUDING ACQUISITIONS)



**Tangible assets** (buildings, equipment... including rights of use) **90 M€**

**Intangible assets** (patents, trademarks, licensing...) **10 M€**

## OUR OPERATIONS

### OUR STAFF

**6,365** employees in **38** countries  
(75% of employees proud to say they work at Virbac)



- India, Middle-East and Africa: 1,299
- Far East Asia: 1,122
- Europe: 2,028
- Latin America: 1,030
- North America: 547
- Pacific: 339



### R&D CENTERS AT 10 SITES

- Australia • Chile • United States of America • France • India • Japan • Mexico • Taiwan • Uruguay • Vietnam



### RDL INVESTMENT

**approx. 8.6% of sales revenue**  
(before deducting the research tax credit)



### PRODUCTION AT 12 SITES

**100% GMP-certified sites**

- Australia • Chile • France • India • Japan • Mexico • New-Zealand • South Africa • Taiwan • United States of America • Uruguay • Vietnam



### 35 SALES SUBSIDIARIES

## KEY ANIMAL HEALTH



Animal welfare



Feeding the planet



Digitalization and Big data



Consolidation

# BUSINESS MODEL

**Our purpose:** advancing the health of animals with those who care for them every day, so we can all live better together

## DOWNSTREAM



### PORTFOLIO

**Nearly 1,000 products** (over 10,000 references)  
Vaccines, antibiotics, parasiticides, anti-inflammatory drugs, dermatology, dental, specialties, diagnosis, nutrition



### ANIMALS

**62%** companion animals  
**38%** farm animals



### CUSTOMERS

#### Users

- Veterinarians • Farmers
- Integrators • Owners



#### Intermediaries

- Purchasing groups • Distributors
- Wholesalers



### DISTRIBUTION CENTERS IN MORE THAN 100 COUNTRIES

#### Internal

In countries with industrial facilities



#### External

Around the world



### END-OF-LIFE PRODUCTS

Eco-design, country recycling channels

## VALUE SHARING

**1,397 M€**

### REVENUE 2024

Organic growth  
**+7.5% at constant rates**



### EMPLOYEES

Remuneration **285 M€**



### STOCKHOLDERS

**50.09%** founder's family  
**49.91%** others

Share price performance: **+24.1%**  
(calculated on the basis of average prices observed in 2024 vs. 2023)



### ABILITY TO FUND FUTURE GROWTH

Operating cash flow **280.3 M€**



### BANKS/DEBT

Net financial interests (cost) **4.7 M€**  
Change in net debt **+220.9 M€**



### SUPPLIERS

**665 M€** in purchases Group-wide

## SECTOR ISSUES



Regulations



Quality



One Health



Diversification

# MANAGEMENT AND CONTROL BODIES

## **GOV-1** The role of the administrative, management and supervisory bodies

Our governance is based on principles that help maintain the balance necessary for the performance and proper development of the Virbac group: separation of powers and collegiality, as well as committed and experienced managers. Our organization integrates a general management composed of a Group executive committee and a board of directors whose work is supported by two specialized committees: the audit committee and the appointments and compensation committee.

► refer to [Gouvernance section page 8-9](#) and the [report on corporate governance page 140](#).

The board of directors places great importance on the supervision of sustainability issues, in line with the company's material Impacts, risks and opportunities. To achieve this, it ensures that the necessary skills and expertise are present within the board, in particular expertise in Corporate social responsibility (CSR) and general management.

### Sustainability expertise

The board ensures that at least one of its members, or a non-voting advisor, has extensive CSR expertise. This expertise results in a detailed understanding of Environmental, social and governance (ESG) issues, as well as the effective integration of ESG criteria into the company's strategy. In addition, the board encourages the continuous acquisition of knowledge in the area of sustainability, in particular through specialized training and consultation with external experts.

### General management skills

The board is composed of members with solid experience in general management. This expertise ensures effective strategic management of sustainability issues, fully integrating them with the operational and economic objectives of the company.

This dual competence, in terms of both sustainability and general management, ensures that the board has a comprehensive understanding of CSR issues and is able to make informed decisions, taking into account long-term risks and opportunities.

The board of directors is thus positioned as a committed and responsible player, capable of guiding the company towards a sustainable and efficient growth model.

In 2023, the Group decided to create a Corporate social responsibility (CSR) department, reporting to the deputy chief executive officer. This department's mission is to deploy strategies meeting the challenges related to the three pillars of CSR (environment, social and governance), accelerate the company's transformation in connection with these pillars, lead and direct key initiatives at all levels of the organization, meet regulatory obligations on CSR topics and coordinate all reports and communication required in this area.

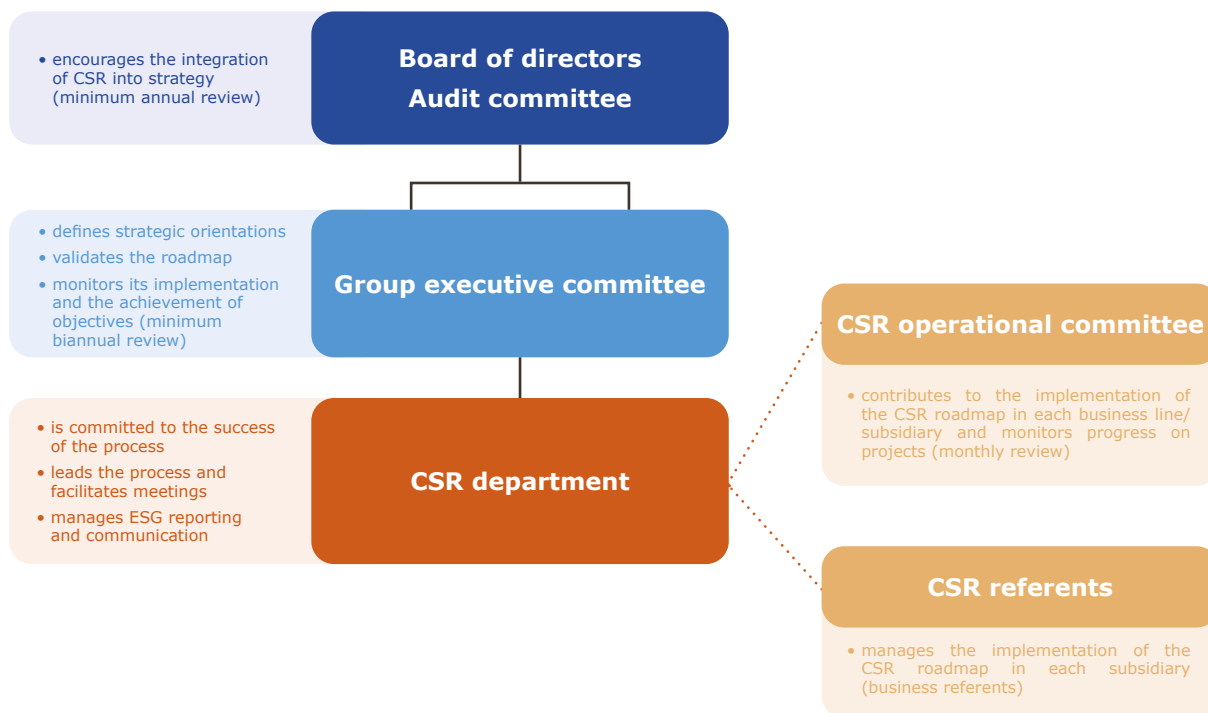
At Virbac, we believe that CSR must be managed collegially and cross-functionally. Our dedicated management team is supported by a steering committee that brings together the departments responsible for environmental, social and governance issues, namely: Innovation, Marketing, Environment, health and safety (EHS), Purchasing, Insurance and Risk Management, Legal Compliance, Human Resources and Communications. This committee meets once a month to review progress on the implementation of the CSR roadmap. Internationally, we rely on a network of local correspondents specifically focused on the major themes of sustainable development. Data collection is carried out based on an optimized production process, including the formalization of indicators and their scope within a dedicated reference system deployed in the subsidiaries of the Group.

The CSR department reports to the Group executive committee on a half-yearly basis or at a more appropriate frequency if necessary.

The general management reports to the board of directors on the progress of the work on an annual basis at least or at a more appropriate frequency when the subjects require it.



## CSR governance



### GOV-2 Information provided

In 2024, the main work focused on defining the strategy, the CSR 2030 roadmap and the implementation of the European Corporate sustainability reporting directive (CSRD). The application of the new CSRD directive is being piloted by the CSR department and an operational committee bringing together the Finance, HR, EHS, Legal Compliance, Purchasing, Insurance and Risk Management departments. In addition, this Group committee relies on a network of business referents in the subsidiaries to enable the deployment of new non-financial standards.

The work of this group has been presented to the Group executive committee on a half-yearly basis.

The audit committee ensures the monitoring and control of the implementation of the CSRD and reports on its review work to the board of directors on an annual basis, or at any time when necessary.

### GOV-3 Integration of sustainability-related performance in incentive schemes

The sustainable development goals represent respectively 10% of the variable compensation for the interim chief executive officer and for the deputy chief executive officer and are as follows:

- climate (50%): define the Group's decarbonization trajectory, resulting in the setting of direct and indirect emission reduction targets (scopes 1, 2 and 3) as a priority for the France, United States, Australia, and Mexico sites and the associated action plan by December 31, 2025;
- health and safety of employees (50%): ratio of accidents with lost days to the number of hours worked less than or equal to 5.

The variable compensation allocated for the 2025 year will be determined a posteriori by a decision of the board of directors after consultation with the appointments and compensation committee, taking into account the rules below. The rules for allocation in relation to the percentage of the objective actually achieved are as follows: no bonus below 100% for each objective.

The board of directors may use its discretionary power to adapt and/or modify the criteria and/or their calculation grid, either upwards or downwards, on the recommendation of the appointments and compensation committee, should special circumstances arise. In any event, payment of the variable compensation will take place, if applicable, after and subject to approval by the general shareholders' meeting to be held in 2026.

► refer to corporate governance report page 140.

#### **GOV-4** Statement on due diligence

Virbac, as a leader in the animal health sector, specializing in the development, production and distribution of veterinary medicines, is committed to promoting animal health and welfare through innovative and ethical solutions. As a key player in the veterinary pharmaceutical industry, we recognize the crucial importance of due diligence in environmental, social and governance (ESG) matters.

##### **Due diligence commitment**

We are committed to incorporating robust due diligence practices to identify, assess and mitigate human rights, environmental and governance risks across our operations and supply chain. This commitment is rooted in our core values and responsibility to our stakeholders.

##### **Due diligence procedures**

###### Identification and risk assessment

Risk mapping: we relied on the Group's risk mapping, which covers topics related to the environment, social and business ethics. This mapping will be updated in 2025.

Impact assessment: we conduct environmental and social impact assessments for all our major investment projects. These assessments allow us to understand the potential implications of our activities and to take appropriate preventive measures.

###### Preventive and corrective actions

We have developed a code of conduct and a business partner charter that require compliance with strict standards relating to environmental, social and business ethics (available on our website [corporate.virbac.com](https://corporate.virbac.com): [code of conduct](#), [business partner charter](#)). The third parties concerned are required to comply with our expectations regarding human rights, work practices, environmental management and business ethics.

► [refer to Information related to governance page 103.](#)

We also conduct regular audits and inspections of our suppliers to ensure they comply with ESG requirements. In the event of non-compliance, we work closely with our suppliers to implement corrective action plans.

##### **Training and awareness raising**

We offer continuous training programs to our employees including environmental best practices, health and safety, business ethics and ESG standards. These programs aim to strengthen the understanding and commitment of all those involved.

##### **Reporting**

We publish an annual sustainability report detailing our due diligence efforts, progress and challenges. This report is accessible to all stakeholders and illustrates our commitment to transparency and continuous improvement.

We are committed to conducting our business in an ethical and responsible manner, respecting the due diligence principles established by ESRs GOV-4. By integrating these practices into our business model, we aim to strengthen our positive contribution to society and the environment, while ensuring the well-being of the animals benefiting from our health solutions. We will continue to develop and adapt to meet growing expectations for sustainability and corporate responsibility.

#### **GOV-5** Risk management

At Virbac, we strive to maintain a high level of risk control and place particular importance on raising awareness among our teams about the risks associated with our activities. The management teams at headquarters regularly issue strong guidelines and instructions in this area. Regarding internal control, segregation of duties, as well as a central, regional and local management control mechanism and the appointment of regional controllers, help strengthen the level of control and reduce the probability of such practices occurring. We are committed to training and deploying good practices aimed, among other things, at preventing environmental and social risks, fraud, corruption and conflicts of interest.

The double materiality analysis carried out in 2024 identified the main Impacts, risks and opportunities in terms of sustainable development.

► [refer to b. Impact, risk and opportunity management \(IRO\).](#)

## DIALOGUE WITH OUR STAKEHOLDERS

### SBM-2 Interests and views of stakeholders

#### Integration of corporate responsibility issues into stakeholder relationships

Innovating, producing and marketing responsibly cannot be done consistently without our entire ecosystem being involved through regular dialogue: customers, employees, suppliers, scientists, local residents, representatives of public authorities and non-governmental organizations. The stakeholders with whom we are actively involved are identified by factors such as:

- their contribution to a better definition of needs within the Group's areas of activity;
- their alignment with the company's strategy and their added value;
- their business expertise;
- the employee involvement in the company's operations;
- their perception of the Group's activities and products.

In respect of our major projects (definition of our purpose, CSR roadmap, double materiality analysis), we conduct in-depth discussions with our key stakeholders, in order to enrich our thinking by taking into account their points of view. In addition, our administrative, management and oversight bodies are regularly informed of the views and interests of the stakeholders concerned with regard to the impacts related to sustainable development (presentations of the conclusions of the work carried out during internal and external consultations, summary of ratings of non-financial agencies, sharing employee satisfaction survey results, etc.).

Regarding the consultation of the Economic and social committee provided for in the sixth paragraph of article L2312-17 of the French labor code, we hereby inform you that it took place on February 25, 2025.

► refer to IRO-1 Materiality and due diligence.





STAKEHOLDERS	APPROACH	FREQUENCY DIALOGUE
<b>Veterinarians</b> <b>Farmers</b> <b>Pet owners</b> <b>Distributors</b>	Product information via advertising Information on specific animal diseases Support programs for veterinarians and farmers Technical call centers in France, United States, etc. Conferences, specialized trade shows, scientific conferences Websites Market research Social media platforms	Permanent Permanent Permanent Permanent Monthly Permanent Punctual Permanent
<b>Financial community</b> <b>Investors</b> <b>Analysts</b> <b>SRI funds</b>	Meetings between analysts and investors Shareholders' meeting Website including all regulatory information Multi-platform financial press releases	Quarterly Annual Permanent Quarterly
<b>Suppliers</b> <b>Partners</b>	Regular monitoring of the Group's main suppliers (annual meetings) Audit plan for the Group's main suppliers Formal exchanges with each call for tenders and for main suppliers on financial, environmental, ethical and quality criteria	Permanent Permanent Punctual
<b>Public authorities</b> <b>Regulatory authorities</b> <b>Associations of animal health professionals</b>	Regular communication with regulators and decision-makers on critical issues affecting the pharmaceutical industry, the scientific community and Virbac's customers Participation in industry-specific working groups	Permanent Punctual
<b>Civil society</b> <b>Non-governmental organizations</b> <b>Journalists</b>	Multiple contact options via the Group's website Transparency of and accessibility to the Group's official reports Local contributions to NGO initiatives	Permanent Permanent Punctual
<b>Scientific community</b> <b>Research partners</b> <b>Opinion leaders</b> <b>Universities/veterinary schools</b>	Establishment of research partnerships Contribution to scientific education programs Organization of technical symposia	Permanent Permanent Punctual
<b>Employees</b> <b>Applicants</b>	Intranet, presentations and internal display networks Loyalty programs for employees and newcomers Plenary meetings or web conferences for managers and employees Internal opinion survey and global feedback Recruitment websites, career forums and corporate culture on the internet Partnership with schools and universities Social media platforms	Permanent Punctual Permanent  Every three years Permanent  Permanent Permanent

## IRO IDENTIFICATION AND DOUBLE MATERIALITY METHODOLOGY

### **IRO-1** Description of the process to identify and assess material Impacts, risks and opportunities

In 2024, we conducted a double materiality analysis based on the new European Union regulations (Corporate sustainability reporting directive: CSRD), considering the potential impact of our activities on society, as well as financial risks and opportunities. This work covers environmental, social and governance topics as defined by the European sustainability reporting standards (ESRS - ESRS1 AR16 list of sustainability issues).

Double materiality is assessed through two distinct processes. One concerns risks and opportunities, the other impacts.

The process was conducted from start to finish with the CSR and Insurance and Risk Management functions:

- the financial ratings are produced by the Risks Management function and established with the support of Virbac experts;
- the impact ratings are carried out by the CSR function and submitted for opinion to a working group of experts.

The CSR team is responsible for setting up, updating and distributing the matrix. It carries out its work in close coordination with the Insurance and Risk Management department and the Financial Affairs department, in order to guarantee alignment with the Group's risk mapping and their financial impacts. It is validated annually by Virbac's CSR department.

#### **Scope**

The analysis was carried out taking into account the entire value chain (upstream, own operations and downstream) and all the company's stakeholders who may be directly or indirectly affected by Virbac's activities.

The analysis therefore focused on the risks and opportunities as well as the positive and negative impacts of all segments of Virbac's value chain, inclusive of all activities.

In order to ensure the full compliance of this work, we were supported by an external expert on the subject. The results of the double materiality analysis and the explanation of the methodology used were validated by the general management and presented to the board of directors.

#### Construction of the list of issues and IROs

The first step is to identify environmental, social and business ethics issues that are potentially important to Virbac. To do this, our external expert board relied on preliminary work carried out in 2022 (simple material assessment), which had mobilized Virbac's main stakeholders (internal and external) to draw up the list of issues. When analyzing this simple materiality, qualitative meetings and online quantitative surveys were conducted. With regard to the qualitative interviews, five group interviews were conducted with fifteen internal stakeholders and sixteen with external stakeholders (customers, distributors, suppliers, financial analysts and investors, journalists, associations, public authorities). For the quantitative interviews, 1,184 employees were surveyed, representing an overall participation rate of 23%.

In total, 1,215 people were interviewed.

This list was established on the basis of the 37 questions defined in the CSRD ESRS standards.

#### Rating calculation scales and methodologies implemented in 2024

The CSRD directive requires an analysis of each question, Impact, risk and opportunity according to two axes:

- financial materiality, assessed according to its severity and frequency;
- impact materiality, assessed by its severity (magnitude, scope, irremediability) and frequency.

Several rating scales have been defined to carry out this assessment, they are all between 1 and 4, with increments of 1.

#### Financial materiality

In accordance with the CSRD methodology, the material risks identified are gross exposure. The assessment grid used to rate financial materiality is defined by Virbac's Financial Affairs department:

- severity is assessed based on the level of financial risk on Ebitda and/or the extent of reputational risk;
- frequency represents the rate at which risk or opportunity occurs and includes the possibility that risk or opportunity exists permanently (maximum frequency);
- relative importance is taken into account by weighting severity using the following formula:  
 $\sqrt{\text{Financial materiality}} = (\text{severity} \times \text{frequency})$ .

#### Impact materiality

The assessment grid used to assess the materiality of the impacts was defined by the external expert with the CSR department:

- severity is assessed according to three axes:
  - the scale of impact on stakeholders;
  - the scope of the impact;
  - the irremediability of the impact.
- frequency represents the rate at which the impact occurs and includes the possibility that the impact exists permanently (maximum frequency).

Severity is assessed by averaging the magnitude of the impact, its scope and its irremediability.

*Severity calculation = average of the scale, the scope and the irremediability.*

#### Ratings and sources used

##### ■ **Financial materiality**

The financial materiality was determined during rating workshops with Virbac's CSR teams and internal experts.

When a study was available (e.g. climate risk analysis), it was used as a basis for discussion with the experts. A consistency review was then carried out by the project team (CSR, Insurance and Risk Management and Financial Affairs departments).

The severity of the controversies has been used to characterize the frequency of these risks on reputational aspects.

##### ■ **Impact materiality**

The impact materiality was prepared both by the consulting firm, using databases and external scientific reports, and by Virbac's contributors.

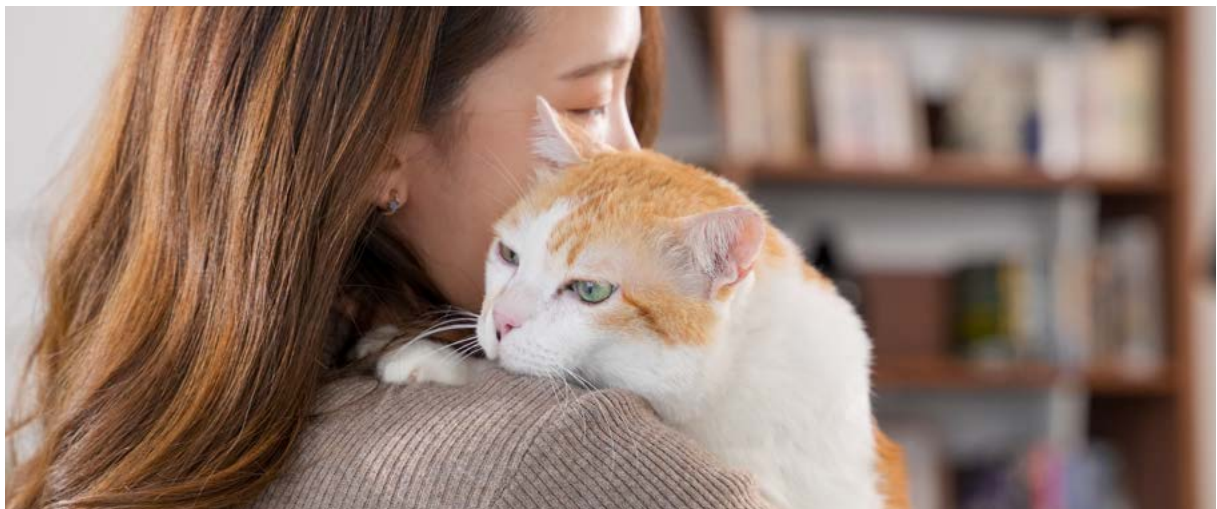
#### Consolidation of ratings and prioritization of issues

IROs are considered significant for the CSRD directive in one of these three cases:

- material in terms of financial significance, when the financial significance is greater than or equal to 2/4;
- material in terms of the significance of impacts, when the significance of impacts is greater than 2/4;
- material in terms of financial materiality and impacts, when both materialities are greater than 2/4.

### **SBM-3 Material Impacts, risks and opportunities**

The illustration below summarizes the results of the double materiality analysis. It provides an overview of the material IROs associated with each material sustainability topic.

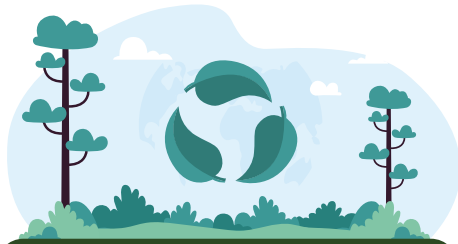




# DOUBLE MATERIALITY ASSESSMENT

MATERIAL

NON MATERIAL



## ENVIRONMENT

### E1 - CLIMATE CHANGE

- ▶ Climate change adaptation
- ① Climate change mitigation
- ▶ Energy

### E2 - POLLUTION

- ① Pollution of water
- ① Pollution of living organisms and food resources
- ▶ Substances of concern and very high concern

### E3 - WATER

- ① Water consumption and water withdrawals

### E4 - BIODIVERSITY

- ① Direct impact drivers of biodiversity loss

### E5 - CIRCULAR ECONOMY

- ▶ Resources inflows, including resource use
- ① Waste

### E2 - POLLUTION

- Pollution of air
- Pollution of soil
- Microplastics

### E3 - WATER

- Water discharges
- Marine resources

### E4 - BIODIVERSITY

- Impacts on the state of species
- Impacts on the extent & condition of ecosystems

### E5 - CIRCULAR ECONOMY

- Resources outflows related to products and services



## SOCIAL

### S1 - OWN WORKFORCE

- ① Working conditions
- ① Health and safety
- ① Training and skills development
- ① Diversity and inclusion
- ① Violence and harassment
- ① Collective bargaining and social dialogue
- ① Human rights

### S2 - WORKERS IN THE VALUE CHAIN

- ① Working conditions
- ① Health and safety
- ① Human rights

### S3 - AFFECTED COMMUNITIES

- ① Communities' Economic, Social and Cultural Rights-living conditions

### S4 - CONSUMERS AND END-USERS

- ① Personal safety of consumers and end-users
- ① Data privacy

### S2 - WORKERS IN THE VALUE CHAIN

- Diversity and inclusion
- Violence and harassment
- Social dialogue and collective bargaining
- Training and skills development

### S3 - AFFECTED COMMUNITIES

- Rights of indigenous people
- Communities' Economic, Social and Cultural Rights
- Biodiversity and environment
- Communities' civil and political rights

### S4 - CONSUMERS AND END-USERS

- Information-related impacts for consumers and end-users
- Social inclusion



## GOVERNANCE

### G1 - BUSINESS CONDUCT

- ① Corporate culture
- ① Animal welfare
- ▶ Management of relationships with suppliers
- ▶ Corruption and bribery

### G1 - BUSINESS CONDUCT

- Protection of whistleblowers
- Political engagement and lobbying activities

The tables below list the Impacts, risks and opportunities (IRO) that Virbac identified and deemed material during the double materiality analysis carried out in 2024, in accordance with the CSRD directive.

For each of the sub-themes, the Group mentions:

- whether it is an impact (positive or negative), a risk or an opportunity;
- where it is located in its value chain, namely Upstream value chain (UVC), Own operations (OO), or Downstream value chain (DVC).

All IROs were rated independently of the mitigation measures implemented by Virbac; in other words, the materiality analysis was carried out on the basis of the gross Impacts, risks and opportunities.

► refer to [IRO identification and double materiality methodology IRO-1: due diligence](#).

## E1 – Climate change/IRO

Climate change mitigation	
<b>Negative impact</b> (UVC, OO, DVC)	<b>Contribution to the acceleration of climate change related to greenhouse gas (GHG) emissions:</b> Virbac's direct and indirect GHG emissions contribute to the increase of GHGs in the atmosphere and to climate change.
<b>Risk</b> (UVC, OO, DVC)	<b>Increase in costs related to the increase in the prices of purchased goods and services:</b> this could lead to a loss of competitiveness of Virbac's products and plants impacting the operating margin (volatility of energy and raw materials prices due to the evolution of the energy mix with a view to the exit of fossil fuels, carbon taxes, etc.).
Climate change adaptation	
<b>Opportunity</b> (UVC, OO, DVC)	<b>The emergence of potential new markets with diseases originating from Southern countries developing in Northern countries:</b> the increase in temperatures could generate an increase in sales of parasiticides in particular.
<b>Risk</b> (UVC, OO)	<b>Disruptions in production and supply chains due to climate risks, resulting in a loss of activity:</b> disruptions can materialize in our operations (raw material shortages, business continuity), due to adverse weather impacts, including for example the limitations imposed by the regulator on activities due to droughts.
<b>Risk</b> (UVC, OO, DVC)	<b>Increase in insurance costs or inability to insure the most vulnerable assets, increased investment in protecting Virbac's sites from physical risks:</b> insurance costs will increase due to climate risk, namely the increase in the frequency of extreme events and the risk of non-insurability. The costs of adapting sites could be high in anticipation of climate-related events.
Energy	
<b>Risk</b> (OO)	<b>Increase in energy costs:</b> accessibility to energy could be a problem for Virbac, which may not be considered a priority in the event of tensions over energy supply. Costs related to the purchase of renewable energy could impact the Group's margins.
<b>Risk</b> (OO)	<b>Ability to cater for the needs of plants while limiting energy costs (sterile, confined environment for injectables, vaccines, etc.):</b> the risk of lower quality products would impact the Group's reputation and revenues. Pharmaceutical industrial processes are energy-intensive and require high-level innovation to meet these constraints while improving energy efficiency.

## E2 – Pollution/IRO

Pollution of water	
<b>Negative impact</b> (UVC, OO, DVC)	<b>Pollution of water resources related to discharges (accidental or not) from Virbac sites and its value chain, which can impact humans and biodiversity:</b> chemical products used in production can contribute to environmental pollution if not handled safely. Waste and wastewater from production may contain heavy metals or active pharmaceutical substances, which can lead to the pollution of surface water, groundwater and drinking water.
<b>Risk</b> (UVC, OO, DVC)	<b>Operational risk of non-compliance with water pollution regulations that may result in criminal sanctions:</b> some of the Group's production sites are located near bodies of water. Water pollution incidents could lead to disruption of operations, including temporary site closures.
<b>Risk</b> (UVC, OO, DVC)	<b>Increase in costs related to legal fees, fines or clean-up costs in the event of non-compliance with applicable regulations, or proven pollution related to Virbac's activities:</b> the main production sites are located near bodies of water. In the event of pollution, legal and remediation costs could be high.
Pollution of living organisms and food resources	
<b>Negative impact</b> (UVC, OO)	<b>Indirect impact on ecosystems of substances contained in medicines marketed by the Group:</b> pharmaceutical substances present in water throughout the Virbac's value chain could impact wildlife and ecosystems.
<b>Risk</b> (UVC, OO)	<b>Loss of revenue due to new laws and regulations such as regulations on the use of chemicals:</b> regulations limiting the use of certain substances could result in a loss of revenue for Virbac.
Substances of concern and very high concern	
<b>Risk</b> (UVC, OO)	<b>Non-compliance with regulations concerning substances of concern and very high concern impacting our activities:</b> severe pollution could lead to operational restrictions and disruptions to the Group's activities. Since the use of these substances is subject to authorization, these could be withdrawn, which would result in costs to find alternative substances, or loss of revenue.
<b>Risk</b> (UVC, OO, DVC)	<b>Health impact related to the use of substances of concern and very high concern in direct operations, and upstream and downstream of the value chain:</b> workers' health injury can have direct operational implications, and could result in expensive legal fees and remediation costs.
<b>Risk</b> (UVC, OO, DVC)	<b>Reputational risk:</b> non-compliance with the use of substances of concern and substances of very high concern in direct operations and in the upstream value chain could damage the Group's reputation.
<b>Risk</b> (UVC, OO, DVC)	<b>Criminal liability related to non-compliance with the use of substances of concern and substances of very high concern in direct operations and the upstream value chain:</b> companies can be held liable in the event of serious pollution, especially as the new regulations reinforce control over substances of concern.



## E3 – Water and marine resources/IRO

Water consumption and water withdrawals	
<b>Negative impact</b> (UVC, OO, DVC)	<b>Ecosystem disruptions and impact on populations due to water withdrawals generated by Virbac's activities and in its value chain:</b> the pharmaceutical sector consumes water for its production. This can put pressure on ecosystems when water consumption occurs in water stress zones. Virbac has operations in water stress zones.
<b>Risk</b> (UVC, OO)	<b>Resource availability related to water consumption by the upstream value chain and Virbac's operations:</b> during droughts, water availability can negatively impact production (indirect impacts via suppliers and direct impacts).
<b>Risk</b> (UVC, OO)	<b>Controversies related to potential conflicts over water use, particularly for direct operations during droughts:</b> controversies over access to water could arise in water stress zones, leading to competition over water between different stakeholders.

## E4 – Biodiversity and ecosystems/IRO

Direct impact drivers of biodiversity loss	
<b>Negative impact</b> (UVC, OO, DVC)	<b>Antibiotic resistance:</b> the intensive use of antibiotics and their release into the environment throughout the value chain leads to an increase in antibiotic resistance.

## E5 – Circular economy/IRO

Resources inflows, including resource use	
<b>Negative impact</b> (UVC, OO, DVC)	<b>Increase in costs and investments related to the development of eco-designed packaging, and compliance with the various regulations on product composition:</b> Virbac is in the pharmaceutical sector, which is subject to strict regulations regarding the components used for its products. This highly restrictive framework means that any innovation aimed at improving and reducing the quantity of resources used could prove to be a long and costly process.
Waste	
<b>Negative impact</b> (UVC, OO, DVC)	<b>Degradation of natural spaces and habitats:</b> mismanagement of waste treatment, resulting from Virbac's activities and its value chain, could lead to pollution of natural spaces.

## S1 – Own workforce/IRO

Working conditions	
<b>Positive impact</b> (OO)	<b>Empowerment of teams:</b> the positive impact of good working conditions on the well-being and the sense of fulfillment of employees is considered to be high at Virbac.
<b>Negative impact</b> (OO)	<b>Harm to the physical or mental integrity of workers related to psychosocial risks at work (arduous work, stress, harassment, lack of work-life balance, lack of social dialogue, etc.):</b> the negative impact of poor working conditions on the well-being and sense of fulfillment of employees is considered high at Virbac.
<b>Risk</b> (OO)	<b>Operational risk related to labor:</b> slowdown/shutdown of production due to poor working conditions (high absenteeism rate, strikes, recruitment difficulties, high turnover rate, low employee engagement rate), or the absence of employees.
<b>Risk</b> (OO)	<b>Talent attraction and retention:</b> given Virbac's location and the job market, the risk is considered high. Many job vacancies within the company are not always easy to fill.
<b>Opportunity</b> (OO)	<b>Increase in revenue linked to commitment and high productivity:</b> a direct link is identified between good working conditions and productivity (high commitment rate, motivation and efficiency).
<b>Opportunity</b> (UVC, OO, DVC)	<b>Employer brand:</b> developing a trusted partner and employer image, as well as strong sustainability performance, can lead to new talent, new customers, and a better reputation.
Collective bargaining and social dialogue	
<b>Positive impact</b> (OO)	<b>Creation of a sense of belonging among employees involved in collective bargaining and social dialogue:</b> creating a sense of belonging among Virbac employees strongly contributes to their well-being at work.
<b>Risk</b> (OO)	<b>Operational risk linked to a social conflict:</b> a social conflict would significantly disrupt Virbac's production and could lead to a loss of revenue and significant financial costs.
Health and safety	
<b>Negative impact</b> (OO)	<b>Risk of accidents:</b> poor working conditions and damage to the health and safety of workers (lack of training, lack of suitable protective equipment, etc.) can have serious consequences for workers, including the risk of death.
<b>Negative impact</b> (OO)	<b>Risks to the health of employees:</b> exposure to harmful substances and poor workplace ergonomics could have negative impacts for Virbac employees.
<b>Risk</b> (OO)	<b>Operational risk of shutdown due to compliance violations, shortcomings in safety management:</b> in the pharmaceutical sector, safety measures are essential to maintaining operations.
Training and skills development	
<b>Positive impact</b> (OO)	<b>Employee training to improve their employability in the labor market:</b> employee training is essential to improve their employability and increase their job satisfaction.
<b>Risk/ Opportunity</b> (OO)	<p><b>Employee skills:</b> Virbac had to create its own program to recruit and mobilize qualified resources. The inability to recruit or train on the necessary skills could affect our activities.</p> <p><b>Improved retention and professional development</b> through better qualification of employees to fulfill their missions.</p>

## Diversity and inclusion

<b>Positive impact</b> (OO)	<b>Fostering employee inclusion:</b> fostering inclusion can have a significant positive impact on Virbac employees.
<b>Risk</b> (OO)	<b>Reputational risk:</b> the absence or non-compliance with diversity and inclusion measures could lead to damaging Virbac's image.
<b>Opportunity</b> (OO)	<b>Attractiveness and retention of new talent:</b> diversity and inclusion are strong values upheld by Virbac that can help attract and retain talent.
<b>Opportunity</b> (OO)	<b>Employee commitment:</b> diversity and inclusion are strong values upheld by Virbac that can contribute positively to its productivity and profitability.

## Measures against violence and harassment in the workplace

<b>Negative impact</b> (OO)	<b>Harassment and violence against individuals:</b> such acts could lead to physical or mental harm.
<b>Risk</b> (OO)	<b>Reputational risk:</b> the absence and non-compliance with anti-harassment measures could result in a financial cost to rebuild Virbac's image.

## Human rights

<b>Negative impact</b> (OO)	<b>Serious physical or psychological harm:</b> child labor, forced labor and other violations of workers' fundamental rights could result in consequences or even death.
<b>Risk</b> (OO)	<b>Reputational risk:</b> in the event of a violation of fundamental rights, Virbac's image could be significantly affected. The financial cost of rebuilding this image would be high.
<b>Risk</b> (OO)	<b>Increase in costs related to legal fees or fines in the event of a proven violation of applicable regulations:</b> in the event of a violation of fundamental rights, Virbac may be held legally liable. The financial costs of legal proceedings and reparations could be high.

## S2 – Workers in the value chain/IRO

### Working conditions

<b>Negative impact</b> (UVC, DVC)	<b>Harm to the physical or mental integrity of value chain workers related to physical and psychosocial risks at work:</b> the negative impact of poor working conditions on the well-being and safety of value chain employees could impact Virbac's activities.
<b>Risk</b> (UVC, DVC)	<b>Operational risk related to the labor force of the value chain:</b> slowdown/shutdown of external production due to poor working conditions (high absenteeism rate, strikes, recruitment difficulties, high turnover rate, etc.).

### Health and safety

<b>Negative impact</b> (UVC, DVC)	<b>Risk of accidents in the value chain:</b> the increase in the number of workplace accidents, the development of occupational diseases, or deaths related to poor safety conditions at Virbac's suppliers could lead to breaches and an impact on Virbac's image.
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### Human rights

<b>Negative impact</b> (UVC, DVC)	<b>Serious physical or psychological harm of value chain workers:</b> child labor, forced labor and other violations of workers' fundamental rights could result in consequences or even death.
<b>Risk</b> (UVC, DVC)	<b>Reputational risk:</b> in the event of a violation of the fundamental rights of value chain workers, Virbac's image could be indirectly affected.



## S3 – Affected communities/IRO

### Communities' economic, social and cultural rights– living conditions

<b>Positive impact</b> (UVC, OO)	<b>Treatment of zoonoses (infectious disease of vertebrate animals transmissible to humans):</b> Virbac as a veterinary laboratory produces medicines to treat animals. This helps limit zoonoses for the benefit of the health and safety of the population.
<b>Negative impact</b> (UVC, OO, DVC)	<b>Antibiotic resistance:</b> the widespread use of antibiotics in the treatment of animal diseases could create an increased risk of antibiotic-resistant bacteria and long-term illnesses for populations.
<b>Opportunity</b> (UVC, OO)	<b>Commercial opportunity:</b> Virbac's product range could be expanded to include new products for the treatment of zoonoses.

## S4 – Consumers and end-users/IRO

### Data privacy

<b>Negative impact</b> (DVC)	<b>The breach of data confidentiality:</b> Virbac was the victim of a cyberattack in June 2023. This event could happen again in the future. Private information belonging to professionals (veterinarians, farmers), employees, etc. could be misused and have a negative impact on their business.
<b>Risk</b> (DVC)	<b>A data breach can damage Virbac's image and reputation:</b> a breach of data confidentiality can represent a significant reputational risk for Virbac.
<b>Risk</b> (DVC)	<b>Penalties for non-compliance with personal data:</b> Virbac faces heavy penalties for non-compliance with personal data. The penalty in case of a data breach is 4% of revenue.
<b>Risk</b> (DVC)	<b>Criminal penalties for company directors:</b> a data breach may result in criminal penalties for Virbac's directors.
<b>Opportunity</b> (DVC)	<b>Ensuring data protection by investing in measures to prevent this risk:</b> creating trust in data protection is fundamental for Virbac in order to maintain a high-quality relationship with its customers.

### Personal safety of consumers and/or end-users

<b>Negative impact</b> (DVC)	<b>Consumer health and safety (veterinarians, farmers, pet owners):</b> failure to comply with the health or safety standards of pharmaceutical products can have serious consequences for users, up to and including death.
<b>Risk</b> (UVC, OO)	<b>Increase in costs related to legal fees or fines in the event of proven breaches that have led to endangerment or harm to the health and safety of consumers:</b> as a pharmaceutical company, the safety and quality of products is fundamental for Virbac.
<b>Risk</b> (DVC)	<b>Reputational risk:</b> media controversies could damage Virbac's image and lead to a loss of consumer and employee confidence.
<b>Opportunity</b> (DVC)	<b>Promotion of good practices in drug administration:</b> the promotion of good practices in the administration and use of medicines is at the heart of the system implemented by Virbac with its customers.
<b>Opportunity</b> (OO)	<b>Commercial opportunity for the development of prevention products:</b> Virbac aims to develop its prevention range and in particular through the development of its vaccine ranges.

## G1 – Business ethics/IRO






















Corporate culture	
<b>Positive impact</b> (UVC, OO, DVC)	<b>Corporate culture and well-being at work:</b> at Virbac, there is a strong sense of belonging, an increased level of commitment and a strong cohesion between employees, nourished by a sense of purpose and shared values.
Corruption and bribery	
<b>Risk</b> (UVC, OO, DVC)	<b>Financial risk:</b> in the event of proven corruption, Virbac would face significant fines.
<b>Risk</b> (OO)	<b>Reputational risk:</b> in the event of proven corruption, Virbac would face a significant risk to its reputation.
<b>Risk</b> (UVC, OO, DVC)	<b>Criminal sanctions:</b> in the event of proven corruption, Virbac would be exposed to criminal liability.
Management of relationships with suppliers including payment practices	
<b>Risk</b> (UVC, OO, DVC)	<b>Supply risk:</b> Virbac's relationship with its suppliers is essential. Failure to comply with its commitments to pay its invoices could lead to significant disruptions to the business.
Animal Welfare	
<b>Negative impact</b> (UVC, OO)	<b>Violation of animal welfare:</b> failure to respect the fundamental freedoms of animals linked to breeding conditions that do not guarantee their well-being.
<b>Risk</b> (UVC, OO)	<b>Reputational risk due to unethical animal welfare behavior:</b> animal rights advocates could negatively impact Virbac's reputation in the unlikely event of unethical animal behavior in clinical trials.
<b>Risk</b> (UVC, OO)	<b>Risk of loss of market share due to changes in consumer behavior:</b> a change in consumer attitudes towards the consumption of animal products, in some countries, could have a negative effect on the Group's revenues.

## MOMENTUM FOR PROGRESS – ESG PERFORMANCE

As part of our CSR 2030 review, we have redefined our objectives in line with our previous vision. With regard to certain indicators, the integration into the reporting scope of eighteen new subsidiaries meant that we did not have the resources to set standardized objectives in 2024. We have arranged to set these targets in 2025 and to release them in 2026.

► refer to BP-1 General basis.

All of these objectives have been chosen to meet the Group's CSR challenges, are in accordance with the double materiality analysis, and are intended to meet the expectations of internal and external stakeholders.

TARGETS BY 2030		2024 (base year)	Progress
SDG's <sup>1</sup>	ENVIRONNEMENT		
     	Climate change		
	Published in 2026	-	-
	Discharges into the environment		
	Published in 2026	-	-
	Sustainable use of resources of energy and water		
	Published in 2026	-	-
SOCIAL			
Strengthening employee engagement			
    	Attracting and retaining talent		
	Achieve a Great Place to Work (Trust Index) satisfaction rate > 75%	75%	100%
	Fulfilling work environment		
	Achieve gender equality (between 40% and 60%) for the executive and management category (grading F+)	23%	58%
	Skills development		
	Published in 2026	-	-
	Health and safety at work		
	Achieve a workplace accident frequency rate < 4	5.52	-28%
	Development of innovative products and services		
	Maintain a ratio of biology RDL <sup>2</sup> expenses/total RDL > 30%	31.6%	100%
   	Maintain a ratio of RDL expenditures/total Group revenue > 6%	8.6%	100%
	Revenue of petfood range > 200 € million in 2035	131.1	66%
Consumer and end-user safety			
 	Provision of right first time products		
	Limit the number of batch recalls to a ratio < 0.5 per 1,000 batches marketed	0.44‰	100%
	Limit customer technical complaints to a ratio of less than 10 per million units marketed	16.4	-39%
	Controls during the product life cycle		
	Limit the non-compliance with regulations and voluntary codes to a ratio < 1 for 1,000 batches marketed	0.73‰	100%
	Limit the labeling non-conformities < 1 for 1,000 product references	0.87‰	100%
GOVERNANCE			
   	Business ethics		
	Achieve a GPTW score on ethics in business conduct > 80%	85%	100%
	Animal welfare		
	Published in 2026	-	-
	Responsible purchasing		
	Published in 2026	-	-

<sup>1</sup>sustainability development goals

<sup>2</sup>vaccines, immunological and bio-pharmaceutical products

## BP-1 General basis

2024 marks a decisive turning point for companies. The CSRD directive (Corporate sustainability reporting directive) introduced new sustainability reporting obligations, making these reports more comprehensive, comparable and verifiable.

**Delineation of the scope of consolidation:** the scope of consolidation of non-financial indicators includes all entities in the financial scope as described in note A40 Scope of consolidation of the appendix to the consolidated accounts.

The only exceptions are recently acquired or created companies, which will be gradually integrated into non-financial reporting from 2025, and companies accounted for by the equity method for which Virbac does not exercise exclusive control.

### Acquisitions/start-ups

Globion India Private Ltd	(India)
Sasaeah Holdings Co.,Ltd.	(Japan)
Sasaeah Pharmaceutical Co.,Ltd.	(Japan)
Fujita Pharmaceutical Co., Ltd.	(Japan)
Kyoto Biken Laboratories, Inc.	(Japan)
Kyoto Biken Hanoi Laboratories, Co Ltd	(Vietnam)
Mopsan	(Türkiye)
Virbac Suzhou Pet Food Co Ltd	(China)

### Accounted for by the equity method

AVF Animal Health Co Ltd Hong-Kong  
AVF Chemical Industrial Co Ltd China Jinan  
Shandong Weisheng Biotech Co., Ltd

For this first year of CSRD implementation, the published data mainly concern our own operations. When they include those of the upstream and/or downstream value chain, this is mentioned in the relevant section of this sustainability statement.

**Identification of material issues/value chain assessment:** the double materiality analysis, detailed in section IRO-1 Materiality and due diligence of the sustainability statement, summarizes the issues that are most important to the Group, its stakeholders and its activities.

**Definition of performance indicators:** our Group relies mainly on key performance indicators (KPIs) defined by the ESRS for its material issues, to measure progress made in terms of sustainability.





## BP-2 Specific circumstances

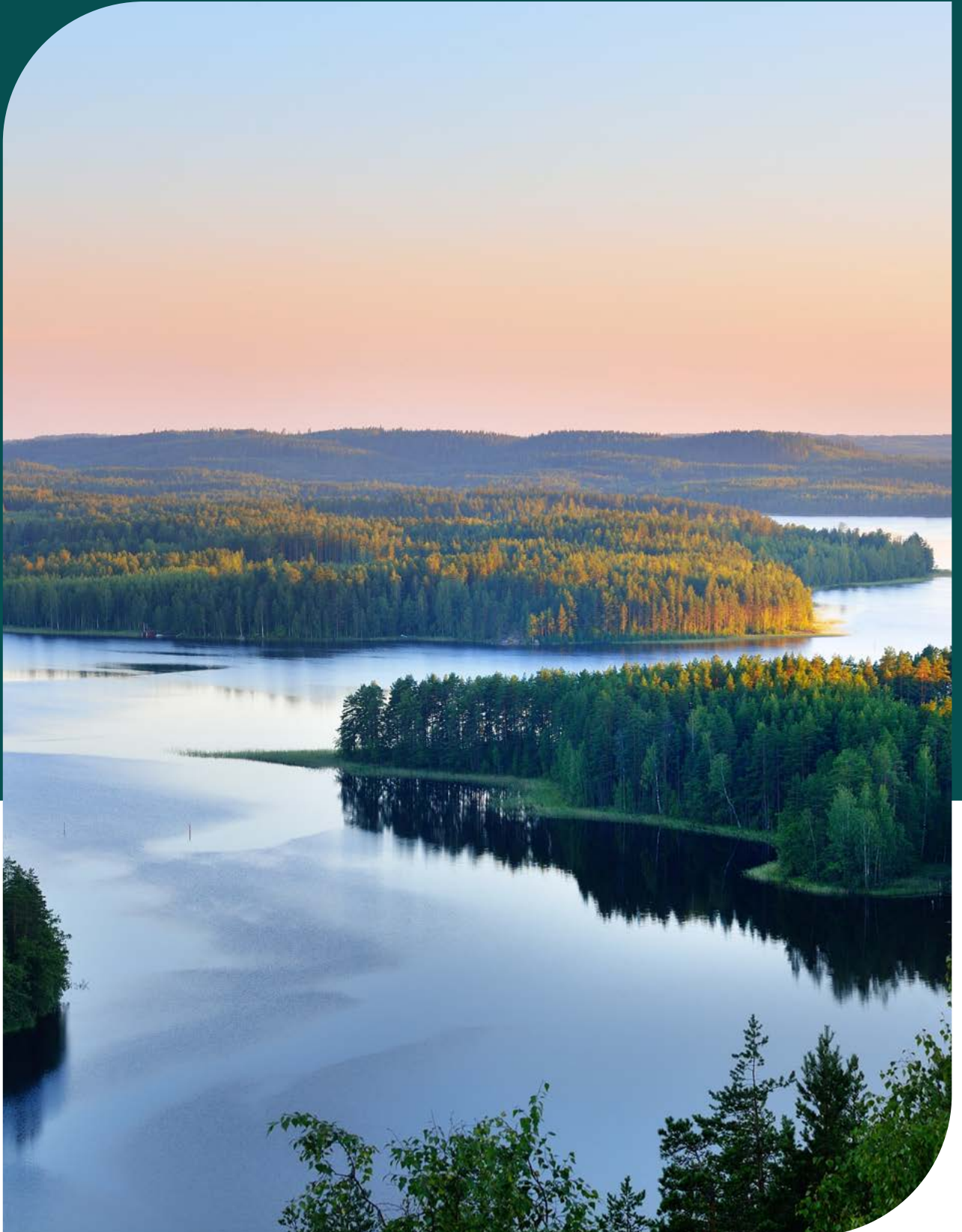
The implementation of CSRD represents a major challenge for our Group. Among the main issues are the following.

- **Data collection and analysis:** the collection of reliable and comparable data across the scope of consolidation is complex and time-consuming given the number of entities concerned, and the heterogeneity of the repositories between Europe and the other geographic areas in which we operate.
- **Methodology:** the Group has implemented a rigorous methodology to deploy the new corpus of standards in its subsidiaries through a CSR guide grouping together the definitions of quantitative indicators, a reporting schedule and internal documentation of the main processes related to material issues for Virbac. The CSR department has organized digital onboarding sessions for local representatives. This work was carried out with the support of an external consultant, an expert in these subjects.
- **Time horizons:**
  - short term: one year - the period adopted as a reference period in our financial statements;
  - medium term: more than one year, up to seven years. The sustainability objectives are aligned with the Virbac 2030 strategic plan. These time horizons are designed to reflect our strategic priorities as well as the nature of our industry;
  - long-term: more than seven years.
- **Sources of estimation and uncertainty of results:** the use of estimates for performance measures, including upstream and downstream value chain data, are described in each section. Overall, the measures related to our own operations are based on a greater volume of primary data, while the parameters of the value chain are often estimated and therefore have a higher level of measurement uncertainty. All assumptions and potential uncertainties are documented in the relevant sections. Information which relates to the future, such as objectives, is by nature uncertain.
- **Comparative figures:** comparative figures are provided for measures that were disclosed in one or more of the previous periods, and whose definition and scope were aligned with the requirements of the ESRS. In accordance with the transitional provision of the ESRS, no comparative figures have been disclosed for the new indicators introduced in 2024.
- **Incorporation of information by means of cross-references:** list of publication requirements of the ESRS, or specific data elements stipulated by a publication requirement, which have been incorporated by means of cross-references.

ESRS Disclosure requirements	Incorporation by reference
<b>ESRS 2 GOV-1</b> The role of the administrative, management and supervisory bodies	refer to pages 150-154 of the annual report
<b>ESRS 2 GOV-3</b> Integration of sustainability-related performance in incentive schemes	refer to pages 168, 171 and 173 of the corporate governance report
<b>ESRS E1 linked to ESRS 2 GOV-3</b> Integration of sustainability-related performance in incentive schemes	refer to pages 168, 171 and 173 of the corporate governance report

- **Reference:** this report has been prepared in accordance with the CSRD directive and the GRI (Global reporting initiative) standards for the period from January 1 to December 31, 2024. Our Group has adopted the GRI standards since 2011.

# ENVIRONMENT



## CLIMATE GOVERNANCE

### GOV-3 Incentive schemes

Incentive measures that take climate issues into account have been implemented in recent years as part of the variable compensation of the chief executive officer and deputy chief executive officers, such as:

- actions to limit the carbon footprint of company vehicles (FY23 target);
- climate change awareness activities with the roll-out of the Climate Fresk (FY24 target);
- the definition of a quantified action plan for the Group's decarbonization resulting in the setting of direct and indirect emission reduction targets (scopes 1, 2 and 3) as a priority for the France, United States, Australia and Mexico sites and the associated action plan by December 31, 2025 (FY25 target).

For 2025, ESG criteria represent 10% of the gross annual variable compensation of corporate officers (including 5% on climate issues). At the moment, we are in the process of raising awareness and integrating these topics and working on the decarbonization trajectory. Once this has been defined, it will be integrated into the incentive measures.

## CLIMATE STRATEGY AND RELATED IRO'S MANAGEMENT (POLICIES, TARGETS, ACTION PLANS)

### IRO-1 Description of the processes to identify and assess material climate-related Impacts, risks and opportunities

► refer to the IRO linked to climate change detailed in section Impact, risk and opportunity management.

The Group has conducted a preliminary analysis of the exposure and vulnerability of its activities to physical climate risks, as defined in section II of Annex A to the European regulation. This analysis was carried out by the Insurance and Risk Management department based on our insurers' reports on the prevention of natural and climate risks at our high-value asset sites, and on the internal knowledge of our main sites. In 2024, the Group reinforced this approach through simulations of global warming scenarios, based on the IPCC's assumptions, which enabled the mapping of identified risks and their degree of importance for our main sites worldwide. On this basis, we are now working on completing our action plans to limit the potential impact of these risks.

The Group has identified climate-related risks and opportunities. Based on the CSRD, the Group divides its climate-related risks and opportunities into two categories:

- physical: risks and opportunities related to the physical impacts of climate change;
- transition: risks and opportunities related to the transition to a low-carbon economy, which can lead to significant political, legal, technological and market changes.

For this analysis, the climatic risks were quantified using different emission profiles: SPC 8.5, SPC 4.5, SPC 2.6. Three different time horizons were considered: 2030, 2050, and 2100.

#### Physical risks

The analysis covered our own operations.

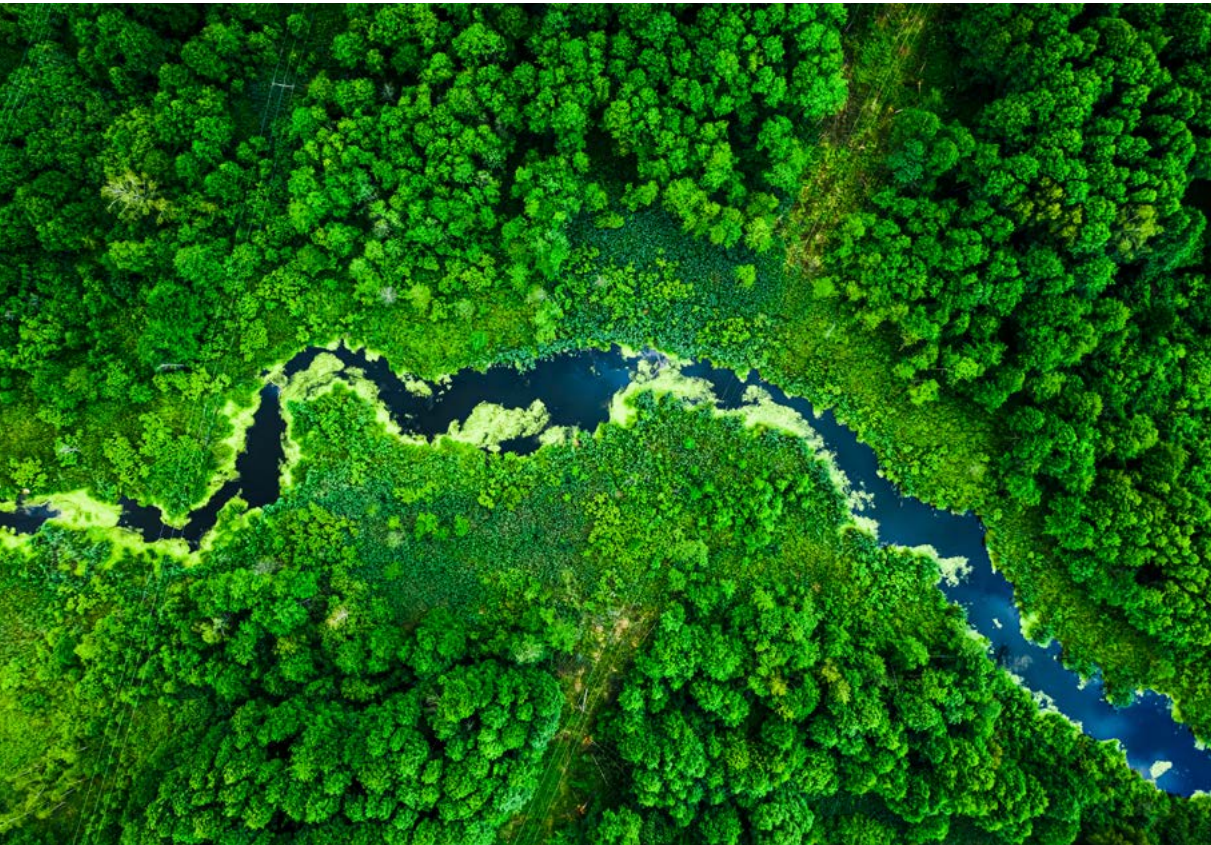
The following risks were analyzed:

- storms/tornadoes;
- floods;
- increase in sea level;
- increase in maximum temperature;
- increased rainfall;
- droughts;
- thermal stress.



The table below shows the risks likely to materialize at the main Virbac sites. Note that a country may have several sites.

Acute/ chronic	Hazard	Impact	Exposure to date	Future exposure
Acute	Storms/tor- nadoes	Destruction or damage of the asset	11/26 sites  Australia Mexico Vietnam New Zealand Taiwan United States Japan	11/26 sites  <i>Idem</i> current exposure
Acute	River floods	Destruction or damage of the asset	9/26 sites  France United States Australia Uruguay Japan Vietnam	11/26 sites  +2 exposed sites (in France and New Zealand)
Acute	Thermal stress	Loss of equipment productivity  Potential damage to workers' health	3/26 sites  Vietnam Taiwan	9/26 sites  United States Australia France Mexico Vietnam Taiwan





The climate risk analysis will be gradually extended to other locations that were not part of the first analysis.

### Transition risks

Category	Risk	Description	Impact
Market	Increase in the cost of carbon	Carbon pricing policies are already in place, especially in the European Union (EU). These policies could lead to increased operational expenditure and the cost of purchasing carbon-intensive materials, with implications for Virbac's operations and supply chain.	Increased costs
Market	Shortage of raw materials	Risk of shortage of raw materials due to disruptions in the value chain (physical risks, cost increases).	Increased costs
Reputation	Reluctance of investors to invest	Pressure from stakeholders (customers, employees, investors, shareholders) could reduce the attractiveness of the company for financial and operational partners if Virbac's non-financial performance in relation to climate objectives and measures is deemed insufficient.	Loss of funding
Market opportunity	Market share gains	Potential new markets with diseases originating in the countries of the South but developing in the countries of the North due to climate change.	Increase in market share and revenue

### **SBM-3** Material Impacts, risks and opportunities and their interaction with strategy and business model

Our Group conducted a preliminary analysis of the exposure and vulnerability of its activities to physical climate risks.

► refer to IRO-1 Processes to identify and assess material climate-related Impacts, risks and opportunities.

Assets are insured in case of natural disasters, to some extent. Our Group is resilient to physical risks because its model is geographically diversified with assets spread over several continents. However, the major risk lies in high-value physical assets, mostly located in France, which generate significant revenues.

In addition, our Group carries out a systematic eco-design assessment of all its projects to build new sites. To that end, the vision of sustainability is integrated from the preliminary design phase thanks to the support of engineering consulting firms specialized in ecological transition.

## **E1-1 Transition plan**

The risks related to the effects of climate change have encouraged us to help reduce greenhouse gas emissions of scopes 1 and 2. In our company, direct greenhouse gas emissions (scopes 1 and 2, as defined in the GHG protocol) represent emissions linked to the consumption of various forms of energy including gas and electricity, as well as greenhouse gas emissions linked to refrigerants.

The main actions taken to reduce our greenhouse gas (GHG) emissions scopes 1 & 2 are as follows:

- optimization of energy consumption: thermal insulation of installations, energy recovery system on the wastewater treatment plant for biological production units, project to renovate our infrastructure, master utilities plan in France (Carros), solar water heater for industrial hot water (Mexico), broadening of plans to replace lighting with LEDs on almost all industrial sites;
- emissions related to refrigerant gases: reinforcement of maintenance plans at industrial sites in Australia and Mexico, as well as a program to replace the most polluting fluids with fluids with low CO<sub>2</sub> emissions;
- use of renewable electricity at certain sites;
- greening of the company vehicle fleet;
- eco-design of our future sites, through the consideration of environmental impacts (use of renewable energy sources, use of more efficient equipment) and the use of lower-emission materials (CO<sub>2</sub>, pollutants, etc.).

Since 2023, we have been conducting an in-depth assessment of our GHG emissions, which has enabled us to complete our carbon assessment for scopes 1, 2 and 3, and to launch complementary actions to reduce indirect emissions such as:

- the optimization of the transport of finished products and upstream freight:
  - shipment of finished products: grouping destinations and optimizing loading rates for transport;
  - limitation of air freight and increase of sea freight;
  - employee transport: inter-site shuttles, incentive policies to limit the carbon impact of company vehicles through greening of the fleet, carpooling, etc.
- a responsible purchasing approach:
  - consideration of a responsible purchasing charter at Group level, integrating sustainable development criteria for choosing suppliers;
  - use of recycled materials in packaging (plastic, glass, aluminum, PET) and single-material packaging.

Work has begun to define a transition plan compatible with the Paris agreement; actions have already been targeted and launched (see above). An initial estimate was made, but the work will continue until 2025 with the final estimate (reduction of GHGs, time horizon), the evaluation of resources, and the support of contributors.

## **E1-2 Policies related to climate change mitigation and adaptation**

Our energy consumption policy is part of an approach to optimize the resources we use. We seek to control the consumption of energy, water and materials used in our manufacturing processes.

We are committed to reducing our energy consumption through the energy efficiency of our equipment and facilities, the implementation of indicators as close as possible to end users for better management of energy consumption, and implement in our industrial sites the Best available techniques (BAT) applicable to our activity, in the choice of our equipment and monitoring. A second part of our policy is dedicated to energy supply, with the inclusion in our investment strategy of the development of renewable energies on all new investment projects, as well as on some historic sites (Australia, Chile, South Africa), and finally the security of energy supply through regular monitoring and contractual negotiations.

The formalization of this policy has taken into account Virbac employees' interests. Many ideas applied to energy risk management come from working groups composed of Virbac employees that have been created at all our sites in France. Suggestion boxes have also been set up in our facilities to enable our employees to contribute to the development of our actions on energy management.

Energy policy is deployed in all our activities and in all our facilities. Its development and implementation are mainly handled by the Industrial Operations and EHS department. This policy is communicated to our employees on our intranet where all documentation is available. More specific information is provided to the referents of each country, who oversee the deployment of policies at national level, with guidelines and seminars.

It is important to note that Virbac is dependent on the requirements in force in the pharmaceutical sector that limit the ability to deploy certain levers for reducing energy consumption. Pharmaceutical manufacturing processes must meet product quality requirements.

<sup>1</sup>categories 8 Leased assets (included in category 2 Capital goods), 10 Processing of sold products (not concerned) and 11 Used of sold products (not mandatory) has been excluded

Our energy policy allows us to manage the risks identified in our own operations by reducing the energy consumption of our activities and managing our energy supply. This reduces the share of energy in our expenditure, the effect of the high volatility of energy prices and our dependence on the energy market.

#### Climate change adaptation

Our climate change adaptation policy focuses mainly on adapting our new buildings. This policy aims to adapt new plants to their environment and improve the working conditions of our employees. In all the countries where we operate, we also comply with local regulations and adapt all our sites.

The transition plan, which we are currently working on, will also contribute to our climate change adaptation policy with levers contributing to both mitigation and adaptation. Our climate change adaptation policy will then be strengthened in the coming years.

We currently have no document for the implementation of the climate change adaptation policy. The construction of new sites is directly monitored by the Industrial Operations, EHS, Insurance and Risk Management and CSR departments, which ensures that actions to promote adaptation to climate change are implemented. General management oversees the deployment of this policy.

This policy allows us to manage the climate risks that threaten our facilities by reducing their vulnerability, thereby reducing the risk of production being disrupted and the cost of asset insurance being increased.

► refer to SBM-3 – Material Impacts, risks and opportunities E1 – Climate change.

However, our current policy, based on our own activities, is not yet adapted to managing the risk of production being disrupted within the supply chain. Nor do we have a policy to take advantage of the new market opportunities identified with climate change adaptation. These risks and opportunities were identified recently during our double materiality analysis and we plan to gradually adapt our policy.

#### Climate change mitigation

The risks related to the effects of climate change encourage us to help reduce greenhouse gas emissions (GHG). Based on our greenhouse gas emissions assessment, Virbac's main sources of emissions are:

- scopes 1 & 2, energy consumption and the use of refrigerant gases;
- scope 3 upstream, the purchase of goods and services and transport;
- scope 3 downstream, shipping of finished products and end-of-life processing of products sold.

Our policy for mitigating the effects of climate change is developed around the optimization of energy consumption, already communicated in the energy policy section, the reduction of refrigerant gas leaks, the change in current practices for the shipment of finished products and the lower emission alternatives for the transport of our employees in particular. In addition, starting next year our policy will evolve, when our work on the decarbonization trajectory is completed.

Currently, our climate policy does not address the risk existing on our upstream and downstream value chain of cost increases due to the impact of climate change on the market because this risk was recently identified during the double materiality analysis. We plan to adapt our climate policy to include managing this risk. However, our energy policy allows us to reduce this risk on our own operations by reducing our dependence on energy consumption.



### **E1-3 Actions and resources**

To adapt our plants and improve working conditions in areas where climate risk analyses have revealed significant risks of heat waves and rising temperatures, we are ensuring that we implement actions to limit the effects of high temperatures on our employees and infrastructure (areas equipped with shade or green spaces installed to offer an area away from the sun, actions on the organization of working hours to limit employee exposure, use of thermally efficient materials, etc.). We are not defining a time horizon for this action plan as implementation takes place with each new construction or development of existing infrastructures.

#### **Examples of achievements in 2024**

##### France

In addition to the work carried out since 2021, on all air conditioning and heating systems in the administrative offices of the French Industrial Operations department and roof insulation work, in 2024 we invested in a new boiler room (hot water and industrial steam production) and carried out studies on the replacement of our ice water production (VB13 utility master plan project). These new investments are less energy intensive and reduce our GHG emissions.

##### United States

In 2024, at our industrial site in Bridgeton (St. Louis), the original gas boilers were replaced by more efficient boilers.

We currently do not have an action plan to reduce the risk of disruption to production in our supply chains, nor to take advantage of opportunities in new markets, as these risks and opportunities have been identified recently through the double materiality analysis. Following the adaptation of our climate change adaptation policy, action plans will be formulated.

### **E1-4 Targets related to climate change mitigation and adaptation**

The medium and long-term climate objectives are being defined and will be the subject of further communication.

## **PERFORMANCE RELATED TO CLIMATE CHANGE**

With the implementation of our energy policy, based on consumption optimization, we aim to reduce energy consumption to manage the risk of dependence on the energy market.

With the implementation of the CSRD, we have extended reporting on these indicators to all our sites. As a result, the 2024 results will serve as a basis for setting new goals.

#### **Goals related to climate change**

We are currently working on defining our decarbonization trajectory with the support of a consulting firm. This work, which we will complete in 2025, will enable us to identify all the levers that we can put in place as well as their rate of implementation. As this work is already advanced, initial levers have been identified and are presented in our transition plan. The rest of our work consists of prioritizing levers and estimating the potential impact of their implementation on our greenhouse gas emissions.

► [refer to E1-1 Policies related to climate change mitigation and adaptation.](#)

As a result of this work, we will then be able to achieve new, more ambitious reduction targets on scopes 1 and 2 as well as the implementation of a reduction target on scope 3. We should therefore be able to update our 2030 reduction targets, in line with CSRD requirements, by next year, with the comprehensiveness of our decarbonization levers and their contributions.

### **E1-5 Energy consumption and mix**

For energy consumption, the scope covers all of our sites apart from the exceptions listed in section BP-1 General basis, and is identical to the scope of the carbon assessment.

Energy consumption is collected from subsidiaries on the basis of invoices. They are then consolidated at Group level. Therefore, this is real data. For our leased sites where we have no control over our energy consumption, an estimate has been made based on the surface area occupied.

With regard to the energy mix, this was determined on the basis of the information available in the [Our World in Data](#) database by country on the basis of the reference year 2023.



**Energy consumption and mix (MWh)**
**2024**

Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	18,052
Fuel consumption from natural gas	28,619
Fuel consumption from other fossil sources	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	21,490
<b>Total fossil energy consumption</b>	<b>68,161</b>
<i>Share of fossil sources in total energy consumption (%)</i>	<i>65.4%</i>
<b>Consumption from nuclear sources</b>	<b>16,554</b>
<i>Share of consumption from nuclear sources in total energy consumption (%)</i>	<i>15.9%</i>
Fuel consumption for renewable sources, including biomass	138
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	18,916
The consumption of self-generated non-fuel renewable energy	526
<b>Total renewable energy consumption</b>	<b>19,580</b>
<i>Share of renewable sources in total energy consumption (%)</i>	<i>18.8%</i>
<b>Total energy consumption</b>	<b>104,294</b>

All Virbac activities are considered to be in sectors with a high climate impact according to annex I to regulation (EC) n° 1893/2006 of the European parliament and of the council:

- C10.92 Manufacture of petfood;
- C21.1 Manufacture of basic pharmaceutical products;
- C21.2 Manufacture of pharmaceutical preparations;
- G46.46 Wholesale of pharmaceutical products.

To calculate energy intensity in high climate impact sectors, we used the total energy consumption already calculated for the previous table as well as the total net income from our ordinary activities that is available in our financial statements.

► [refer to consolidated accounts appendix A21 Revenue from ordinary activities.](#)

It should be noted that this intensity of total energy consumption is calculated using our total energy consumption, the numerator, which is determined only on our own operations as well as our net revenue, and the denominator, which includes a share of subcontracted production and sales of trading products. The energy consumption of this subcontracted production and trading products are therefore not taken into account in the numerator, because they are outside our scope of reporting indicators.

In order to neutralize the impact of these scope deviations (acquisitions, subcontracting and trading products), we also calculated the intensity by adjusting the denominator of these elements.

Energy intensity per net revenue	2024
Total energy consumption per net revenue from activities in high climate impact sectors (MWh/€ million)	75

Energy intensity per adjusted net revenue <sup>1</sup>	2024
Total energy consumption per net revenue from activities in high climate impact sectors (MWh/€ million)	144

<sup>1</sup>adjusted revenue from acquisitions (Sasaeah, Globion, Mopsan), subcontracting and trading products



## **E1-6** Gross Scopes 1, 2, 3 and Total GHG emissions

The assessment of our greenhouse gas emissions was carried out in accordance with the principles of the GHG protocol. For Virbac, 2024 is the first year it is communicating a complete carbon assessment integrating the indirect emissions of scope 3.

Its scope covers all our entities except the subsidiaries listed below for which 2024 data was not available. They will be gradually integrated for future assessments.

- |                                   |   |
|-----------------------------------|---|
| ■ Globion India Private Limited;  | ■ Kyoto Biken Hanoi Laboratories Co, Ltd; |
| ■ Sasaeah Holdings Co. Ltd;       | ■ Virbac Suzhou Pet Food Co Ltd;          |
| ■ Sasaeah Pharmaceutical Co, Ltd; | ■ Mopsan Veteriner Ürünleri A.Ş;          |
| ■ Fujita Pharmaceutical Co, Ltd;  | ■ Virbac Asia Pacific.                    |
| ■ Kyoto Biken Laboratories, Inc.; |   |

### **Methodology, key assumptions and emission factors used to calculate or measure GHG emissions**

**Scope 1 emissions:** we collected data from the sites' energy consumption and refrigerant leakages.

Assumptions: for our leased sites for which we do not have control over our energy consumption, an estimate was made according to the surface area occupied (use of intensity indicators (kWh/m<sup>2</sup>) from the CRREM Carbon risk real estate monitor by building type and country).

The sites involved in this assumption are Virbac (Switzerland) AG, Virbac Belgium SA, Virbac de Portugal Laboratorios Ltda, Virbac sp z o.o. (Poland), Virbac SRL (Italy), Virbac Trading (Shanghai) Co. Ltd, Virbac do Brazil Industria e Comercio Ltda, Virbac Philippines Inc, Virbac Thailand Co. Ltd, Virbac Czech Republic, Virbac Korea Co. Ltd, Virbac Österreich GmbH (Austria), Virbac Türkiye, Virbac Ltd (UK), Virbac Hellas.

Emission factors: Fixed and mobile combustion: footprint base of the French environment and energy management agency (Ademe).

Refrigerants: sixth assessment report of the IPCC.

**Scope 2 emissions:** we have collected data from the sites for their electrical energy consumption, as the sites are not supplied by a heating or cooling network.

Assumptions: same methodology as that used for scope 1 for rental sites. The sites involved in these estimates are Virbac Belgium SA, Virbac sp z o.o. (Poland), Virbac Trading (Shanghai) Co. Ltd, Virbac Korea Co. Ltd, Virbac Türkiye.

Emission factors: The emission factors used in 2024 are those of the International energy agency (IEA) except for the countries listed below:

- |   |   |
|---|---|
| ■ Vietnam: department of Climate Change Viet Nam 2024;          | ■ Austria: Austrian Umweltbundesamt Grid mix 2024;              |
| ■ Italy: ISPRA 2024;  | ■ Germany: German Umweltbundesamt Germany electricity mix 2024; |
| ■ New Zealand: MfE Measuring Emissions Guidance 2024;           | ■ Colombia: UPME 2024;  |
| ■ Mexico: SEMERNAT 2024;  | ■ Australia: Australia DCCEEW 2024;                             |
| ■ Japan: ministry of the Environment, government of Japan 2024; | ■ Chile: CNE 2024;  |
| ■ Brazil: SNI 2024;   | ■ United States: eGrid 2021;                                    |
| ■ Netherlands: Green Deal NL 2024;                              | ■ United Kingdom: BEIS 2024.                                    |

## **Scope 3 emissions:**

### **Purchased Goods and Services**

Methodology: collection of primary purchasing data from sites for raw materials and packaging used and for trading products in purchasing volume in order to assess the physical flows generated, and in purchasing value in local currency in order to assess a financial flow, if necessary. For the other categories of consumable purchases and services, extrapolation was made on the basis of the 2023 data.

Assumptions: for some subsidiaries when the weight data was missing, we made estimates (PPM Corp, Virbac Australia Pty Ltd, Virbac Corporation, Virbac do Brazil Industria e Comercio Ltda, Virbac RSA Ltd, Virbac Uruguay SA).

Emission factors: for data on physical activity, use of Ademe and Ecoinvent emission factors, and for financial data, use of Ademe database. For petfood products, we have calculated emission factors for each product based on their composition using the Agribalyse database. The category of purchases of consumables and services was estimated on the basis of data collected in 2023 extrapolated on the basis of 2024 revenue.

### **Capitals goods**

Methodology: investments were assessed based on site inventory data. We collected data on three product categories: buildings, vehicles and machines and equipment.

Assumptions: no hypothesis has been used to estimate this category.

Emission factors: emission factors come from the Ademe footprint base. Depending on the data provided by the sites, we were able to use physical data instead of monetary data.

### **Fuel and energy-related activities (not included in scope 1 or scope 2)**

The data collected and assumptions used in this category are the same as those used in scopes 1 and 2.

Emission factors: the emission factors correspond to the upstream energy share of each energy emission factor. For physical combustion flows, we take into account the entire upstream energy value chain.

### **Upstream transportation and distribution**

Methodology: data collection from sites, either distances traveled by means of transport, or places of departure and arrival (use of an API on Google maps to calculate distances traveled by means of transport). In this approach, the loading rate of the means of transport used was also taken into account. It should be noted that in accordance with the GHG protocol, emissions related to the freight paid by Virbac were recorded in the Transport and upstream distribution category, and those related to the freight paid by the customer are recorded in the Transport downstream of products category.

Assumptions: the assumptions made on the bulk of products transported are identical to those made for the purchase of products. When the vehicle loading rate was known, we used this data. Otherwise, we used the most conservative assumption of 20% loading.

For Virbac Colombia, we estimated downstream freight using monetary data due to the lack of physical data.

Emission factors: emission factors for the transport of goods come from Ademe. They include the loading rate in the parameter: 20%, 50% or 100%.

### **Waste in operations**

This category was estimated based on data collected in 2023 and extrapolated on the basis of 2024 revenue.

### **Business travels**

This category was estimated on the basis of data collected in 2023 and extrapolated to 2024, based on headcount.

### **End of life of sold products**

This category was estimated on the basis of data collected in 2023 and extrapolated to 2024, based on the proportion of packaging purchased compared to the total cost of products.



Categories 8, 10, 11, 13, 14 and 15 (Upstream leased assets, Processing of sold products, Use of sold products, Downstream leased assets, Franchises and Investments) of the GHG protocol are not reported in scope 3 because they are deemed irrelevant or not material for our Group.



**Total GHG emissions**
**Base year**
**2024**

<b>Scope 1 GHG emissions</b>		
Gross scope 1 GHG emissions (tCO <sub>2</sub> eq)	<b>10,966</b>	<b>10,966</b>
Percentage of scope 1 GHG emissions from regulated emissions trading schemes (%)	n.a	n.a
<b>Scope 2 GHG emissions</b>		
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> eq)	<b>18,936</b>	<b>18,936</b>
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> eq)	<b>19,311</b>	<b>19,311</b>
<b>Significant scope 3 GHG emissions</b>		
Total Gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> eq)	<b>471,597</b>	<b>471,597</b>
1. Purchased goods and services	231,765	231,765
2. Capital goods	6,757	6,757
3. Fuel and energy-related activities (not included in scope 1 or scope 2) (location-based)	6,489	6,489
3. Fuel and energy-related activities (not included in scope 1 or scope 2) (market-based)	6,965	6,965
4. Upstream transportation and distribution	187,757	187,757
5. Waste generated in operations	3,915	3,915
6. Business travelling	6,084	6,084
7. Employee commuting	5,593	5,593
8. Upstream leased assets	0	0
9. Downstream transportation	1,191	1,191
10. Processing of sold products	0	0
11. Use of sold products	0	0
12. End-of-life treatment of sold products	22,046	22,046
13. Downstream leased assets	0	0
14. Franchises	0	0
15. Investments	0	0
<b>Total GHG emissions</b>		
Total GHG emissions (location-based) (tCO <sub>2</sub> eq)	<b>501,499</b>	<b>501,499</b>
Total GHG emissions (market-based) (tCO <sub>2</sub> eq)	<b>502,351</b>	<b>502,351</b>

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO <sub>2</sub> eq/€ million)	359
Total GHG emissions (market-based) per net revenue (tCO <sub>2</sub> eq/€ million)	359
GHG intensity per adjusted revenue <sup>1</sup>	2024
Total GHG emissions (location-based) per adjusted revenue (tCO <sub>2</sub> eq/€ million)	379
Total GHG emissions (market-based) per adjusted revenue (tCO <sub>2</sub> eq/€ million)	380

<sup>1</sup>net adjusted revenue for acquisitions (Sasaeah, Globion, Mopsan) and Virbac Asia Pacific

The intensity of greenhouse gas emissions is calculated based on the total greenhouse gas emissions already determined in the previous table as well as the total net revenue from our activities that is available in our financial statements.

► refer to consolidated accounts appendix A21 Revenue from ordinary activities.

### Biogenic emissions

Within our operations, we have no fuel consumption from biomass.

### Contractual instruments for the purchase of energy

Within our operations, we do not use contractual instruments as defined in the guidance on scope 2 of the GHG protocol.

## E1-7 GHG removals and GHG mitigation projects financed through carbon credits

We do not currently use carbon credits to manage the Impacts, risks and opportunities associated with our GHG emissions and we do not plan to use them in our operations at this time.

## E1-8 Internal carbon pricing

The internal price of carbon is not a decarbonization tool currently in place within our operations. However, it is a lever that could ultimately help us achieve our greenhouse gas emission reduction targets, and raise awareness among our employees about the impact of our activities on climate change.



## POLLUTION STRATEGY AND RELATED IROS' MANAGEMENT (POLICIES, TARGETS, ACTION PLANS)

### **IRO-1** Description of the processes to identify and assess material pollution-related Impacts, risks and opportunities

► refer to section Impact, risk and opportunity management (IRO).

### **E2-1** Policies

As part of our veterinary medicine manufacturing business, we use substances that present health, fire and/or explosion, emission and discharge risks during the various phases of development and marketing, from R&D and manufacturing to storage and shipping.

To limit these risks, which could cause harm to people, property and the environment, we comply with the safety measures prescribed by the laws and regulations in force, implement current Good manufacturing practices and Good laboratory practices and provide training for our employees. Our manufacturing sites and research and development facilities are also regularly inspected by regulatory authorities.

Therefore, we are focusing on the real impacts of our activity, atmospheric emissions, effluents or hazardous waste resulting from our activities or products by increasingly investing in environmental compliance: 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 adapted to countries according to different local regulations. Here again, the objective is to identify good practices at the subsidiary level to be consolidated within the Group context.

### **E2-2** Actions and resources

#### **Effluents**

For effluents as well as other environmental releases, our goal is to facilitate across the Group the consolidation of the various local initiatives carried out locally and subject to specific regulatory frameworks, in particular on the optimization of the frequency at which our facilities are cleaned. In this sense, our vigilance translates into 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.

#### **Hazardous waste**

In addition to the constant search to control the volumes generated and improve collection for maximum treatment and recycling, we ensure traceability of all our hazardous waste up to the point of disposal: soiled packaging; laboratory, production, medicinal or infectious wastes; and chemical effluents (mostly incinerated and therefore thermally treated 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 or optimizing sprays, for example). It should be noted that at the Carros site in France, we have signed a new hazardous waste management contract with a target of 80% recovery.

#### **Substances of very high concern**

Substances of very high concern are substances or groups of chemicals that can cause adverse effects on human populations and/or the environment. In accordance with the REACH Regulation, we monitor these substances and work continuously (to the extent technically possible and economically viable) to replace them with other substances whose properties are not of concern.



### E2-3 Targets

Once the first CSRD report on pollution-related indicators has been completed, the targets will be reviewed.



## PERFORMANCE RELATED TO POLLUTION

### E2-4 Pollution of water

In connection with the European directive (regulation (ec) n°166/2006 of the European parliament and of the council of January 18, 2006 concerning the establishment of a European pollutant release and transfer register and amending council directives 91/689/EEC and 96/61/EC), we did not detect any instances of the monitored substances exceeding the threshold in 2024.

### E2-5 Substances of concern and very high concern

Our laboratory and manufacturing activities sometimes require the use of certain substances on the list of substances of very high concern for authorization under the EU REACH regulation. In all countries where we operate, the Group complies with applicable regulations regarding the use of these substances.

In line with our eco-design approach, we strive to reduce, minimize or replace the use of substances of very high concern with less hazardous substances, where possible.

The table shows the quantities of substances used in our products and production processes. We do not have an assessment process for substances leaving facilities in the form of emissions, products, parts of products or services.

Substances of concern and very high concern (tons)	2024
Substances of high concern	194
Substances of very high concern	52
<b>Total</b>	<b>246</b>



## WATER AND MARINE RESOURCES STRATEGY AND RELATED IROS' MANAGEMENT (POLICIES, TARGETS, ACTION PLANS)

### **IRO-1** Description of the processes to identify and assess material water and marine resources-related Impacts, risks and opportunities

► refer to section Impact, risk and opportunity management (IRO).

### **E3-1** Policies

Preserving the environment is one of our main commitments for sustainable development. Drinking water is essential to health but its availability is becoming a major issue for humanity.

We are committed to responsible water management, in order to have an ecologically sustainable and socially equitable use of this essential resource. Responsible management of water resources focuses on key aspects of our business, such as the continuity of our industrial activities to ensure the availability of our products.

### **E3-2** Actions and resources

Actions have been launched such as:

- implementing measurements of the main water consumption stations per site for optimized monitoring;
- participating in the think tank on the water sobriety plan for the sector;
- training the Group's employees to limit the environmental risks associated with our activity, particularly in terms of water consumption and pollutant discharges, and in this respect, to carry out a major training program in France in 2024;
- encouraging employees to behave in an environmentally friendly manner, by adopting eco-responsible attitudes, including managing water throughout the company.

### **E3-3** Targets

Once the first CSRD report on water resource indicators has been completed, the targets will be reviewed.



## PERFORMANCE RELATED TO WATER AND MARINE RESOURCES

### E3-4 Water consumption

According to the [WRI Aqueduct Water Risk Atlas](#), classification, most Virbac sites are located in areas exposed to a global water risk related to low to medium/high water level.

*Global water risk refers to all threats to water resources, taking into account the volume and quality of water resources, as well as the regulations in the region.*

According to the global water risk qualification, nine of our sites (two in Chile, two in Vietnam, one in Türkiye, Philippines, Greece, China and India) are located in areas with a high global water risk, and one site (South Africa) is located in an area with an extremely high risk.

*The water stress baseline measures the ratio between total water demand and available renewable surface water and groundwater reserves.*

In addition, according to the reference water stress qualification, our Group has a total of fifteen sites exposed to high water stress:

- seven sites exposed to high water stress (two in France, three in Australia, one in Mexico and Thailand);
- eight sites exposed to extremely high water stress (South Africa, China, Portugal, Greece, Türkiye, Belgium and two sites in Chile).

Water Consumption (cubic meters m <sup>3</sup> )	2024
Water consumption <sup>1</sup>	148,614
Of which total water consumption in areas at water risk, including areas of high-water stress <sup>2</sup>	75,580
Total water recycled	0
Total water stored	44
Changes in storage water	0

<sup>1</sup>total water consumption = total withdrawals - total discharges

<sup>2</sup>nineteen sites (two in Chile, two in Vietnam, Türkiye, Philippines, Greece, China, India, South Africa, Belgium, Portugal, two in France, three in Australia, Mexico, Thailand)

Water intensity ratio per net revenue	2024
Total water consumption per net revenue (m <sup>3</sup> /€ million)	106

Water intensity ratio per adjusted revenue <sup>1</sup>	2024
Total water consumption per adjusted revenue (m <sup>3</sup> /€ million)	205

<sup>1</sup>adjusted revenue from acquisitions (Sasaeah, Globion, Mopsan), subcontracting and trading products

## BIODIVERSITY AND ECOSYSTEMS STRATEGY AND RELATED IROS' MANAGEMENT (POLICIES, TARGETS, ACTION PLANS)

### **E4-1** Transition plan

To date, our company has not yet developed a transition plan for biodiversity and ecosystems that meets the requirements of ESRS E4-1.

### **IRO-1** Description of processes to identify and assess material biodiversity and ecosystem-related Impacts, risks and opportunities

► refer to section Impact, risk and opportunity management.

### **SBM-3** Material Impacts, risks and opportunities and their interaction with strategy and business model

Our company is committed to integrating biodiversity conservation into its sustainability strategy. Through the use of the Integrated biodiversity assessment tool (IBAT), we have mapped all our sites that are located near protected areas (Natura 2000, national parks, etc.), or near a sensitive area identified as Key biodiversity areas (KBAs) which are sites that significantly contribute to the global persistence of biodiversity, in terrestrial, freshwater and marine ecosystems. Natural sites are considered global KBAs if they meet one or more defined criteria<sup>2</sup>.

The mapping carried out with the IBAT tool identified three Virbac sites located in a protected or sensitive area: an industrial site in Australia (KBA Richmond Woodlands), a distribution site in Costa Rica ([Unesco-MAB](#)<sup>3</sup> biosphere reserve established in 1988), and a distribution site in Thailand (KBA Lower central basin).

For our two distribution sites in Costa Rica and Thailand, no significant direct impact on biodiversity has been identified due to the lack of natural habitats and the predominance of the urban environment. Our industrial site in Australia is located in an area specifically dedicated to industrial activities.

### **E4-2** Policies

Virbac has not yet developed a biodiversity policy.

### **E4-3** Actions and resources

In connection with the IROs of the biodiversity and ecosystem issue, our Group continues to work specifically on alternatives to antibiotics to reduce the risk of antimicrobial resistance in the context of a One Health approach preserving biodiversity and ecosystems.

### **E4-4** Targets

Once the first CSRD report on biodiversity and ecosystem indicators has been completed, the targets will be reviewed.

## PERFORMANCE RELATED TO BIODIVERSITY AND ECOSYSTEMS

### **E4-5** Impact metrics related to biodiversity and ecosystems change

Virbac has not yet developed biodiversity indicators.

<sup>2</sup>eleven criteria are grouped into five categories (threatened biodiversity, rare biodiversity, high ecological integrity, important biological processes, irreplaceable according to quantitative criteria)

<sup>3</sup>Unesco man and the biosphere program (United nations educational, scientific and cultural organization)

## RESOURCE USE AND CIRCULAR ECONOMY STRATEGY AND RELATED IROS' MANAGEMENT

### **IRO-1** Description of the processes to identify and assess material resource use and circular economy-related Impacts, risks and opportunities

► refer to section Impact, risk and opportunity management.

### **E5-1** Policies related to resource use and circular economy

Virbac sees the circular economy as an opportunity to direct its activities towards a more sober and efficient consumption model of resources, and a limitation of waste production. The circular economy embodies the objective of going beyond impact reduction, in favor of a model of positive social, economic and environmental value creation.

In the context of optimization of the resources we employ, we are specifically seeking to control our consumption of energy, water and materials used in our manufacturing processes.

Again with a view to the sustainable use of resources, we are committed to fine-tuning our consumption of active ingredients, excipients and packaging items as much as possible in order to avoid product wastage or packaging proliferation. With the help of our strategic suppliers, we have also given a new impetus to innovation that can reduce wrapping and packaging. This requires optimized supply management to limit warehousing and internal transfers. We are also progressing on optimizing flows and the speed of shipments.

Primary packaging that comes in contact with medicines is subject to strict pharmaceutical industry quality standards that limit the use of recycled materials. However, a cross-functional think tank was put in place at the end of 2021 with the first concrete action being to take into account these concepts, in particular that of recyclability, as a criterion of choice in all current and future projects.

For companion animal products that do not require a Marketing authorization (MA), we integrate eco-design principles as early in the creation process as possible. These same principles are implemented for secondary or tertiary packaging, starting with the research and development stage, in partnership with our suppliers.

### **E5-2** Actions and resources related to resource use and circular economy

#### **Using new environmentally friendly technologies to develop and update our products**

For the development of new products, all Virbac R&D sites worldwide now use more efficient chromatography and extraction technologies. This approach helps reduce:

- the number of tests necessary for the development of the methods (-50%);
- the amount of organic solvents or materials (between -50 and -90%);
- as well as the energy consumption of the analysis devices (-50%).



The same approach is used with the same benefits throughout the product life cycle, including during regulatory updates of existing products. Beyond the methodologies, whenever a toxic solvent can be substituted with an alternative solvent, it is proactively replaced by an equivalent that is more environmentally friendly.

For illustrative purposes, this mobilization allowed us to:

- revive our range of shampoos and a hygiene product, in particular with recycled packaging;
- launch a new food supplement in more than 28 countries (Europe and Asia), which incorporates ingredients from a sustainable culture (krill meal with MSC label) and is presented in recyclable packaging, incorporating 25% recycled material.

Other actions have focused on preparatory work aimed at:

- strengthening the presence of natural ingredients in our products for companion animals;
- raising awareness of the biodegradability of our hygiene and treatment shampoos;
- increasing the proportion of recycled or recyclable materials in the packaging of our products for companion animals.



### **Recycling initiatives and extension of the duration of use of equipment**

With a view to making our approach circular, sites are mobilized to promote the recycling and/or reuse of materials and equipment, where legally possible.

Initiatives have been launched in France to encourage the donation of packaging, purified water bottles and furniture during relocations.

At the same time, our Group is implementing a policy to extend the lifespans of computer equipment (PC, cell phones, etc.), and company vehicles.



## Local initiatives

### Chile

In order to comply with local regulations (law 20.920), we now collect the containers and packaging of our products that are placed on the national market. As a result, in 2024, 154 tons of plastic, metal, glass, paper and cardboard waste were collected and incorporated into a more efficient recycling circuit.

### United States

In 2024, our industrial site in Boston led a project to implement a separate waste stream for hazardous versus non-hazardous liquids (RCRA) with the implementation of two external 800-liter and 2,500-liter tanks. The hazardous waste is then treated by a specialized external company, while the non-hazardous waste is discharged into the municipal network via a regularly monitored neutralization system, with regulated pollution monitoring.

### New Zealand

Our subsidiary in New Zealand partnered with a local company, Future Post, which collected Dryzen's used plastic syringes from veterinary clinics, before recycling them into environmentally friendly fence posts. These used syringes would otherwise have been intended for landfill. In total, more than 1.2 tons of syringes were recycled, equivalent to 26,500 bottles of milk or 178,000 plastic bags.

### Taiwan

Formaldehyde consumption has been reduced by 80% by changing the management of opened containers. Whereas previously unused portions were often thrown away, our new procedure consists of immediately dividing the opened formaldehyde into aliquots in suitably sized containers (after having validated the shelf life of these aliquots), and storing them in optimal conditions. This approach allows a considerable reduction in waste and its disposal costs.

## **E5-3 Targets**

Once the first CSRD report on indicators related to resource use and the circular economy has been completed, the targets will be reviewed.

## **PERFORMANCE RELATED TO RESOURCES USE AND CIRCULAR ECONOMY**

### **E5-4 Resources inflow including packaging**

► refer to section [Entity activities and business model](#).

The significant flows of input resources used in the twelve countries carrying out production operations for Virbac are mainly raw materials. They represent about 68.4% of the total weight of purchases during the 2024 financial year. Packaging, whether primary (in contact with the products), secondary or tertiary, accounts for approximately 31.6% of the total weight of purchases.

Within the scope of Virbac's own operations, we note:

- 17,381 tons of total weight of the products and technical and biological materials received;
- in the absence of monitoring of sustainable source certifications, we do report 0% of biological materials used to produce the company's products and services. We plan to refine the monitoring of these certificates for the 2025 financial year;
- given the constraints associated with our pharmaceutical activities, there are no components, products or materials that are reused or recycled and used as is to manufacture the company's products and services.

Methodology: use of data provided by production subsidiaries as part of the collection for the carbon footprint assessment. The weight of the items (expressed in kilograms) is based on the volume of materials in net weight. Extrapolation in case of partial data estimated at 6.5% of the total weight reported.

**E5-5 Waste**

We are continuing our efforts to reduce the quantities of waste generated by introducing recycling or more efficient production equipment, and by recovering our waste where systems exist in the countries where we operate.

Our main waste products are packaging items, primary and secondary packaging items (cartons, paper, plastic, wood, bottles, cans, etc.) and effluents (washing water, etc.).

<b>Waste (tons)</b>	<b>2024</b>
<b>Hazardous waste diverted from disposal</b>	<b>528</b>
For reuse	14
Due to recycling	31
Due to other recovery operations	483
<b>Non-hazardous waste diverted from disposal</b>	<b>2,058</b>
For reuse	110
Due to recycling	1,634
Due to other recovery operations	314
<b>Hazardous waste directed to disposal</b>	<b>2,311</b>
Incineration	562
Landfilling	863
Other disposal operations	867
<b>Non-hazardous waste directed to disposal</b>	<b>1,659</b>
Incineration	960
Landfilling	396
Other disposal operations	303
<b>Total hazardous waste</b>	<b>2,839</b>
<b>Total non-hazardous waste</b>	<b>3,717</b>
<b>Total waste</b>	<b>6,556</b>
of which non-recycled waste	4,891
Percentage of non recycled waste	75%

# Alignment with the European green taxonomy

## PRINCIPLES OF SUSTAINABILITY STATEMENT AND IMPLEMENTATION

### Principles of sustainability statement

As a result of the sustainable finance action plan launched in 2018 by the European commission, European regulation 2020/852 of June 18, 2020, establishes a framework to promote sustainable investments in the European Union, called the European green taxonomy. This framework establishes a classification system for economic activities that can be considered sustainable with regard to six environmental targets:

- climate change mitigation;
- climate change adaptation;
- transition to a circular economy;
- pollution prevention and reduction;
- sustainable use and protection of aquatic and marine resources;
- biodiversity and ecosystem protection and restoration.

To be considered sustainable, an activity must contribute substantially to one of the six environmental targets above, not hinder the other five, in accordance with the Do no significant harm (DNSH) principle and comply with minimum safeguards, in respect of human rights, for example.

The taxonomy regulation is defined by the following delegated acts:

- for corporate reporting obligations: publication in July 2022 of [delegated regulation article 8](#), (UE) 2021/2178;
- for the two climate objectives on mitigation and adaptation: publication in March 2022 and updated in June 2023 of the [climate delegated act](#), (EU) 2021/2139;
- for the other four environmental targets, adoption in June 2023 of an [environmental delegated act](#), (EU) 2023/2486.

### Implementation

In accordance with this regulation, starting with the financial year ended December 31, 2021, we are required to release the share of our taxonomy-eligible activity - revenue, capital expenditure (CapEx) and operational expenditure (OpEx) – on the first two environmental targets related to climate change.

For financial statements for the year ending December 31, 2022, the requirement has been extended and now calls for an analysis of the alignment for the climate objectives.

For the accounts closed on December 31, 2023, the analysis of the eligibility of the four complementary objectives was required (transition to a circular economy, prevention and reduction of pollution, sustainable use and protection of aquatic and marine resources, and protection and restoration of biodiversity and ecosystems).

For the accounts closed on December 31, 2024, sustainability reporting now includes the alignment analysis of the four complementary objectives, thus marking the last step in the implementation of the regulation and finalizing the application of taxonomy.

## METHODOLOGICAL FRAMEWORK

The eligibility analysis of the six objectives was conducted in accordance with the taxonomy regulation. It follows from this analysis that the Group is mainly concerned with the objective of preventing and reducing pollution, and as such must declare its share of revenue generated, CapEx and OpEx incurred in its medicine production. The eligibility and alignment assessment was conducted on the basis of a detailed analysis of the Group's activities, based on the processes, existing reporting systems and assumptions made with management and business experts in France and in our main subsidiaries. The following departments contributed to the review:

- Group Consolidation and Management Control department for financial data;
- Financial Affairs department of the subsidiaries in scope;
- Facilities Management, Industrial Operations department for buildings and maintenance;
- fleet managers;
- Group Public and Regulatory Affairs department;
- Insurance and Risk Management and EHS department for the assessment of the DNSH climate, Legal Compliance, HR, and Tax department for the analysis of minimum safeguards;
- CSR department.

The whole analysis is based on a methodology whose significant elements (assumptions, interpretations, clarifications and methodological limitations) are described below. The Group will revise this method and the figures resulting in light of regulatory developments annually, in particular with the implementation of the CSRD directive and the last FAQ. It should be noted that this work was carried out with the support of an external advisor, which assisted the Group in appropriating the concepts to be implemented, facilitating training/information sessions, and lastly, analyzing the criteria required to justify the alignment of activities.



## Activities meeting the climate change adaptation target

The Group carried out a preliminary analysis of the exposure and vulnerability of its activities to physical climate risks, as defined in Section II of Appendix A of the European regulation. This analysis was conducted by management on the basis of the reports of our insurers on the prevention of natural and climatic risks at our main sites, and on the basis of internal knowledge of these sites. In 2024, the Group enhanced this approach with simulations of global warming scenarios, based on the IPCC's assumptions, which made it possible to map the risks identified and their degree of importance for 26 of our sites worldwide. On this basis, we are now working to complete our action plans to limit the potential impact of these risks. Therefore, Virbac is taking a cautious approach by not considering investment flows contributing to the climate change adaptation target as eligible.

## Minimum safeguards

In accordance with the guiding principles for minimum safeguards described in article 4 of the Taxonomy regulation, economic activities that substantially contribute to one of the climate objectives and meet the relevant generic and specific DNSH must also demonstrate compliance with the minimum safeguards. Compliance with the minimum safeguards was assessed at the Virbac group level only. In all our activities, we take into account the Organisation for economic co-operation and development (OECD) guidelines for multinational enterprises and the United Nations guiding principles on business and human rights, including the principles and rights set out in the International Labour Organization declaration on fundamental principles and rights at work and the International bill of human rights. The Group relied on the report on the minimum safeguards of the Platform for sustainable finance to ensure its compliance with the principles presented, and in particular the corpus of mechanisms put in place by the Group:

- the Virbac code of conduct and business partner charter;
- respect for human rights;
- anticorruption and influence peddling;
- fair competition;
- responsible taxation.

## Human rights

Virbac's human rights policy will be made available by 2025. This policy, applicable to the Virbac group, includes the prevention, detection and remediation measures in place at Virbac and will highlight the expected coverage of minimum human rights safeguards in the context of taxonomy reporting and will contribute to the preparation for compliance with the CSDDD (Corporate sustainability due diligence directive). The Group therefore concluded that the minimum safeguards have so far been non-compliant with regard to taxonomy.

## Bribery and competition law

- ▶ [refer to section G1 business conduct and corporate culture.](#)

## Tax

We apply the laws and regulations in force in the countries where we operate. We file the required tax returns on time with the various tax authorities, and the amount due is paid.

Since 2022, an international tax director ensures that all entities comply with their tax obligations and that the tax due in each of the subsidiaries is properly accounted for. This position relies on local financial directors, regional financial controllers and, in some countries, on tax consulting firms, and prepares a report for the audit committee.

In the area of transfer pricing, we apply OECD principles and the regulations in force in the countries of residence to our intra-group operations and aim for appropriate compensation for all Group entities. Virbac's transfer pricing policy is documented and made available to the various tax authorities.

We undertake to maintain transparent and constructive relations with tax or governmental authorities by submitting our country-by-country reporting to the French authorities on an annual basis. Our tax strategy, based on our actual operations, is aligned with our values, which prohibit tax evasion and the implementation of any tax scheme that could compromise the Group's good reputation and its values. When we invest in a specific country, this decision is primarily driven by business objectives. Income taxes are treated in accordance with international accounting rules in the consolidated financial statements and are commented on in the notes to the consolidated accounts.



## TURNOVER OF TAXONOMY

As defined by the regulation, the revenue denominator corresponds to the proceeds from ordinary activities derived from customer contracts (IFRS 15).

### Eligibility analysis

An activity is qualified as eligible for taxonomy if it is on the list of sectors covered by the six environmental targets. Virbac, like the pharmaceutical sector, is directly concerned with the target of pollution prevention and reduction. The NACE code concerned is as follows: C21.2 Manufacture of medicinal products.

Based on the same methodology as in 2023, we report the share of our revenue achieved on our drug manufacturing (activity PPC 1.2). To do this, management reviewed its entire net consolidated revenue and used as a basis the European definition of the medicine as published on the [European medicines agency](#) website.

In this case, the eligible revenue includes all manufacturing of drugs. The consolidated net revenue of the animal nutrition, diagnostics, and hygiene ranges, and non-medicine care ranges is deemed ineligible. With regard to the scope, it should be noted that only the manufacturing carried out at our own industrial sites, or through subcontracting, was selected to assess the eligible share. Trade products (purchase/resale) were considered ineligible regardless of the nature of the product.

in € million	2024	2023
Denominator of revenue as defined by the regulations	1,397.4	1,246.9
Consolidated net revenue eligible for the pollution prevention and reduction objective	811.6	701.0
Share of consolidated net revenue eligible for the pollution prevention and reduction objective	58.1%	56.2%

The increase in the eligible share is explained in particular by the integration of drug products from the recently acquired companies Globion and the Sasaeah group.

### Alignment analysis

To carry out the alignment analysis, discussion groups were conducted internally, particularly with CSR teams and industrial teams, to examine whether Virbac product characteristics align with the required criteria. Initial lessons on technical criteria for substantial biodegradability contribution were provided. However, it is difficult to prove biodegradability on certain types of products; this analysis will have to be continued in 2025.

Consequently, Virbac cannot conclude that its revenue is aligned. This conclusion also applies to Category A CapEx contributing to the objective of pollution prevention and reduction.

in € million	2024	2023
Denominator of revenue as defined by the regulations	1,397.4	n.a
Consolidated net revenue aligned in respect of the pollution prevention and reduction objective	0	n.a
Share of consolidated net revenue aligned in respect of the pollution prevention and reduction objective	0%	n.a

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (‘Do no significant harm’)									
	Code (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic activities (1)		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
of which transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL							56.2%			
Manufacture of medicinal products	PPC 1.2	811.6	58.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		811.6	58.1%	0%	0%	0%	0%	58%	0%										
A. Turnover of taxonomy-eligible activities (A.1+A.2)		811.6	58.1%	0%	0%	0%	0%	58%	0%										
B. Taxonomy-non-eligible activities																			
Turnover of taxonomy-non-eligible activities		585.8	41.9%																
TOTAL		1,397.4	100%																

### Proportion of turnover/total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	58.1%
BIO	0%	0%

## CAPEX TAXONOMY

As defined by article 8 (2) (b) of regulation (EU) 2020/852, the denominator of the CapEx taxonomy corresponds to the acquisitions of tangible assets (IAS 16) and intangible assets (IAS 38), and the acquisition of rights of use (in accordance with IFRS 16). In addition, assets acquired through business combinations (IFRS 3), excluding goodwill, are included in the lines of the table below. It should be noted that the Virbac group has no investment treated according to the Investment property (IAS 40) and Agriculture (IAS 41) standards.

In 2024, the CapEx taxonomy denominator totaled €386.2 million.

Investments	in € million
Tangible assets (IAS 16)	277.3
Intangible assets (IAS 38)	81.0
Rights of use (IFRS 16)	18.0
Reprocessing changes in scope and internal mergers, tangible and intangible assets	10.0
<b>Total CapEx</b>	<b>386.2</b>

► refer to consolidated financial statements notes A2, A4 et A5, lines acquisitions and other increases and changes in scope.

### Eligibility analysis

A comprehensive analysis of economic activities as defined by the taxonomy regulations was carried out in the form of workshops at Group level, in order to list economic activities likely to correspond to Virbac's investment flows. Our Group ensured that no other activities related to climate and environmental targets were omitted within the scope of the analysis. Based on the guidelines provided by the Group in accordance with the taxonomy regulation, the CapEx flows, derived from the consolidated accounting data, were then analyzed across the board by the Finance teams of each subsidiary and by local experts.

The flows related to individual investments (category C) identified by the Group are the following activities (the reference within parentheses corresponds to the classification by activity as defined by taxonomy):

- transport by motorcycles, private cars and light utility vehicles (CCM/CCA 6.5);
- renovation of existing buildings (CCM/CCA 7.2, CE 3.2);
- installation, maintenance and repair of energy efficiency equipment (CCM/CCA 7.3);
- installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings (CCM/CCA 7.4);
- installation, maintenance and repair of instruments and devices for the measurement, regulation and control of the energy performance of buildings (CCM/CCA 7.5);
- installation, maintenance and repair of renewable energy technologies (CCM/CCA 7.6);
- acquisition and ownership of buildings (CCM/CCA 7.7);
- manufacturing, installation and associated services for leak-control technologies to reduce and prevent leaks in water supply systems (WTR 1.1);
- data-based solutions for reducing GHG emissions (CCM/CCA 8.2).

The investment flows related to an eligible activity (category A) identified by the Group are the following activities (the reference within parentheses corresponds to the classification by activity as defined by taxonomy):

- investments related to the manufacture of pharmaceutical active ingredients (API) or active substances (PPC 1.1);
- investments related to manufacturing of medicines (PPC 1.2).

In 2024, it should be noted that:

- no investment amount has been identified at Group level for the data-based solutions activity for GHG emission reductions (CCM/CCA 8.2);
- no investment amount has been identified by the Finance teams and local experts of each subsidiary for the WTR 1.1 activity;
- investments in the renovation of existing buildings related to PPC 1.2 economic activity were grouped into the drug manufacturing investments line (PPC 1.2).

in € million	2024	2023
CapEx denominator as defined by the regulations	386.2	73.7
CapEx eligible for the six environmental objectives	85.2	19.5
Share of CapEx eligible for the six environmental objectives	22.1%	26.4%

In the 2024 financial year, the total eligible CapEx is down compared to 2023.

The variation in eligible activities compared to last year is explained by:

- a share of eligibility for new acquisitions in 2024 less than the share of eligibility for other Group activities;
- a decrease in investments related to manufacturing of medicines (PPC 1.2);
- and finally a larger eligible share in 2024 of investments related to CCM activities 7.3, 7.4, 7.5, 7.6 and 7.7.

## Alignment analysis

An alignment analysis was conducted for the climate change mitigation (CCM) and circular economy (CE) transition targets. CapEx flows were analyzed with regard to the technical criteria for substantial contribution and DNSH by each subsidiary. The application of the criteria is intended to comply with the text of the taxonomy.

For transport by motorcycles, private cars and light utility vehicles activity (CCM 6.5):

- a share of the CapEx has been identified as meeting the substantial contribution criterion, provided that the vehicles are electric or hybrid and respecting a CO<sub>2</sub> emission limit on the exhaust;
- specific DNSH - Pollution: the regulatory evolution affecting the DNSH pollution of activity 6.5 requires at Virbac a specific information collection process, particularly with regard to tire labels. Although efforts have been made within the subsidiaries, we do not yet have enough details to establish alignment at this stage. As a result, it was agreed that no vehicle met the requirements of this DNSH;
- generic DNSH - Climate adaptation: an analysis of the exposure and vulnerability of our activities to climate risks was carried out in collaboration with the Group's risk management. Based on this analysis, an action plan is being developed to mitigate the potential impact of these risks, with the aim of meeting taxonomy and CSRD reporting requirements. We estimate that this roadmap will be finalized by 2025 and therefore the generic DNSH - Climate adaptation does not comply with the taxonomy regulations. This conclusion applies to all activities eligible for the climate change mitigation objective.



For the renovation of existing buildings activity (CCM 7.2, CE 3.2):

- CCM 7.2: a share of CapEx has been identified as meeting the substantial contribution criterion, provided that the renovation is considered major;
- CE 3.2: no share of CapEx has been identified as meeting the substantial contribution criterion given the complexity of the information collection process for certain criteria;
- specific DNSH – Pollution was deemed to be non-compliant with taxonomy regulations because this requires a specific information collection process at Virbac, particularly with regard to the composition of the materials used. Although efforts have been made within the subsidiaries, we do not yet have enough details to establish alignment at this stage.

For the installation, maintenance and repair of energy efficiency equipment activity (CCM 7.3):

- a share of CapEx has been identified as meeting the substantial contribution criterion, provided that the installation, maintenance and repair attests to an improvement in energy performance;
- specific DNSH – Pollution was deemed to be non-compliant with taxonomy regulations because this requires a specific information collection process at Virbac, particularly with regard to the composition of the materials used. Although efforts have been made within the subsidiaries, we do not yet have enough details to establish alignment at this stage.



For the installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings (CCM 7.4): a share of CapEx has been identified as meeting the substantial contribution criterion, provided that the installation, maintenance and repair of charging stations are justified.

For the installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings (CCM 7.5): a share of CapEx has been identified as meeting the substantial contribution criterion, provided that the installation, maintenance and repair attests to a device relating to energy performance.

For the installation, maintenance and repair of renewable energy technologies (CCM 7.6): a share of CapEx has been identified as meeting the substantial contribution criterion, provided that the installation, maintenance and repair attests to renewable energy technology.

For the acquisition and ownership of buildings (CCM 7.7): Virbac management was required to interpret the texts and refers to the DEEPKI index for the top 15% of energy performance of buildings on a national scale. A share of CapEx has been identified as meeting the substantial contribution criterion if the building's energy consumption meets the DEEPKI index thresholds.

in € million	2024	2023
CapEx denominator as defined by the regulations	386.2	73.7
CapEx aligned with the six environmental objectives	0.0	0.002
Share of CapEx aligned with the six environmental objectives	0.0%	0.003%

The alignment at 0% of CapEx in 2024 is explained by the non-compliance:

- with the generic DNSH – Climate adaptation, as the adaptation roadmap and the resulting action plans are being built by the Group;
- minimum safeguards, insofar as Virbac's human rights policy will be made available in 2025.





### Proportion of CapEx/total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	18.3%
CCA	0%	0.0%
WTR	0%	0.0%
CE	0%	0.8%
PPC	0%	3.7%
BIO	0%	0.0%



## OPEX TAXONOMY

In 2024, the amount of the OpEx denominator as defined by the taxonomy regulation amounts to €102.5 million, that is, 8.8% of the Group's current operating expenses (less than 10% of total Group operating expenses). As a result, we consider the OpEx to be insignificant to our business model and opt for the materiality exemption from this indicator. Therefore, in view of this insignificant amount, which relates to expenditures that do not constitute the core of our activity, the work carried out concludes that this indicator is not material for Virbac. In accordance with the regulation, the analysis of OpEx eligibility has therefore not been carried out.

It should be noted that in 2024, the OpEx denominator calculation was modified, now including internal personnel costs directly related to R&D, in accordance with the FAQ published in October 2023.

in € million	2024	2023
OpEx denominator as defined by the regulations	102.5	59.1
OpEx eligible with the six environmental objectives	n.a	n.a
Share of OpEx eligible for the six environmental objectives	n.a	n.a

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (‘Do no significant harm’)										
	Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Circular economy (14)	Pollution (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
			€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Activity 1	NA	NA	0%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0%		
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		NA	0%	NA	NA	NA	NA	NA	NA									0%		
of which enabling		NA	0%	NA	NA	NA	NA	NA	NA									0%	E	
of which transitional		NA	0%															0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Activity 1	NA	NA	0%	NA	NA	NA	NA	NA	NA											
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		NA	0%	NA	NA	NA	NA	NA	NA											
OpEx of taxonomy eligible activities (A.1+A.2)		NA	0%	NA	NA	NA	NA	NA	NA											
B. Taxonomy-non-eligible activities																				
OpEx of taxonomy-non-eligible activities		NA	100%																	
Total (A+B)		102.5	100%																	

Proportion of OpEx/total OpEx

		Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM		0.0%	0.0%
CCA		0.0%	0.0%
WTR		0.0%	0.0%
CE		0.0%	0.0%
PPC		0.0%	0.0%
BIO		0.0%	0.0%

## NUCLEAR ENERGY AND FOSSIL GAS ACTIVITIES

### Activities related to nuclear energy

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

### Fossil gas activities

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO



# SOCIAL



## STRATEGY AND RELATED IROS' MANAGEMENT

### **SBM-2** Interests and views of stakeholders

We pay attention to our employees' opinions, and use them as a source of inspiration in defining our policies and the areas of improvement to target, in order to federate employees around strong values, thus increasing the commitment and motivation. All employees regularly participate in a satisfaction survey that allowing them to confidentially express their expectations on a wide range of topics.

### **SBM-3** Material Impacts, risks and opportunities and their interaction with strategy and business model

► refer to section Impact, risk and opportunity management.

## WORKING CONDITIONS

### Policies

#### **S1-1** Policies related to own workforce

Safety is a major focus for the Group. Over the years, it has become ingrained in the corporate culture. Our priority actions in this field, led by EHS management, are to ensure that industrial equipment and risks associated with the use of chemicals comply with local regulations.

#### OUR KEY OBJECTIVES

- Increasing the safety of employees in the workplace by implementing action plans such as better protection against potentially hazardous materials, improved ergonomics and psychosocial hazard management, which aim to reduce the number of workplace accidents.

#### GOVERNANCE

Our EHS management, reporting to the deputy chief executive officer, has implemented a rigorous policy to identify and assess safety risks and to develop means of prevention and methods of monitoring their effectiveness. We have defined severity and frequency criteria to better target the actions to be implemented to reduce the number of accidents and integrate human and organizational factors in the in-depth analysis of these events. The objective is to avoid any recurrence of accidents and to develop a safety culture for all our company staff, external company staff and temporary workers. The implementation and monitoring of these rules are the responsibility of local EHS organizations.

### Action plans

#### **S1-4** Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

##### Safety culture

In all countries, we ensure the implementation of numerous preventive measures concerning the health and safety of our employees. Multi-year action plans on the compliance of production machines are thus in place in all major industrial sites in Australia, the United States, Chile, Mexico and France.

Chemical risk management is also taken into account, starting with product design, first on the choice of components but also on the number and type of analyses that must be performed at the different steps in the process.

In 2024, we continued to focus our efforts on our industrial sites in France by pursuing the program to develop a strong safety culture with the French Industrial Operations department (eighteen leaders engaged with bi-monthly monitoring) aiming to:

- give meaning to safety (act on human element and behavior);
- capitalize on what has already been implemented;
- deploy innovative tools;
- build a resilient EHS system;
- reduce accidents.

In particular, this approach has made it possible to:

- set up an EHS welcome video and booklet with a quiz for any newcomer;
- deploy a HIPO approach (events with a high potential for severity): preventive approach to collecting situations with high potential for severity;
- train 120 managers over two days (HIPO approach, analysis tools, safety quarter-hour sessions).

At the same time, safety improvements were made at our main site in France such as the addition of roof safety guardrails, building air conditioning, fire cabinets storage for flammable liquids.

#### Health at work

Regarding psychosocial hazards, the various departments in our company, supported by HR teams and designated partners (management and the workforce, the workplace physician, the workplace social worker, etc.), are continuing their global approach to the quality of life at work.

The main actions this year have been geared towards the management and prevention of absenteeism, in particular through:

- HR liaison meetings (which allow, with the employee's agreement, to discuss during the work stoppage, with or without the manager and possibly with the occupational physician, to better anticipate the conditions for return to work);
- return-to-work meetings conducted by managers, specially trained in good practices to take the employee into consideration when they return (information, training, ability, etc.);
- the presentation of the role of social workers during team meetings and the individual or collective follow-ups they can provide;
- the facilitation of training for local managers.

Discussions between the social partners and management have also made it possible to deal with and prevent individual or collective risky situations.

Internationally, the subsidiaries also pay particular attention to the management of psychosocial risks and the well-being of employees. Mexico and Chile regularly launch assessments in this area to measure potential risky situations and work first and foremost on prevention. To anticipate possible psychosocial hazards, Germany has appointed specialized firms to conduct investigations on this subject. Even if the analysis of the results does not reveal any critical situations, the leaders are asked to discuss with the teams to identify areas for improvement in terms of psychologically sound working conditions. On another level, the well-being of salespeople who spend a lot of time in their company vehicle is taken into account by improving safety equipment such as assistance systems or the comfort of their driver's seat.

Brazil has entered into a partnership with a provider to set up a "health point" with three nurses. This arrangement allows for the monitoring of employees' health status with measurements both biologically and psychologically. Our Brazilian subsidiary has also set up a call service provided by an external partner allowing employees to discuss health-related topics, both from a psychological and a financial standpoint, as well as social and legal assistance needs.

Uruguay combines prevention, promotion and direct actions: occupational medicine is involved in the recruitment phase to identify risks and then through annual follow-up appointments. Conferences and workshops are organized to address different topics: cardiovascular disease, blood pressure, eating habits, etc. Lastly, the occupational physician can also intervene to help find solutions for problems related to convalescence.

Our Vietnamese subsidiary also takes steps to improve the management of these risks: for example, it has implemented teleworking to improve work-life balance. It also organizes workshops on psychological health as well as sports days for its employees.

In addition to the information and prevention programs shared monthly with employees, South Africa organizes Vitality Days, during which employees can undergo a set of medical tests to assess their health and obtain medical assistance if a risk situation is detected.

Virbac Taiwan has partnered with a hospital to have a regular professional health service on its manufacturing site, allowing employees to benefit from individual medical consultations, annual medical visits and recommendations to improve their working environment.

Finally, Australia has expanded its psychological support service by adding financial support to help employees who may need it. Our Australian subsidiary has also developed a training module for managers and leaders to raise awareness on topics related to psychological health. It has also trained and certified employees in all functions and on all sites. The latter, called Mental Health First Aiders, are called upon to intervene as the first-line treatment and help employees facing psychological health issues. Australia hosted an RU OK Day training day for all employees to focus on the importance of mental health and the support available when needed.

# EQUAL OPPORTUNITIES FOR ALL

## Policies

### **S1-1** Policies related to own workforce

Our ambition is to support the development of organizations and professions, as well as the specific needs of the teams, by building a strong partnership with managers and all employees.

#### **GROUP GOVERNANCE AND HR POLICY**

Our policy in this area is based on three complementary pillars:

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

The opinion of our employees is essential. It guides our decisions and actions to create a motivating, unifying work environment in line with our values. Through regular and confidential satisfaction surveys, everyone can express their expectations on many topics, including CSR and well-being at work.

The employment market has continued to evolve in recent years and is increasingly under tension. The qualified profiles we seek, whose skills are essential in the veterinary pharmaceutical industry, are becoming increasingly rare, and are not always available on the market. Faced with this shortage, we have adjusted our recruitment strategy by exploring new sources of research complementary to traditional methods such as job advertisement platforms, the organization of group recruitment activities or the use of specialized agencies. The measures we have implemented aim to increase the visibility of our job opportunities and promote the many professional benefits that our company offers. The rise of digital communication channels and the increase in the number of devices available (phones, tablets, computers, etc.) have broadened our optional courses of action. Social media in particular has proven to be an excellent means for disseminating our job postings around the world, with concrete results. In short, our innovative approach and continual adaptability are at the heart of our strategy to address the challenges of recruiting in a constantly changing job market.

#### **OUR KEY OBJECTIVES**

- Promoting employee commitment and loyalty.
- Continuing training initiatives aimed at improving skills and employability.
- Encouraging equal treatment and diversity of employees.

#### **OUR POLICIES**

Our diversity policy aims to guarantee equal treatment of employees, encourage diversity among people and human relations, as well as maintain employee employability. It is structured around three key areas of focus: gender equality, disability and age diversity.

For Virbac, gender equity is fundamental and requires that no form of discrimination exists or is tolerated, whether in the conditions of access to employment and promotion, or in wage policy and other determinants of working conditions.

## Action plans

### **S1-4** Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

#### Recruitment

To support our growth, we recruit in all countries and across all jobs. In order to ensure the consistency and relevance of such recruitment, for several years, we have been developing digital tools to allow for better visibility of available professional opportunities. The Workday platform recruitment module was deployed in all our subsidiaries with the objective of harmonizing our Group processes in this area. All of our subsidiaries can publish their job offers via Workday on our internal and external career site at the same time in order to increase their visibility and develop our employer image. This tool also allows us to manage the multicasting of our postings on different job boards (LinkedIn and other more local job sites) with a single entry point. Workday provides transparency on the recruitment process for managers (number of applications received, follow-up of candidates for meetings, etc.) and allows recruiters to manage applications directly in

this system. All applications received are centralized and shared with our managers, and responses to candidates are also sent directly from this platform. The Recruitment module also allows us to meet GDPR regulation requirements with regard to data retention.

At Group level, more than 650 positions were posted in 2024, 250 of which were exclusively internally. Of these, 510 were filled. Approximately 600 individuals were co-opted (5.25% of whom were recruited), and there were 650 internal transfers. Overall, more than fifteen subsidiaries posted jobs on Workday.

In France, which hosts 28% of our reference workforce, 264 positions were advertised externally, including 200 internally for 173 that were filled. In addition, 136 internal transfers took place during the same period. In order to promote and simplify internal mobility, a new Boost your mobility feature is now offered at the Group level as part of our human resources management system. This portal offers each employee the opportunity to view and apply for internal offers, access the status of their applications, create job alerts, and even recommend candidates, all centralized in one place. Boost your mobility also simplifies the updating of professional profiles by allowing employees to add their resume, diplomas and studies directly on this hub.

This information is automatically included in an application when an employee applies for an internal offer. Recruitment remains a very local activity linked to lines of business and cultural specificities. For this reason, the search for target profiles is managed mainly by the subsidiaries' teams in order to adapt to the context of each country and to attract talent more effectively. One of the approaches shared within our company throughout the world is the involvement of employees in the recruitment of new colleagues. To strengthen this practice, we have developed co-option programs that aim to reward employees for their contribution in identifying profiles that may meet our needs.

For example, India and China have set up a co-optation program to promote the recruitment of sales managers. Vietnam has also launched its co-optation program, leading employees to invite their network of contacts to apply for job offers, and Australia is encouraging this by offering to reward co-optation for both permanent and temporary positions.

Another approach is to diversify recruitment sources: our Chilean subsidiary has developed its network by working with public employment services to recruit blue-collar positions and with universities to gain access to young graduates in scientific fields. It has also launched several recruitment campaigns to attract the best talent in the pharmaceutical industry at the national and international level, and uses internships to discover new talents ready to seize job opportunities within the Company.

University campuses are an important pipeline for recruitment: in this way, along with co-option, India has managed to hire more than 160 employees from all parts of the country while maintaining costs related to the recruitment process. A specific program for more than 1,700 students from around 60 veterinary schools has been deployed across the country: it aims to establish a close connection with these future veterinarians, facilitate the recruitment of technical positions and establish its employer brand with these potential future employees.

Uruguay also relies on a strong development of its relations with the academic community to fuel its strategy for attracting new talents. It participates in employment forums and publishes communications on this topic both internally and on LinkedIn. In a highly competitive market, platforms like LinkedIn are also a good way to utilize social media.

In the United States, leaders relay job opportunities on their own LinkedIn profile and professional network, and in Australia, managers are encouraged to share job openings by these same means. In Western Europe, employees also disseminate job advertisements via their LinkedIn account. They also share the events in which the company participates (trade shows, conventions, conferences, etc.) to make our employer brand more visible, especially outside the veterinary circuit. This part of Europe has also relied on publicizing the company directly in places such as stores by communicating employment opportunities via a QR code (that people can scan to obtain all the necessary information and apply if they wish).

To meet recruitment needs, the company can also turn to internal transfers and the promotion of employees who already hold a position within the Group. Mexico, for example, continues to invest in the development of internal employees to provide sourcing within the Mexican subsidiary and other South American entities, and thus pave the way for the job succession in the future. India has implemented an internal recruitment policy by developing a five-step selection program to recruit regional sales managers, some of whom are already employed within the Indian subsidiary and promoted to these positions.

Successful recruitment also involves the formalization of policies in this area that clearly explain the processes and practices for selecting and assigning positions to be filled, all in keeping with the regulations in force in the country concerned. In this regard, China has introduced new guidelines to guide colleagues in charge of recruitment within its subsidiary, and our subsidiary in Taiwan asks each recruitment manager to take training before conducting candidate selection meetings. South Africa also believes that the drafting of a clear recruitment policy makes it possible to attract qualified and suitable candidates who will contribute to the success of the company while sharing its values.



The Taiwanese subsidiary highlights our employer brand to attract talents. It integrates all the attractive ingredients into its recruitment process from the perspective of the candidates: it stresses the scope of the responsibilities, the benefits apart from compensation, the opportunities for training and career development, the conviviality of the relations between colleagues and the positive impact that the future employee could bring.

As for Chile, the subsidiary puts all its energy into attracting talents that not only meet technical requirements but are also aligned with the company's cultural values. Attracting highly qualified and highly engaged professionals remains a challenge on a daily basis. Indeed, while a candidate's expertise and experience are important, adherence to shared values within the Group is a major contributing factor in successful recruitment.

### Skills development

At Group level, we rolled out the catalog of benchmark jobs and competency framework, two key pieces that allow each employee to play a role in their own development. Six key competencies (important abilities and behaviors) to carry out our long-term strategy were identified. These competencies are an integral part of the employment benchmark, which lists the main responsibilities and functions for each position. They specify how the individual can effectively accomplish them. Each competency is broken down into four levels, and each benchmark job has its own expected competency levels. Thus, each employee can now use Workday to access the level associated with each of the six competencies of his/her benchmark job. A development guide has been made available to support everyone, regardless of their profession, with advice on how to develop these key competencies. This guide can also be used by managers as a reference tool to help them support their team members in drafting development plans or preparing for career advancement. Training modules on each of the six competencies are also available so that our employees can play a role in their development.

In the same spirit, a new platform, goFLUENT, has been made freely accessible to offer everyone the opportunity to develop their language skills and thus become comfortable and communicate impactfully when interacting in English, Spanish or French. Via Workday, it allows unlimited access to e-learning resources, level tests and conversation classes in a dozen languages. In addition, many internal experts, present in the main departments, contribute to the development of team competencies by implementing training aimed at a wide audience regarding corporate issues (safety, quality, digitalization, ecological transition, etc.).

Regarding to the France scope specifically, the training catalog has been expanded in order to provide a face-to-face offer in connection with the six key Virbac competencies. Emphasis was also placed on training managers, continuing the Leaders in Action program and adapting it to the specificities of the different managers' targets. Total training expenses in 2024 represent 3.03% of payroll.

At international level, most subsidiaries dedicate a significant portion of their budget each year to developing their employees' skills, using both internal resources and courses provided by external trainers. An employee's training often begins as soon as he/she joins the company and continues throughout his/her career.

This year, we successfully launched a first pilot mentoring program in France. This program has made it possible to create valuable links between our employees, thus promoting experience sharing and knowledge transfer. Positive feedback from participants, mentors and mentees alike, demonstrates the positive impact of this initiative on their personal and professional development. Building on this success, the program will be renewed next year, with the ambition of extending it and making it a permanent feature of Virbac. Germany also implemented a mentoring approach: each new hire is paired with a mentor, whose role is to facilitate their onboarding and to support them in learning about the company. This approach has been strengthened this year by the introduction of dual mentoring: for example, a new product manager accompanied by a peer for acculturation within the German subsidiary receives technical support from an expert from the Swiss subsidiary, thus enabling him to develop his knowledge of the product range for which he is responsible. This region also gives marketing teams the opportunity to participate in sales seminars with sales representatives so that they can better understand the latter's needs with regard to promotional materials. New hires are also involved in business meetings, even if this activity is not part of their area of responsibility.

Our China subsidiary conducts training sessions to accelerate product and policy knowledge over a one-month period when onboarding a new employee.

India relies on in-house development in particular for sales and marketing teams that represent the vast majority of the country's employees. It has developed an internal program for the sales force, one of its growth engines, to improve its skills in sales techniques, a program it regularly updates to remind salespeople of the skills essential to sales. The same approach has been implemented to strengthen the knowledge and practices of the marketing teams, including the implementation of a monthly session dedicated to exchanges between employees working in this field. This quality time allows everyone to discuss their experience in the field and share success stories. Our subsidiary continues to roll out its managerial development program called Sanskar for success (the keys to success), aimed at all managers and executive technicians in the marketing and sales teams with the implementation of phase 2.

China also favors internal training. It organizes training sessions for the sales force to improve their knowledge of new products, especially when they are launched. It practices role-playing to put sellers in situations and allow them to sharpen their communication skills in front of their customers. It is also considering developing trainers within the subsidiary, which will enable salespeople to benefit from regular training in sales techniques.

In Taiwan, an initiative called Little Academy was launched. It consists of short training courses of about one hour to improve knowledge on subjects related to industrial operations such as professional terminologies, concepts and regulations. These courses, which are open to voluntary participation, are given by managers or employees who are well versed in their fields. In addition to the pedagogical aspect, it highlights the importance of each function and promotes interactions between services thus creating a positive environment that is conducive to learning.

South Africa promotes the continuous professional development of employees to enable everyone to have the knowledge and skills necessary to carry out their function effectively. It combines internal training carried out via the online tools available to them and uses external structures to train its employees on compliance, sales or health by providing funding for these courses. It also allows employees to receive academic training by providing them with financial support when necessary, which is beneficial both for the employee and for the company in terms of productivity and skills development.

Brazil implemented a program called Campus Virbac, which aims to train its employees throughout the year on behavioral skills, such as how to give and receive feedback, or even on emotional intelligence. Regarding English courses for people who are required to use the language in their daily activities, this subsidiary uses the goFLUENT platform, also available on mobile, to offer everyone the opportunity to develop their language skills. For strategic positions, this learning is verified via a TOEIC test. It also dedicates time to the development of all its leaders, whether they are directors, managers, coordinators or experts or even those who aspire to become managers by insisting in particular on the importance of communication.

Uruguay also supports employees who need to improve their English language proficiency via this new platform.

Mexico maintains its investment in training to continue developing talents, stabilizing business, and improving processes. The subsidiary has created guides to help develop behavioral skills and has focused on developing leadership to foster a warm and caring environment.

Developing leadership skills is also a priority for Uruguay: This subsidiary has implemented specific training dedicated to the roles and responsibilities of managers and an internal training on payroll aimed at improving their knowledge in this field while debunking mistaken notions on the subject. Uruguay also dedicates a significant part of its training activities to the qualification of employees involved in the operational processes of quality control and Good manufacturing practices.

The Australian subsidiary has also developed and implemented a program for all its leaders. Based on the principles of emotional intelligence, it aims to improve the culture, commitment and well-being of team members. It also launched a program for its emerging leaders who participated in a training day outside the site. In addition, these aspiring leaders had the opportunity to take a mini MBA by taking courses taught by the Sydney school of management, online and face-to-face. All Australian employees were able to benefit from training to identify and eliminate psychological obstacles and barriers to success.

The United States also spends a portion of its training budget on leadership programs aimed at retaining today's talents and developing tomorrow's leaders.

#### Performance evaluation and recognition

At Virbac, our managerial processes are developed to provide each employee with support throughout the year. These processes include several components, such as individual goal setting and performance evaluation. Manager and employee spend quality time together to set expectations and then evaluate performance.

Everyone has a key role in these processes:

- the employee is involved in these exchanges (proposal and drafting of his/her objectives, self-assessment of his/her performance and skills, formalization of feedback to his/her manager, etc.);
- the manager shares factual elements to support the evaluation, support development and provide visibility over the coming year, in conjunction with the company's objectives.

Within the annual performance committee, our executive board also shares the assessments, compensation and professional development scenarios of key individuals in the Group.

In France, for example, during the 2024 financial year, 100% of employees were compensated at a level above that of the legal minimum wage. The policy for base wages is set at +5% above the minimum for the professional branch for all categories of staff. Our policy follows a rationale of competitiveness *vis-à-vis* the life sciences market and is generally at the median of this market. In addition to the financial elements related to individual performance compensation, we continue to pay close attention to collective performance compensation plans. For this reason, several mechanisms

are already in place, such as a triennial incentive agreement renegotiated in 2023 and a profit-sharing agreement signed in 2008. The amounts from these agreements or voluntary payments may be invested in mutual funds, in the employee savings plan or in the *Perco* [*Plan d'épargne pour la retraite collectif* (Group retirement savings plan)]. Since 2016, unused vacation days may also be paid into the *Perco*, up to a limit of ten days per year.

The Brazilian subsidiary also signed a corporate agreement with the employee representatives, which, in addition to the profit-sharing program, provides for the payment of an amount calculated according to the position level and subject to the achievement of defined objectives. This agreement also states that, if the objectives set at the corporate level are exceeded, a 20% increase will be applied to profit sharing.

Virbac India, which consists mainly of sales and marketing teams, implemented a recognition and reward policy based on performance metrics defined at the end of the year for the coming year, and calculated through a monthly evaluation process based on quantitative and qualitative criteria. This policy has been successful in sustainably maintaining business growth year after year.

In China, our subsidiary has launched recognition programs to reward the efforts of employees achieving very good performance: one called Quarterly Sales Acceleration, which offers a special bonus to the best salespeople in the field, and the other, which rewards the best sales of products from the HPM nutrition range.

The Taiwanese subsidiary, meanwhile, congratulates employees for their remarkable attitudes and results by awarding them a Value Award and granting honor leave to encourage the best performers.

In addition to the recognition program developed and facilitated internally that allows an employee to honor another employee, Mexico has launched three communication campaigns to encourage recognition: Virbac Pride, where employees present their experience in a video, Leadership Stories, where leaders explain how they have overcome difficulties encountered in managing their teams (which gives some the opportunity to find their mentor), and Who We Are, where employees share their hobbies and interests in a document.

Brazil has launched this same type of recognition program based on the six values defined for the Group. After being designated by all employees, an employee is recognized as representing one of these six values through the actions he or she has carried out and which illustrate this value.

The Australian subsidiary continues to promote its quarterly recognition program Caught you being excellent, also in line with the Group's values.

The United States has launched a recognition and rewards program that aims to improve employee engagement, peer support, and the culture of team spirit. The organization of events to celebrate performance is also a sign of gratitude that employees appreciate.



## Equal opportunities

This year, Mexico organized a week dedicated to women, during which activities and presentations on topics of interest to them were offered, making this event a great success. The Mexican subsidiary also extended the duration of maternity leave compared to the regulations in effect in order to fully support the maternity leave period and thus promote a gradual return to work.

The Brazil subsidiary participates in an annual human resources forum that conducts awareness-raising activities with an emphasis on the importance of recruiting women, particularly in management positions. When recruiting, China and Taiwan also emphasize the importance of ensuring that candidate selection criteria are based solely on the expected competencies related to the positions to be filled, without discrimination regarding the candidate's gender.

Within the Chilean subsidiary, gender parity was achieved in 2024 and its executive committee now has three women and two men, which is a positive signal of the importance given to the representation of women in senior management functions. As a rule, the subsidiary puts great emphasis on an inclusive culture that ensures gender equity by offering men and women equal job opportunities and compensation based on the position held, not on gender.

China also reached parity at the end of the year as it now has equal numbers of female and male staff, although the proportion of women on the executive committee remains in the minority.

Vietnam also ensures equal treatment between women and men in all HR processes (recruitment, wage reviews, promotions, etc.). The subsidiary has been led by a woman for several years, who serves as managing director, and the women/men ratio of its direct reports is six to four.

This is also the case in South Africa, where a woman is the head of the subsidiary. Responding to local legislation that promotes equal opportunities between women and men is a challenge in a work environment where it is difficult to find rare or advanced language skills to meet business needs in certain geographic areas of the country.

The United States continues to make progress on its side by tipping gender parity in favor of women in 2024.

Australia participates in a federal government-initiated program to promote women's return to work after a career break, and keep them employed. This innovative approach is designed to increase the proportion of women in the workforce as well as to encourage them to take on leadership positions. Through this contribution, the subsidiary intends to support women's return to work and promote their inclusion in the workplace by exchanging information with other companies participating in the same program on the Australian continent.

The Australian subsidiary has implemented a series of actions to increase the representation of women in operational and executive management teams, while being careful to adjust any differences in pay compared to men. In order to continue on this path in the coming years, it has developed a program for talented women to develop their leadership and give them the opportunity to become mentors.

## **COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE**

### **Policies**

#### **S1-1 Policies related to own workforce**

We place social dialogue at the heart of our sustainable development strategy and we are part of a global approach that favors listening, consultation and co-construction with all our employees.

Convinced that the company's performance relies on the fulfillment and well-being of our teams, we promote constructive social dialogue at all levels.

Our commitment to social dialogue demonstrates our desire to build a stimulating, fair and respectful work environment for everyone, while adapting to the necessary changes of the Group. We are convinced that this collaborative approach is essential to achieve our sustainable development goals and guarantee the long-term future of our company.

### **Action Plans**

#### **S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

This permanent dialogue results in:

- **regular collective bargaining** with social partners on key topics such as wages, working time, value-added sharing, health, working conditions, etc.;



- **dynamic employee representation bodies** that actively contribute to improving working conditions and quality of life at work, and are consulted in advance on key company decisions;
- **a transparent internal communication policy** that aims to inform and involve employees in company decisions.

## OTHER WORK-RELATED RIGHTS

### Policies

#### **S1-1** Policies related to own workforce

##### **Respect for human rights**

We are sensitive to the risks associated with the non-respect of human rights and in particular with regard to modern slavery, child labor and other related topics. We are vigilant about the application of the provisions of international conventions on this subject and comply with local regulations on these subjects in all countries where special prevention, detection and remediation measures apply to our business.

Our human rights policy applicable to all entities in the Group, and the regulatory framework in which Virbac operates at the global level (Good laboratory practices, Good clinical or manufacturing practices), and which, under the control of agencies, precisely sets the guidelines for the skills and training of the staff involved in our activities, the anticorruption program and the associated policies and procedures applicable to Virbac as well as to our value chain, seem to us to be conducive to very broadly preventing and detecting the use of illegal work, such as child labor or modern slavery.

### Action plans

#### **S1-4** Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Respect for human rights is emphasized in our [code of conduct](#), which applies to all our employees and is accessible to all our stakeholders, as well as in our Virbac business partner charter, thus highlighting the importance Virbac places on complying, and ensuring compliance by all our stakeholders, with applicable labor standards, as well as the principles defined by the International labor organization (ILO). With this in mind, we integrate our [business partner charter](#) into partner selection processes, and also into the contractual process to formalize adherence to these principles. In the event of non-compliance with these international human rights standards or applicable laws on these subjects, our Virbac Signal whistleblowing system allows any stakeholder to submit a report to our Group whistleblowing contacts.





## ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVE

### **S1-2** Processes for engaging with own workers and workers' representatives about impacts

Our employees are at the heart of our concerns. Their feedback helps us build a stimulating and responsible work environment, where everyone feels engaged and motivated. To achieve this, we regularly conduct confidential satisfaction surveys addressing a wide range of topics, including the social and environmental impact of our activities.

At the end of this survey, volunteer employees participate in workshops in order to propose actions which are then submitted to the steering committee.

### **S1-3** Processes to remediate negative impacts and channels for own workers to raise concerns

► refer to section G1-1 Corporate culture and business conduct policies and corporate culture.



## TARGETS RELATED TO OWN WORKFORCE

### S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

TARGETS BY 2030		2024 (base year)	Progress		
SOCIAL					
Strengthening employee engagement					
Attracting and retaining talent					
 3 GOOD HEALTH AND WELL-BEING	 4 QUALITY EDUCATION	Achieve a Great Place to Work (Trust Index) satisfaction rate > 75%	75%	100%	
		Fulfilling work environment			
	 5 GENDER EQUALITY	 8 DECENT WORK AND ECONOMIC GROWTH	Achieve gender equality (between 40% and 60%) for the executive and management category (grading F+)	23%	58%
			Skills development		
 10 REDUCED INEQUALITIES	Published in 2026		-	-	
	Health and safety at work				
	Achieve a workplace accident frequency rate < 4		5.52	-28%	

## PERFORMANCE RELATED TO OWN WORKFORCE

### S1-6 Characteristics of the undertaking's employees

**Breakdowns by gender and by country for countries in which the undertaking has 50 or more employees**

The total workforce as of 12/31/2024 represents 6,365 employees.

Excluding recently acquired subsidiaries, the total reference workforce is 5,620 employees. For 2024, all performance indicators are calculated on this basis unless otherwise stated directly in the section concerned.

► refer to section BP-1 General basis.

#### Number of employees by gender

Gender	Females	Males	Not declared	Total
<b>Corporate</b>	2,454	3,164	2	5,620
% total	43.7%	56.3%	0.04%	100%

The workforce of countries employing at least 50 people represents 93.7% of the reference workforce.

France is the country with the highest number of employees (1,565, or 28% of the total), followed by India with 1,014 employees (18% of the total). These two countries alone account for 46% of the total workforce.

The analysis of employee distribution by gender highlights a promising diversity dynamic, with 43.7% women and 56.3% men. This ratio demonstrates significant gender diversity.

Several aspects are worth highlighting:

- a strong female presence in some countries: France (59%), Uruguay (50%) and Mexico (45%) are differentiated by better gender equality, illustrating an inclusive and attractive work environment;
- with only 1.9% of women, India is the country most underrepresented by women, due to a problem related to the profession, such as the fact that sales positions are exclusively occupied by men;
- an HR policy that promotes inclusion: the general trend shows a commitment to greater diversity, in line with the objectives of the Group's CSR roadmap in terms of fairness and equal opportunities.

#### Breakdowns by gender and by country for countries in which the undertaking has 50 or more employees

Country (location)	Females	Males	Not declared	Total
Australia	138	126		264
Brazil	68	80		148
Chile	159	154		313
China	63	56		119
Colombia	50	47		97
France	928	637		1,565
Germany	32	45		77
India	19	995		1,014
Japan	22	28		50
Mexico	143	175		318
New Zealand	39	36		75
South Africa	56	79		135
Spain	24	29		53
Taiwan	48	47		95
United Kingdom	38	16		54
United States	247	271	2	520
Uruguay	68	68		136
Vietnam	108	127		235

#### Breakdowns of employees by contract type

There is strong job stability, with 93.7% of employees on permanent contracts, reflecting an HR strategy oriented towards workforce retention and sustainability. This high level of stable contracts is a major asset for social management, promoting the commitment and retention of talents.

Some key points emerge:

- limited use of temporary contracts (0.2% of staff), which reduces insecurity and strengthens organizational stability;
- a balance between fixed-term and permanent contracts, with a ratio of 14.6 fixed-term contracts for 1 permanent contract, guaranteeing controlled management of temporary staff;
- significant geographical variations:
  - China and Vietnam have a high proportion of fixed-term contracts (90.8% and 60.9% respectively), related to local regulations or market dynamics;
  - France, on the other hand, has only 4.5% of fixed-term contracts, illustrating a more secure employment policy.

This distribution demonstrates an ability to adapt to local contexts while maintaining a global HR policy focused on employee stability and retention. A lever for improvement could be to explore opportunities for transforming fixed-term contracts into permanent contracts in areas where this is possible, thus further enhancing job security.

## Number of employees by contract type

Employment type	Fixed term	Regular	Temporary	Total
<b>Corporate</b>	343	5,267	10	5,620
% total	6.1%	93.7%	0.2%	100%

## Breakdowns by country and by employment type for countries in which the undertaking has 50 or more employees

Country	Fixed term	Regular	Temporary	Total
<b>Australia</b>	7	257		264
<b>Brazil</b>		148		148
<b>Chile</b>		313		313
<b>China</b>	108	11		119
<b>Colombia</b>		97		97
<b>France</b>	71	1,494		1,565
<b>Germany</b>		76	1	77
<b>India</b>		1,014		1,014
<b>Japan</b>	2	48		50
<b>Mexico</b>		318		318
<b>New Zealand</b>	1	74		75
<b>South Africa</b>		135		135
<b>Spain</b>		53		53
<b>Taiwan</b>	2	93		95
<b>United Kingdom</b>		54		54
<b>United States</b>	1	519		520
<b>Uruguay</b>	1	133	2	136
<b>Vietnam</b>	143	85	7	235

## Number of employees by employment type and by gender

	Full time	Part time	Total
<b>Females</b>	2,317	137	2,454
<b>Males</b>	3,151	13	3,164
<b>Not declared</b>	2		2
<b>Overall total</b>	<b>5,470</b>	<b>150</b>	<b>5,620</b>

For countries with more than 50 employees, the breakdown between full-time and part-time is as follows.

- Overall breakdown:
  - the total workforce in countries with more than 50 employees is 5,268, including 5,158 full-time and 110 part-time;
  - full-time employees represent the vast majority (97.9%), while there is only a very small minority of part-time employees (2.0%).
- Low proportion of part-time work: France has the highest number of part-time employees (79), followed by Germany (10). It should be noted that several countries, such as China, Colombia, Spain, Taiwan, Uruguay and Vietnam, have no part-time employees.

**Breakdowns by country and by employment type for countries in which the undertaking has 50 or more employees**

Country	Full time	Part time	Total
Australia	250	14	264
Brazil	147	1	148
Chile	313		313
China	119		119
Colombia	97		97
France	1,486	79	1,565
Germany	67	10	77
India	1,014		1,014
Japan	50		50
Mexico	318		318
New Zealand	72	3	75
South Africa	134	1	135
Spain	53		53
Taiwan	95		95
United Kingdom	53	1	54
United States	519	1	520
Uruguay	136		136
Vietnam	235		235

**Turnover**

As of December 31, 2023, the workforce concerned was 5,151 employees, and 703 departures were recorded in 2024, i.e. an overall turnover rate of 13.6%. This figure is within a healthy and manageable range, reflecting a good dynamic between talent retention and workforce renewal.

HC 2023	Terminations 2024	Turnover rate 2024
5,151	-703	13.6%





## Headcount turnover for countries in which the undertaking has 50 or more employees

Pays	HC 2023	Terminations 2024	Turnover rate 2024
Australia	252	-39	15.5%
Brazil	134	-16	11.9%
Chile	332	-98	29.5%
China	13	-3	23.1%
Colombia	89	-18	20.2%
France	1,458	-103	7.1%
Germany	74	-14	18.9%
India	969	-144	14.9%
Japan	48	-5	10.4%
Mexico	315	-47	14.9%
New Zealand	67	-8	11.9%
South Africa	133	-10	7.5%
Spain	49	-4	8.2%
Taiwan	85	-26	30.6%
United Kingdom	49	-6	12.2%
United States	507	-67	13.2%
Uruguay	145	-43	29.7%
Vietnam	91	-6	6.6%

The turnover analysis that focuses solely on permanent employees highlights effective loyalty and mobility management.

### Stable turnover in mature markets

- France: 7.1% - a good indicator of loyalty and commitment;
- Vietnam: 6.6% - highlights the stability of the workforce;
- United States: 13.2% - a rate in line with market standards.

### Higher dynamics in some high-growth countries

- Taiwan: 30.6% - a dynamic market where turnover can be a lever for skills growth and rapid career development;
- Chile: 29.5% - a highly attractive market favoring career opportunities;
- China: 23.1% - a constantly moving market, highlighting the need for a proactive HR policy to retain talent.

The largest number of departures is observed in India (144 departures per 969 employees, *i.e.* 14.9%), a figure that nevertheless remains consistent with market trends in the region.

Conclusions :

- a controlled overall turnover rate (13.7%), reflecting a good balance between renewal and retention;
- excellent stability in key markets such as France and Vietnam, ensuring a strong continuity of operations;
- and high attractiveness in some countries (Taiwan, Chile, China), demonstrating dynamic professional mobility and a competitive working environment.

## S1-8 Collective bargaining coverage and social dialogue

### Percentage of employees covered by collective bargaining agreements

Overall, the rate of coverage by collective agreements is 57.0%, meaning that more than half of employees benefit from collective protections and a structured framework for negotiation.

Concerning the EEA (European economic area), for countries with more than 50 employees, full coverage is shown in France and Spain. These figures demonstrate a strong implementation of social agreements in these countries, where social dialogue is historically well developed.

#### Percentage of employees covered by collective bargaining agreements

<b>France</b>	<b>100.0%</b>
<b>Germany</b>	<b>0.0%</b>
<b>Spain</b>	<b>100.0%</b>

#### Percentage of employees covered by workers' representatives

The overall rate of coverage by employee representatives is 44.1%, which means that almost one in two employees has the benefit of support and an institutional point of contact within the company.

Regarding the EEA zone, for countries with more than 50 employees, the figures for France and Germany attest to an excellent employee representativeness structure, promoting effective dialogue and an active consideration of employee concerns.

#### Percentage of employees covered by workers' representatives

<b>France</b>	<b>100.0%</b>
<b>Germany</b>	<b>95.0%</b>
<b>Spain</b>	<b>0.0%</b>

## S1-9 Diversity metrics

### Employees at top management level by gender

In accordance with the CSRD requirements, we analyzed the gender distribution within our top management globally, based on the D, E and F levels of responsibility of our internal grading system.

The results show that 32% of management positions are held by women, compared to 68% by men. This distribution varies greatly by region, with parity reached in some countries (Denmark, New Zealand, Uruguay, Taiwan), but a total absence of female representation in others (especially in Latin America, Asia and Eastern Europe).

We recognize the importance of inclusive and diverse governance to ensure better performance and more balanced decision-making. Our ambition is to move towards a fairer representation of genders in top management within the next few years.

### Employees at top management level by gender

Compensation grade	Females	Males	Total
<b>Grade D</b>	57	117	174
<b>Grade E</b>	7	11	18
<b>Grade F</b>	6	20	26
<b>Total</b>	<b>70</b>	<b>148</b>	<b>218</b>
% total (D, E, F)	32.1%	67.9%	100%
% total (F)	23.1%	76.9%	100%

## Number of employees by age and gender

We have always considered the contribution of the various generations and cultures of the countries in which we are established to be a true asset. Compliance by our employees with the values defined in our code of conduct is a prerequisite for any policy that values human capital. In the context of the extended company, the proper understanding by our partners of the rules related to employment practices is taken into consideration by the departments involved.

The company benefits from a harmonious distribution of ages within its workforce:

- 59% of employees are between 30 and 50 years old, which shows a strong dynamism and a wealth of experiences;
- the presence of young talents (16% of the workforce is under 30 years old) strengthens our capacity for innovation and our attractiveness as an employer;
- the 50+ age group represents 24% of the workforce, highlighting the importance of knowledge transmission and the promotion of long-term career paths.

We make sure to support each employee throughout professional development by offering courses adapted to each phase of their career.

## Number of employees by age and gender

Age group	Females	Males	Not declared	Total
Under 30 years old	357	556	2	915
30-50 years old	1,464	1,878		3,342
Over 50 years old	633	730		1,363
<b>Overall total</b>	<b>2,454</b>	<b>3,164</b>	<b>2</b>	<b>5,620</b>
<i>Under 30 years old</i>	<i>14%</i>	<i>18%</i>	<i>100%</i>	<i>16%</i>
<i>30-50 years old</i>	<i>60%</i>	<i>59%</i>		<i>60%</i>
<i>Over 50 years old</i>	<i>26%</i>	<i>23%</i>		<i>24%</i>

The diversity and variety of nationalities and cultural backgrounds within the subsidiaries is a real strength for our Group.

Brazil is working on a project to set up a Diversity committee that will consist of representatives of minorities and volunteers to work on this subject in order to raise awareness about the problems encountered, especially in the professional environment. The Mexican subsidiary has launched a study to assess the level of inclusion of all types of diversity within its subsidiary.

In terms of age diversity, Chile values and promotes the inclusion of different generations, believing that they all contribute to development and innovation within organizations. While some countries such as Taiwan do not hesitate to recruit seniors by providing them with the necessary training to acquire new skills, others have a harder time convincing managers to agree to hire older employees who nevertheless have good professional experience.

India has decided to implement an equal opportunity policy emphasizing the importance of each person in a country that is very diverse in terms of cultures and languages. Meanwhile, the Australian subsidiary has developed a Diversity, equity, inclusion and belonging (DEIB) strategy by creating a group of volunteer employees from different functions. Its objective is to study areas for improvement to develop the DEIB footprint within departments. Australia also dedicates an event to highlighting this cultural diversity: Harmony Week. The Australian subsidiary has also included in its job postings a statement recognizing Aboriginal cultural heritage and has become a member of Diversity council Australia. The latter provides resources, training and support on all aspects of diversity in the world of work.

## S1-10 Adequate wages

As part of our commitment to a fair compensation policy that meets local standards, we analyzed the proportion of employees whose fixed compensation is below the appropriate salary threshold in each country where we operate.

The reference we use to define the appropriate salary is mainly from the website [WageIndicator.org](https://www.wageindicator.org), which provides detailed and up-to-date data on compensation levels internationally. However, for some countries (Italy, Switzerland, Norway, Sweden and Denmark), we have used other reliable local sources, as these countries are not covered by [WageIndicator.org](https://www.wageindicator.org).

Within the Virbac group, **no employee receives compensation less than the living wage** defined for the country in which he/she works, reflecting our commitment to fairness and respect for the most demanding social standards.

We closely monitor these indicators to ensure permanent alignment with local standards and ensure respectable working conditions for all.

## **S1-12** Persons with disabilities

For several years, we have been reaffirming our commitment and desire to promote the employment of disabled workers and to ensure their integration and working conditions by applying a set of measures that revolve around five axes:

- **adjusting workstations:** certain disabilities require the use of workstation or organizational adjustments for which we take full responsibility in order to facilitate working conditions. When recruiting or changing the job of an employee with a disability, regardless of the cause, the new workstation is subject to the necessary adjustments prior to taking up the position;
- **supporting employees in their administrative procedures:** in order to help and encourage employees with disabilities in their procedures with the competent authorities to obtain recognition as beneficiaries of the employment obligation or its renewal, exceptional leave of absence is granted and remunerated. These employees also receive support from the occupational health team, which is available to help them with administrative formalities;
- **helping employees who have a child with a disability:** to reaffirm our support to the employees concerned, in France we grant one day per year of additional paid leave;
- **enabling disabled workers to better balance professional and personal life:** the adjustment and adaptation of living conditions within the company is an essential factor in inserting and integrating disabled workers under good conditions;
- **participating in the well-being of disabled workers beyond the framework of the company,** by granting them one additional day of leave per year, and through the payment of a bonus in order to share in any arrangement of their living conditions at home that is necessary due to their disability.

Our subsidiaries pay the same attention to the employment of workers with disabilities and to the adaptation of their work environment to promote their inclusion in the teams.

One of the members of the Human Resources team in Chile has been certified as an inclusion manager: their role is to promote equal opportunities for people with disabilities to develop within the company. To promote the employment of people with disabilities, the subsidiary has signed a partnership with the Active Inclusion Foundation that provides advice and training on inclusion. It also set up training to educate all employees on the positive impact of this inclusion within the teams and conducted a study to assess the compliance of the infrastructures in order to be able to accommodate these employees in good conditions.

Australia has done the same by signing a partnership with an organization created by the Australian government that helps people with disabilities or permanent medical conditions find jobs. Through the implementation of this pilot program, a disabled employee was hired at the Milperra storage warehouse.

As for Taiwan and Vietnam, these subsidiaries also make every effort to adapt the workstations and working conditions of employees with disabilities and thus support their employability.



## S1-14 Health and safety metrics

In 2024, we observed a deterioration in the frequency rate of the Group's workplace accidents while the severity rate improved. This improvement in the severity rate is the result of prevention actions related to the development of the safety culture, making it possible to reduce the consequences of the most serious accidents with stoppages.

► refer to Own workforce working conditions S1-4 Actions.

Performance indicators (number of employees)	Unit	2023 <sup>1</sup>	2024
<b>Workforce covered by health and safety management system</b>	%	n.a.	<b>95.7</b>
<b>Recordable work-related accidents</b>	number	33	<b>55</b>
<b>Frequency rate of recordable work-related accidents</b>	per million hours worked	3.67	<b>5.42</b>
<b>Severity rate of work-related accidents</b>	per thousand hours worked	0.22	<b>0.15</b>
<b>Fatalities as a result of work-related injuries</b>	number	0	<b>0</b>

<sup>1</sup>partial 2023 perimeter (23 subsidiaries versus 41 subsidiaries in 2024), impact of the non-material perimeter extension

The frequency rate used is defined as the number of work accidents that resulted in at least one lost workday, divided by the number of hours worked, multiplied by one million. Accidents related to the journey from home to work and back home are excluded.

The severity rate used is defined as the number of lost days following accidents at work that resulted in at least one lost workday, divided by the number of hours worked, multiplied by one thousand.

## S1-16 Compensation metrics (pay gap and total compensation)

### Gender pay gap

In the context of the CSRD requirements, we analyzed the gender pay gap using two approaches:

- **CSRD methodology:** by strictly applying the formula defined by the CSRD directive based on hourly compensation and taking into account all countries, the overall gap is -21.2%, which means that the gap is unfavorable to men;
- **internal methodology:** by weighting by the workforce and considering the average annual compensation per level of responsibility (grading), the pay gap between women and men stands at +2.1% in favor of men. In this methodology, we also chose to exclude India because of the under-representation of women in this country, around 2% out of a total workforce of more than 1,000 employees (which represents 18% of our total workforce).

However, there are significant disparities depending on the grade; this is why the company chooses to follow an internal methodology, in addition to the CSRD directive, in order to better reflect the reality of gender gaps by level of responsibility and to be able to monitor the avenues for improvement for the coming years.

### Annual total remuneration ratio

In accordance with CSRD requirements, the company publishes data on the highest annual compensation as well as the median compensation of employees, thus making it possible to establish an indicator of salary dispersion.

In respect of the 2024 financial year:

- the highest annual compensation within the organization is €653,670 (excluding salary savings, stock options and benefits in kind);
- the median annual compensation of employees is €36,923.

This ratio means that the highest annual compensation is 17.7 times higher than the median compensation. This indicator is essential to assess the dispersion of compensation within the organization and reflects the pay gaps between the different categories of employees.

The analysis of this ratio is part of a transparency and pay equity approach, allowing internal and external stakeholders (collaborators, shareholders, investors, regulatory authorities, social partners) to better understand the company's compensation policy.



## Key findings

The countries in which we operate show a wide variety of pay ratios. For example, very significant pay gaps (comparison between the highest salary and the median salary of the subsidiary) have been observed in emerging countries such as India (45.8) and Vietnam (24.1), where pay differences between senior managers and local employees are particularly significant. Conversely, in Nordic and European countries such as Norway (1.4) and Belgium (2.0), the distribution of wages is more homogeneous, reflecting an economic and social model that promotes greater pay equity.

Remuneration metrics	Unit	2024
Gender pay gap <sup>1</sup> CSRD methodology	%	<b>-21.2</b>
Gender pay gap <sup>2</sup> Intern methodology	%	<b>2.1</b>
Annual total remuneration ratio	ratio	<b>17.7</b>

<sup>1</sup>gap in favor of women

<sup>2</sup>gap unfavorable to women

## **S1-17** Incidents, complaints and severe human rights impacts

All incidents and complaints of discrimination are handled by our organization through official channels. They can be reported either directly via our whistleblowing platform [virbac.besignal.com](https://virbac.besignal.com), which can be accessed internally or externally, or directly to our local management teams. Each report or complaint is treated with the highest level of confidentiality, and given the sensitive nature of these issues, no details may be disclosed. To this end, our reporting mechanisms guarantee our employees and external stakeholders that they can report any incident confidentially and securely.

In 2024, no fines or penalties related to discrimination were recorded. In addition, in terms of respect for human rights towards our employees, no serious incidents in this area occurred and, therefore, no fines, penalties or compensation were recorded in 2024. At Virbac, we remain committed to complying with all relevant laws and regulations and maintaining the integrity of our business practices.

Incidents, complaints and severe human rights impacts	Unit	2024
Incidents of discrimination	number	<b>7</b>
Complaints filed through channels of national contact points for OECD multinational enterprises	number	<b>2</b>
Amount of fines, penalties and compensation for damages resulting from incidents of discrimination, including harassment and complaints filed	€	<b>0</b>
Severe human rights incidents connected to the workforce	number	<b>0</b>
Severe human rights incidents connected to the workforce which constitute a case of non-respect of the United nations guiding principles on business and human rights, and OECD guidelines for multinational enterprises	number	<b>0</b>
Amount of fines, penalties and compensation for severe human rights violations and incidents involving its own workforce	€	<b>0</b>

## VALUE CHAIN WORKERS STRATEGY AND MANAGEMENT OF RELATED IROS (POLICIES, TARGETS, ACTION PLANS)

### **SBM-2** Interests and views of stakeholders

#### **Integration of corporate responsibility issues into stakeholder relationships**

Innovating, producing and marketing responsibly cannot be done consistently without our entire ecosystem being involved through regular dialogue: customers, employees, suppliers, scientists, local residents, representatives of public authorities and non-governmental organizations.

### **SBM-3** Material Impacts, risks and opportunities and their interaction with strategy and business model

► refer to section Impact, risk and opportunity management.

### **S2-1** Policies related to value chain workers

Virbac group subsidiaries, partners and suppliers are required to comply with local laws as well as a set of common fundamental rules, which include respect for human rights and fundamental freedoms, health, human safety and the environment. These rules are referred to as the applicable rules. In the event that local laws, or internal regulations of subsidiaries and suppliers are stricter than these applicable rules, these stricter regulations take precedence. Conversely, if the applicable rules are more stringent, they must be respected, unless this leads to illegal activity. Finally, in the event of a conflict between local laws and internationally recognized human rights, Virbac strives to comply with international standards.

Our policies and tools make it possible to ensure responsible purchasing practices consistent with the Group's guiding principles: business partner charter, assessment questionnaires integrating CSR criteria, targeted audits, follow-up on indicators related to CSR themes, etc.

### **S2-2** Processes for engaging with value chain workers about impacts

The relationship with our suppliers is a long-term one, with regular exchanges, with a particular emphasis on proximity to local suppliers.

### **S2-3** Processes to remediate negative impacts and channels for value chain workers to raise concerns

Our [virbac.besignal.com](https://virbac.besignal.com) alert mechanism is accessible to all our stakeholders, including workers in our value chain. It can be used to report any potential violations of legislation or our code of conduct, including serious human rights violations. Reports are processed securely and efficiently by the Group alerts contacts identified on the platform, thus guaranteeing confidentiality.

The alerts management procedure is available in sixteen languages, and is accessible directly on the platform. A FAQ has been set up to explain how to use the external whistleblowing system. All factual allegations made in good faith are investigated in detail, may be subject to an internal investigation and appropriate corrective measures are taken, if necessary.

### **S2-4** Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers and effectiveness of those actions

For every call for tenders and for the main suppliers, we administer a questionnaire evaluating their compliance with the environmental and social standards in force. Since 2015, new framework contracts have included a provision requiring compliance with these standards.

In 2024, our assessment process carried out with new suppliers did not identify any risks in the area. If we were to identify a non-compliant supplier, we would require it to comply or risk ending the commercial relationship.

In addition, the results of the consolidated mapping of the risks of corruption enabled us to identify the third parties considered to be the most at risk on this major topic. We use this information to improve third-party assessment measures and to meet anti-corruption requirements and responsible purchasing aspects (for subcontractors).

In addition to this risk prevention measure, third parties wishing to enter into a partnership with Virbac must adhere to our business partner charter and our code of conduct as part of the selection process. These reference documents are integrated into our contract models, and emphasize the importance of the demanding ethical rules adopted by the Virbac group, particularly in terms of integrity, respect for human rights, the environment, and what we expect from our business partners. These two framework documents are accessible to all our stakeholders on our corporate website.

#### **S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The Group is considering setting objectives that will assess its performance in responsible purchasing, including managing the risks and opportunities associated with value chain workers.

## **Affected communities**

ESRS S3

### **AFFECTED COMMUNITIES STRATEGY AND MANAGEMENT OF RELATED IROS (POLICIES, TARGETS, ACTION PLANS)**

#### **SBM-2 Interests and views of stakeholders**

We constantly strive to listen to and take into account the views and rights of communities that may be affected by our activities. As far as we are aware, we have no material impact on communities in the countries where we operate.

#### **SBM-3 Material Impacts, risks and opportunities and their interaction with strategy and business model**

► refer to section [Impact, risk and opportunity management](#).

#### **S3-1 Policies related to affected communities**

In particular, respect for human rights and the environment is recalled in our [code of conduct](#) (see section [We understand our responsibility toward others](#)), applicable to all our employees and accessible by all our stakeholders.

#### **S3-2 Processes for engaging with affected communities about impacts**

► refer to [General information dialogue with our stakeholders](#).

#### **S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns**

► refer to [G1-1 Corporate culture and business conduct policies](#).

#### **S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions**

### **OUR POLICIES AND ACTION PLANS**

#### **Develop new drugs that are consistent with a sensible use of antibiotics**

The development of prevention, particularly by vaccination, is one of the ways to reduce the use of antibiotics in animal production. Our recent investments in our centers for the research, development and production of vaccines intended for farm animals in France, Australia, Chile, Uruguay and Taiwan reflect this willingness to strengthen the Group's development in this area.

We have also initiated several partnership programs with public research institutes and private companies to advance together in the development of innovative products (immunostimulants,







micronutrition, biocides), some of which may be able to replace antibiotics or at least help reduce their use. New drugs, which will help the veterinary profession in its desire to constantly improve its practices, are also being developed. Since 2023, we have been marketing one of these drugs in Europe, thus offering new prospects to veterinary practitioners: it can be used as a first-line treatment instead of the current medicines, all of which contain antibiotics. It will be rolled out globally in the coming months and years. Other medicines are being developed to extend this concept to other pathologies and species.

### Develop modern alternatives to traditional treatment

Our goal is to develop alternatives to certain traditional, at times polluting, therapies. For example, and when it makes sense from a medical and epidemiological point of view, we look for routes of administration that have less of an impact on the environment and reduce dosages while maintaining at least the same levels of efficacy. In another area, that of animal well-being and bodily integrity, we have taken a new step forward thanks to the discovery of a new treatment that represents a real alternative to surgical castration in dogs, through hormonal regulation that neutralizes the reproductive capacity of the animal for six months or a year.

## TARGETS

### S3-5 Targets related to managing material impacts on affected communities

TARGETS BY 2030		2024 (base year)	Progress
Development of innovative products and services			
<div>2</div> <div>ZERO HUNGER</div> <div></div>	<div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> <div></div>	Maintain a ratio of biology RDL <sup>1</sup> expenses/ total RDL > 30%	31.6%  100%
<div>9</div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div></div>	<div>15</div> <div>LIFE ON LAND</div> <div></div>	Maintain a ratio of RDL expenses/total Group revenue > 6%	8.6%  100%
		Revenue of petfood range > 200 € million in 2035	131.1  66%

<sup>1</sup>biology research development and licensing: vaccines, immunological and bio-pharmaceutical products

## CONSUMERS AND END-USERS STRATEGY AND IRO RELATED MANAGEMENT (POLICIES, TARGETS, ACTION PLANS)

### **SBM-2** Interests and views of stakeholders

Since our foundation, we have built unique close relationships with our customers. Through dialogue and co-construction, we work together to meet their needs and provide them with sustainable solutions, which improve veterinary practice at the same time as the quality of life of animals. Our local roots consolidate this proximity: as close as possible to the field, hand in hand with the actors, we are able to identify and deeply understand the diversity of expectations. A proximity that goes as far as supporting all our customers so that they make the best possible use of our solutions.

### **SBM-3** Material Impacts, risks and opportunities and their interaction with strategy and business model

► refer to section [Impact, risk and opportunity management](#).

### **S4-1** Policies related to consumers and end-users

#### **Protection of personal data**

Privacy protection, particularly the protection of the personal data of our employees, customers, suppliers and any other stakeholders in our operations, is an important issue for the Group. Our code of conduct outlines the fundamentals in this matter, particularly our commitments to confidentiality, minimization and security, which must accompany any processing of personal data.

Our personal data policy (also referred to as the privacy policy) and our cookies policy are available on our websites, and all our employees have access to the policy regarding personal data that concerns them on our intranet portal. Through our HR system, new hires receive a copy of the policy for their information, and they must acknowledge receipt of it.

The Group Legal Compliance department, in charge of the personal data protection compliance program, particularly the enforcement of the European general data protection regulation n°2016/679 (GDPR), advises and supports the business lines in their operations for Group deployment, and defines an action plan, while prioritizing the topics regarding the compliance of existing processing activities based on current risk mapping. All of our subsidiaries are subject to fundamental rules on the protection of personal data set out in the code of conduct.

In order to enable an effective deployment of the program, the Group Legal Compliance leads a network of data champions, designated employees at the level of each subsidiary of the Group, and provides them with advice with the support of lawyers in the regions. Our data champions are responsible in the subsidiary for deploying the roadmap of actions validated by the Group Privacy steering committee.

This steering committee, created in 2018, comprises the following members: the Group chief financial officer, the Group Information Systems department and its team in charge of security, the Group Human Resources director, the Group general counsel, the Group Digital Business director and the Group Legal Compliance director. While important, technological progress and our international reach do not eliminate all potential risk, despite the preventive measures implemented. This is why we work to maintain and improve an effective compliance program with the aim of exploiting only the data necessary for the identified processing (with full transparency), and preventing the risk of personal data breaches and leaks.

#### **Quality of our products and services**

In the pursuit of continuous improvement, we place great importance on the quality of our products and services to offer high standards to our stakeholders: veterinarians, farmers and animal owners. The demand for food is increasing worldwide, due to the growing population, which is increasingly mindful of its diet.

In the face of this trend, our ambition is to work towards the constant improvement of the health of farm animals to contribute to a global supply of better quality meat and milk at a lower cost. Regarding companion animals, we are mobilizing to offer veterinarians and pet owners medicines, vaccines, health products and a range of petfood that are tailored to a carnivorous diet (in keeping with the animals' needs) and make it possible to prolong the lifespan 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.

Our organization in charge of innovation is structured in research centers spread across all continents and which work in a network of key skills to generate greater synergies and creativity. This close proximity with our customers and their needs in the different global markets allows us to have a range of relevant and adapted products and services.

#### An organization dedicated to quality

In order to ensure proper application of best practices at various stages of the product life cycle, we have deployed a dedicated Group-wide organization that covers the topics of quality control and quality assurance. This organization, comprising more than 100 employees and spread out over various Group sites, implements the Group's quality policy based on three areas of focus: product control, pharmaceutical compliance and sustainable economic output. The goal is to elevate the quality standards to comply with and anticipate the regulatory requirements that apply to the various research and production sites, as well as the commercial subsidiaries, and to ensure the Group's sustainability. At the same time, this quality system allows us to efficiently detect, trace and address all quality incidents inherent in the pharmaceutical business.

#### Regulatory monitoring

We have had an efficient regulatory monitoring system in place for several years, enabling us to stay abreast of regulatory developments applicable to all of our ranges. This monitoring system is carried out through inter-professional organizations:

- at the national level with, for example, *SIMV* in France (*Syndicat de l'industrie du médicament vétérinaire*), *NOAH* in the United Kingdom (National Office of Animal Health), *BfT* in Germany (*Bundesverband für Tiergesundheit e.V.*), etc.;
- regionally with, for example, *AnimalhealthEurope*, or *AHI* (Animal health institute) in the United States;
- at the global level with *HealthforAnimals* (Global animal medicines association).

In addition to the inspections regularly carried out by the regulatory authorities, our Production and Quality Control teams present at each of our industrial sites carry out a set of checks throughout the production chain. These checks are necessary before and after marketing of the products.

### **S4-2 Processes for engaging with consumers and end-users about impacts**

- ▶ refer to [General information dialogue with our stakeholders](#).

### **S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns**

- ▶ refer to [G1-1 Corporate culture and business conduct policies](#).

### **S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions**

#### **Ensure transparent and secure use of personal data**

Virbac understands the importance of privacy and the concerns of its customers, particularly with regard to the use of the personal data collected. We respect the privacy of all those who use our services and products, and our transparency policy is enforced by all our entities. In addition, the approach adopted within the context of the personal data protection program helps to strengthen the confidence of stakeholders *vis-à-vis* our Group, and with this in mind, we continue our efforts to:

- improve and strengthen the security of our information system and the protection of our data, including personal data, by conducting security audits and breach tests of our information system on a regular basis, whether by our internal teams or by external auditors, to assess our level of security and strengthen our preventive measures if necessary;
- train our operational teams and our data champions on our expectations when processing personal data and their responsibility in this regard;
- update and communicate procedures and practical guides for operational staff with the objective of helping them acquire the proper habits as they implement the transparency principle;
- integrate into our processes (ideation phase and invitations to tender) the privacy by design approach for any new project. To do this, we developed tools, including a questionnaire shared between the Group Information Systems department, Legal Compliance and the project manager that must be completed during the project design phase by each of the parties and validated before the implementation phase;
- deploy the Proteus Cyber personal data management tool in all entities in Europe, particularly by incorporating for each entity:

- the register of processing activities for their data;
- the main procedures and workflows for the implementation of new processing activities;
- one of the tools enabling the tracking of individuals' requests to exercise their rights concerning their personal data and thus enabling us to respond to them in due time;
- carry out the necessary preliminary impact assessments for processing likely to result in high risk to the rights and freedoms of natural persons.

The Group executive committee is regularly informed of the progress of these various compliance programs. A complete review of the objectives and progress of these compliance programs is carried out in particular before the audit committee annually in the first quarter.

## **Ensuring the quality of products and services**

In compliance with the regulations of each country, we meet the highest quality-safety-effectiveness standards applicable. These standards involve every stage of the product life cycle, meaning before they are marketed and after they are placed on the market. Through our quality policy, we are committed to maintaining a high level of product and service quality with a right first time approach, enabling us to reduce waste and damage throughout the manufacturing process until placement on the market. Right first time is deployed throughout the organization and is measured at the end customer.

In 2024, our rate of complaints per million units marketed is down, despite the inclusion of new, recently launched products that, in generating a significant number of questions, still require special support for customers.

## **Pre-marketing controls**

### Pre-development and development phase

We implement Good laboratory practice (GLP) relating in particular to data traceability, then select contract research organization CROs working in accordance with these GLPs.

- 100% of products subject to pharmaceutical registration are subject to verification for Animal/Human/Environmental safety, quality, stability and efficacy.

### Purchasing and subcontracting

Our teams systematically qualify the materials purchased from suppliers (active ingredients, excipients, packaging) in terms of quality and reliability. When possible, they identify several sources to limit the risk of disruptions and prioritize purchases from leaders in pharmaceutical equipment. Finally, we use outsourcing from subcontractors specialized by pharmaceutical form.

- 100% of active ingredient suppliers are qualified and analyzed during certification.

### Production phase

During the production phase, we implement current Good manufacturing practices (cGMP) that are applied through the certification of all of our manufacturing sites. Actions are also implemented at the production tool level in order to ensure end-of-production-line product quality that is in compliance from the start, thus limiting scrap or damage of materials or finished products.

- 100% of products, whether subject to pharmaceutical registration or not, undergo component and raw material control at every manufacturing stage.
- 100% of Virbac manufacturing sites are certified.
- 100% of employees are trained in manufacturing processes.

### Distribution phase

For the transporting of medicines, we apply Good distribution practices (GDPs), such as compliance with the cold chain, when required by the nature of the products. Regarding the organization of transportation in accordance with regulations governing the shipping of high-risk products, safety data sheets for raw materials and finished products are made available to staff and carriers. Hazardous products are transported in packaging that meets current standards.

### Packaging and promotion

The development or selection of specific packaging is determined on the basis of a product safety assessment. We strive to develop diagrams and pictograms and appropriate communication media for an optimal understanding of information that is fundamental to consumer health and safety. For all promotional communications, Virbac complies with the scientific and technical claims demonstrated during the development stage of the product. Finally, any product claim is 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 subject to pharmaceutical registration or not, and nutritional products that do not require pharmaceutical registration are subject to advisory and support measures for the product users.

### **Post-marketing controls**

#### Pharmacovigilance

In accordance with regulatory requirements, we monitor the future of pharmaceutical and nutritional products that we market in terms of safety and efficacy. This is thanks to a dedicated organization comprising a person qualified in pharmacovigilance (veterinarian) and a qualified interim person, who compile all the cases, analyze them, and decide whether or not these adverse effects are attributable to the use of the medicine or food in question, and officially report these cases to the supervisory authorities when appropriate. Taking into account the pharmacovigilance outcomes allows Virbac to improve knowledge of its products (for example: the addition of precautions for use), thus making their use safer.

- 100% of products, whether subject to pharmaceutical registration or not, and nutritional products that do not require pharmaceutical registration are subject to monitoring using the pharmacovigilance and nutriviigilance mechanism.

### **Ongoing research on stability**

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

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

#### Key actions related to our quality strategy


The Quality benchmark was designed on a collaborative basis that integrates standards for all production and research sites, in all departments and toward all subsidiaries, while taking into account the regulations and the diversity of products and formulations. The Virbac quality system (VQS) was then expanded to integrate the Group's organizations, processes, tools and Group quality standards (core model).

We have more precisely identified and updated 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. Finally, we have deployed 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 benchmark was built and shared with 100% of the R&D centers and production sites.

#### **S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

TARGETS BY 2030		2024 (base year)	Progress
Consumers and end-users safety			
 	Provision of right first time products		
	Limit the number of batch recalls to a ratio < 0.5 per 1,000 batches marketed	0.44‰	100%
	Limit customer technical complaints to a ratio of less than 10 per million units marketed	16.4	-39%
	Controls during the products life cycle		
	Limit the non-compliance with regulations and voluntary codes to a ratio < 1 for 1,000 batches marketed	0.73‰	100%
	Limit the labeling non-conformities to a ratio < 1 for 1,000 product references	0.87‰	100%





# GOVERNANCE



## **IRO-1** Description of the processes to identify and assess material Impacts, risks and opportunities

At Virbac, the health of animals is at the heart of our concerns. This commitment is reflected in our constant search for quality, efficiency and safety in the development, manufacture and marketing of our products. It is also based on our core values of integrity, respect and compliance with all laws, regulations and ethical standards applicable to our activities. These values inform our daily decisions and actions to conduct our business responsibly, ensuring the performance and sustainability of our business, and the trust of all our stakeholders – our employees, partners, customers and investors – with whom we interact.

### **Ethics and compliance**

Compliance with international ethical laws, regulations and standards on business conduct is a fundamental requirement of the company, given the potential negative impacts. Non-compliance can lead to significant financial sanctions, engage the responsibility of the company, its executives, and/or damage reputation, cause strained relationships with partners and all our stakeholders. For example, breaches in areas such as corruption, human rights violations, or anti-competitive behavior can have serious repercussions and jeopardize the sustainability of the company. Fostering a corporate culture that protects our Group, its leaders, employees and also its stakeholders against the violations cited is essential to the proper functioning of our business model and the sustainability of our company.

### **Anticorruption campaign**

Corruption has harmful social and economic repercussions that hinder development on a global scale.

Virbac has a zero tolerance policy for corruption and has established an ethical culture within its organization and in its external relations, aiming for the highest standards of accountability and commercial integrity.

Through our anticorruption policy, our code of conduct, in particular the We act with integrity section, our business partner charter and our human rights policy, Virbac provides clear guidance to employees, third-party partners and third parties wishing to enter into a business relationship with the company. This approach ensures compliance with anticorruption laws and promotes a culture of ethics and integrity, by adopting a risk approach.

In addition to the Group's risk mapping, a specific mapping of corruption risks and consolidated influence peddling has been produced. It is regularly revised to allow us to identify risks, assess them, prioritize them and then decide on an action plan, validated by the Group executive committee, aimed at avoiding them or at least, at mitigating them, as much as possible.

The risk assessment was conducted against a consolidated set of mandatory and voluntary regulations such as the French anticorruption act 2016 called Sapin II, the UK anticorruption act 2019 known as the UK Bribery act, the law on foreign corruption practices such as the US FCPA, the EU Whistleblowing directive, and the OECD guidelines for multinational enterprises.

# Corporate culture

## **POLICIES AND ACTION PLANS**

### **GOV-1** The role of the administrative, supervisory and management bodies

As an international company, we are aware of our responsibilities, particularly on the ethical and integrity aspects in the conduct of our business necessary for the confidence, competitiveness, and sustainable development of our activities. Working with or for Virbac means acting in line with shared values and committing to comply with the laws and regulations applicable in the countries in which we operate.

To safeguard this corporate culture within our Group and in our value chain, in 2021 we created the Group Legal Compliance department, which, since 2023, has been attached to the general management to address integrity topics such as the anticorruption program, and also other structuring programs such as the protection of personal data, compliance with international sanctions measures and future regulations such as the duty of vigilance.

In line with our purpose and as an international company committed to a responsible approach, the management has developed a global program, everyday compliance, which is reflected in clear commitments that can be consulted on our website in the [Ethics & Compliance](#) section.

With the aim of an effective deployment of the program and as part of an ongoing drive for continuous improvement, allowing us to take into account feedback from the field, the Group Legal Compliance department leads and relies on a network at regional and local level of ethical correspondents & compliance and/or data champions for the personal data component worldwide. It meets several times a year and as required. Steering committees at Group level bringing together several functions (finance, legal, purchasing, business, human resources) make it possible to guarantee that actions are monitored at all levels of the organization.

As part of the alert management process, the Group business ethics committee, whose composition is described in the whistleblowing management procedure accessible on our Virbac corporate website, meets at least twice a year to review the cases and the measures implemented following the assessment of the whistleblowing reports, and at the request of the Legal Compliance department, acting as Group whistleblowing officer, in ad hoc sessions as part of the whistleblowing management process itself.

The Legal Compliance department reports to the Group executive committee on a biannual basis or at their request if necessary.

It also reports annually to the audit committee on the progress of programs, the associated risks and actions, alerts processed, achievements for the year, and the roadmap for the following year (March), or at a more appropriate frequency when the topics require it.

## **G1-1 Corporate culture and business conduct policies**

The Group promotes a corporate culture in which responsible business conduct is one of the essential pillars.

To achieve this, the approach to compliance and continuous improvement that we call Everyday compliance has been adopted by the Group to address matters relating to the responsible conduct of business. It is based on three key elements:

- the exemplarity of the governing body ("Tone at the top");
- identification, evaluation and prioritization of risks to enable informed decision-making and effective management of existing risks related to the subject concerned;
- identifying emerging risks and assessing them to enable thoughtful decision-making on the potential risk.

Our applicable risk management strategy includes:

- preventive measures such as a code of conduct, policies and procedures, charters and due diligence measures *vis-à-vis* third parties, training;
- detection measures including training teams around the world and a digital platform for collecting alerts and conducting internal investigations;
- remediation measures such as corrective actions and/or disciplinary sanctions.

Our policies, including our code of conduct, are aligned with international ethical standards, as defined by the OECD and United Nations guidelines, the United Nations declaration of human rights and the conventions of the International labor organization (ILO), while respecting applicable regulations on the premises.

### **Code of conduct**

Published and applicable to all Group employees, accessible on our websites and made available to our partners, our [code of conduct](#) sets out the principles linked to our values and operates as a guide for making the right decisions as we conduct our business. It describes the standards and the rules to be followed in the main areas related to the company's operations, under five main topics: Who we are, We take care of each other, We act with integrity, We understand our responsibility toward others, and We protect our company.

These five main topics define:

- the role and responsibility of each individual to behave in an appropriate and compliant manner while conducting the company's business, and in particular the role of managers in promoting a culture of integrity throughout the Group;
- the available channels allowing stakeholders to notify Virbac in the event of a behavior in violation of our code of conduct, in particular through our whistleblowing system Virbac Signal;
- our renewed commitment to:
  - firstly, to fight for the preservation of human rights and the importance of respecting, and ensuring that our partners respect, all the social standards applicable to work, as well as the principles defined by the ILO;
  - and secondly, our zero tolerance regarding corruption, influence peddling and fraud of any kind, as well as our compliance with the relevant laws and regulations in this area.

The 2024 actions and communications made it possible to:

- emphasize the importance of an ongoing compliance process with our comprehensive Everyday compliance program and the management's renewed commitment to zero tolerance, especially with regard to corruption and influence peddling;
- raise awareness in all our subsidiaries through the various committees in place locally at a country and regional level regarding the various programs underway, and the roadmap defined by program (mainly anticorruption and personal data) validated with our Group executive committee;
- train Virbac employees with the objective of verifying that everyone will be able to:
  - understand the company's values and commitments on how to conduct business, regardless of the territory;
  - identify risky situations, deal with them by adopting appropriate behaviors, or at the very least, know whom to contact within the company for help;
  - know the tools put in place by Virbac to alert the company in the event of a situation that is inappropriate or against our code of conduct or that presents a risk for our employees, our company and our managers.

### **Virbac business partners charter**

For many years, as a company working for the health of animals, we have been committed to promoting an ethical culture, aiming for the highest standards of responsibility and commercial integrity. With this in mind, the choice of suppliers and service providers goes beyond simply looking for goods or services. We aspire to establish partnerships based on trust, with players who share and adhere to our values and ethical principles.

Like our code of conduct, a true compass internally and accessible externally, Virbac has a business partner charter designed to share our values and expectations with our current or future partners.

With this in mind, we integrate the business partner charter, accessible on our website in the Ethics & Compliance section, into our partner selection processes, and also into the contractual process to formalize adherence to these principles.

### **Procedure for preventing and managing conflicts of interest**

As part of our Everyday compliance approach, we wanted to strengthen our commitment to integrity and transparency, and thus continue our efforts with all employees, to act as a responsible player in the veterinary sector and make every effort to conduct our activities in an ethical and exemplary way, in all the countries in which we operate.

One of the cornerstones of this approach is the prevention and management of conflicts of interest, which is the subject of a specific reporting procedure at Group and local level, for effective and early management of the risk in this area. The latter applies to all our entities and employees.

At the same time, for our business partners, we have integrated into our tendering processes and also into our contracts the possibility of declaring a conflict of interest, whatever it may be, during the selection, negotiation or execution phases of a contract. As such, our alert platform Virbac Signal is available to all our stakeholders in case of illegal or inappropriate conduct that could put stakeholders or their project plans at risk.

### **Professional alert system**

With a constant desire to conduct our activities with honesty and integrity, and to create an inclusive environment in which everyone feels safe to express themselves, Virbac provides an alert system for its employees and all its stakeholders (suppliers, subcontractors, customers, in particular): [virbac.besignal.com](https://virbac.besignal.com).

Any person with whom Virbac interacts in the course of its activities that has knowledge of a potential or proven violation of the [Virbac code of conduct](#), our policies, the law, or any other serious offense such as corruption, fraud, human rights and fundamental freedoms, or environmental protection, may make a report using one of the reporting channels available to it such as the [Virbac Signal](#) digital reporting channel.

Our employees may submit a report directly to one of the Group alert contacts available to receive and analyze the alerts, to a local alert contact if the organization has expressly appointed one, or directly use our reporting platform. The platform allows anonymous reporting if the legislation allows it.

This method of collecting and reporting alerts is a secure and confidential resource that complements existing channels within the company and strengthens our compliance approach.

Regardless of the method used to make a report, any stakeholder who has issued a report in good faith, without intention to harm, and in compliance with the Group alert procedure (published and accessible in sixteen languages on the alert platform) will be protected. Direct or indirect retaliation

by an employee of the entity or by the entity itself against such a person will not be tolerated and may result in disciplinary action or prosecution.

The professional alert system which aims to collect and identify unlawful behavior is, if the alert is admissible, investigated internally according to the methods described in more detail in the alert procedure. These objective investigations are conducted by our alert contacts, supported, if necessary, by external lawyers and internal experts subject to confidentiality, and trained or made aware of the management of alerts according to the directives and the legislation in force.

The deployment of the system was communicated internally (intranet) and externally (website). All employees are aware of the existence of the alert platform, whether through training or internal and external communications, which are carried out regularly. The first part of the Virbac code of conduct is dedicated to informing our stakeholders, including our employees, about our corporate culture, our expectations on the role of managers and the occupational alert system.

In 2024, the Group executive committee and some managers were also directly trained by the Legal Compliance department on alert management.

Employee training

All new employees receive training on business conduct in accordance with the code of conduct as part of their integration at Virbac. This digital training through our human resources e-learning platform (Workday), which ensures traceability, lasts about two hours and includes an educational component and a quiz at end of the main parts of our code of conduct training to ensure the understanding of the subjects and the commitment of each to conduct their activities responsibly. This training curriculum has been rolled out at all levels of the organization.

This e-learning module of our code of conduct was followed in 2024 by nearly 80% of our employees around the world and explicitly addresses, in a detailed way and with supporting examples in connection with the Group’s activities, topics such as our corporate culture and values, the role of managers, our alert system, diversity and inclusion, respect in the workplace, health and safety, the fight against corruption, the protection of personal data, the management of conflicts of interest, respect for free competition, and responsible communication.

In connection with the anticorruption program, all at-risk functions (100%) in terms of corruption received training in 2024, i.e. through the e-learning module of the code of conduct, in addition to the training carried out directly by the Legal Compliance department in person and during specific seminars such as the Global network team (GNT), which annually brings together 90 people including members of the Group executive committee, area directors (Europe, East Asia, Pacific, India, Middle East & Africa, North America, Latin America), general managers, and directors of the parent company’s various business lines with an international dimension. Other training sessions took place in person as well as during the Sourcing International management seminar. Training has also been organized directly at the facilities of our subsidiaries, with the support of our legal experts and law firms, as was the case for China in 2024.

Anti-corruption training	Target population	Unit	2024
Employees trained in anti-corruption	At-risk functions <sup>1</sup>	%	100
Employees trained to the code of conduct	All employees, including 100% of at-risk functions	%	78

<sup>1</sup>at-risk functions: the general management and employees at manager level as well as service director level, regardless of the territory. The functions identified as being at risk notably include Regulatory Affairs and industrial investments

TARGETS

The Group has set itself an ambitious target that was exceeded in 2024.

TARGETS BY 2030		2024 (base year)	Progress
GOVERNANCE			
Business ethics			
Achieve a GPTW score on ethics in business conduct > 80%		85%	100%



# Corruption practices, political influence and lobbying activities

Each of us shapes our culture through our words and actions. Our common desire is to build a corporate culture that fosters trust by including more diversity, a culture in which every employee can express the best of themselves. Our company's longevity is first and foremost based on the trust between us and our customers and partners. To establish it and ensure it is sustainable, we must make responsible choices. In this context and to strengthen our global Everyday compliance approach, we have deployed the ABAC (Anti-bribery and Anti-corruption) program, which aims to combat and prevent corruption, bribes and influence peddling.

## **G1-3** Prevention and detection of corruption and bribery

### **Prevention and detection of corruption and bribery**

The ABAC (Anti-bribery and Anti-corruption) program was created to comply with applicable laws, such as the French Sapin 2 act, the UK Bribery act and the US Foreign corrupt practices act, if applicable.

#### Our policies and procedures

In 2016, we formalized our approach to tackle the challenges of fighting corruption, in particular by deploying a dedicated Group policy written in ten languages, enacting the practical advice received in this regard.

When our code of conduct was redesigned in 2022, we decided to summarize the policies in place in the We Act with Integrity section, which describes in detail and with examples in support of Virbac guidelines on the offer and receipt of gifts and hospitality, to ensure that they do not serve to unduly influence decisions. Members of the Group executive committee, members of the France management committee, the directors of the subsidiaries and their executive board signed a document formalizing their commitment to comply with this anticorruption policy. The anticorruption policy is also integrated within the internal regulations as provided for in legislation. Our new employees based in subsidiaries must undertake to comply strictly with this anticorruption policy through their employment contract, which expressly refers to it.

In parallel with our Group anticorruption policy, our code of conduct also references the importance and challenge of preventing conflicts of interest that can lead to at-risk situations for the employee, the company, and stakeholders. In 2024, we developed a detailed procedure for the prevention and management of conflicts of interest and rolled out the procedure across the Group, together with a video explaining the concepts in all the languages of the countries in which we operate.

► [refer to G1-1 Corporate culture and business conduct policies.](#)

Like our Virbac code of conduct, which is a true internal compass, Virbac has published the business partner charter specifically intended for our value chain, which aims to share its values and expectations with its partners or future partners. With this in mind, Virbac integrates the business partner charter into its partner selection processes and also into the contractual process to formalize adherence to these principles. It is also published and accessible on our Group website.

To ensure that the ABAC program is effective, in addition to the training delivered in 2024, the Group Legal Compliance department, as well as the contacts in subsidiaries or regions, such as our legal team, take every opportunity to raise awareness of this major issue among our employees.

For example, when carrying out or reviewing the mapping of the risks of corruption and influence peddling, the session always starts with a reminder of the concepts, policies, procedures and alert system in place before starting on the mapping exercise. These key moments with the business teams interacting with third parties were conducted via videoconference (Latin American countries) or in person (notably France, India and South Africa).

### **Detection of corruption and influence peddling**

We have put in place rigorous accounting and financial controls to prevent and detect any anomalies that may be related to acts of corruption or influence peddling. In addition to organizational measures and procedures to maintain constant oversight of company expenses, our approval system in place ensures first and second level controls within the company.

The Group Internal Audit department also performs specific controls of the anticorruption component in its review by performing sample checks on gifts and invitations, and by verifying the existence of policies and procedures applicable at Group level in the audited subsidiary.

The objective of these measures is to prevent risks on the one hand, and also to detect risks or non-compliance where applicable and to take appropriate measures with a view to achieve continuous improvement of the ABAC program. This not only ensures that each transaction complies with our principles, but also helps to create an environment of accountability and transparency necessary for a listed group of Virbac's size.

In addition, our alert system allows our stakeholders to report any violation or potential violation of our anticorruption policy and in the event of a conflict of interest. All allegations, incidents, or actions on this major topic for the company are quickly handled by the Legal Compliance department, a specific alert contact on this type of incident, to ensure it is processed in accordance with the alert processing procedure as published on our Group digital platform.

► refer to G1-1 Corporate culture and business conduct policies.

**G1-4 Confirmed incidents of corruption or bribery**

Virbac is not the subject of any legal proceedings concerning corruption brought against us or any of our employees. To date, we have not identified any real impact or incident of corruption and influence peddling to which we are directly linked by a business relationship in our value chain.

After investigation of alerts and in particular those related to allegations of conflicts of interest, none of these alerts concerned corruption or influence peddling.

Incidents of corruption or bribery	Unit	2024
Convictions for violation of anti-corruption and anti-bribery laws	number	0
Amount of fines for violation of anti-corruption and anti-bribery laws	€	0



# Management of relationships with suppliers and prevention of late payments

## POLICIES

### G1-2 Management of relationships with suppliers

The relationship with our suppliers are long-standing, and characterized by regular exchanges, favoring proximity with suppliers on their premises. Our policies and tools ensure responsible purchasing practices, consistent with the Group's guiding principles: business partner charter, assessment questionnaires incorporating CSR criteria, targeted audits, etc. At each call for tenders and for the main suppliers, we administer a questionnaire assessing their compliance with the environmental and social standards in force. Since 2015, new framework contracts have included a provision requiring compliance with these standards. In 2024, our assessment process carried out with new suppliers did not identify any risks in the area. If we were to identify a non-compliant supplier, we would require it to comply or risk terminating its contract.

## PERFORMANCE RELATED TO SUPPLIER RELATIONSHIP AND LATE PAYMENT PREVENTION

### G1-6 Payment practices

The average payment period of the Group's suppliers is 28 days, two days longer than the average standard period of 26 days. However, there are significant disparities between subsidiaries taking into account local payment practices.

For example, in India payments are cash, while in South Korea the terms are negotiated at 75 days. The discrepancies observed between the contractual payment period and the actual payment period are due to the correct application of the Group rule regarding the payment of supplier invoices. Payment is conditional on confirmation of the successful receipt of the goods and services ordered.

Finally, it is important to note that this analysis is based on a year of implementation. As this is a first for all subsidiaries apart from exclusions (see section BP-1 General basis), the reliability and granularity of the data can still be improved, and adjustments may be necessary to refine future assessments.

Payment practices	Unit	2024
Average standard number of days to pay invoice	days	26
<b>Average number of days to pay invoice</b>	<b>days</b>	<b>28</b>
<b>Percentage of payments aligned with standard payment terms</b>	<b>%</b>	<b>63</b>
Outstanding legal proceedings for late payments	number	0

Average number of days to pay an invoice: average number of days required for Virbac to pay an invoice from the invoice date (when the contractual or legal payment period begins to be calculated) until the invoice has been paid.

Percentage of payments aligned with standard payment terms: includes all transactions with a billing cycle time equal to or less than the specified payment terms, divided by the total number of transactions.

# Animal welfare

## POLICIES AND ACTION PLANS

Virbac stakeholders (customers, veterinarians, farmers, employees, etc.) are mindful of the impact of our products on the entire value chain. This is why we conduct our innovation approach and our operations within a strong ethical framework, promoting as much as possible in vitro testing and associating our various partners and stakeholders: suppliers, supervisory authorities, professional associations, etc.

### Studies on animals

For the evaluation of our products in development or before marketing, our first approach is always to use methods that do not involve animal studies: bibliographical research, in vitro studies, computer modeling, etc. In some cases, when no recognized or adapted alternative method is possible, then animal studies of a necessary nature are conducted in accordance with applicable pharmaceutical rules and regulations. These animal studies deal with:

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

### Preclinical and clinical studies

Pre-clinical studies (studies carried out in animal units under standardized and controlled conditions) are governed by regulations that affect every dimension of animal studies: approval of the institutions where the studies are carried out, staff training and qualification, the origin of the animals and their traceability, prior ethical evaluation of studies and their follow-up, controls by the authorities, ethics committees, and audits carried out by Virbac teams. These studies make it possible to verify the efficacy and safety of the products under strict conditions. Clinical studies (conducted on owner animals or farm animals) are intended to confirm the efficacy and safety of the products under field conditions and are subject to a regulatory submission or prior trial authorization (depending on the country) and are conducted under the responsibility of veterinarians.

### Governance

General management defines the strategic areas of focus regarding resources for conducting animal studies and the development of alternative methods. These areas are defined by the Corporate Animal Ethics department in the form of policies, action plans and control processes; this department is also responsible for promoting and ensuring compliance with ethics and animal welfare within the Group and among its partners.

### Our policies and action plans

#### A code of ethics and policies to regulate animal studies

The Group has developed a code of ethics relating to animal studies, which includes ten points and applies to all employees of the Group and its subcontractors. Furthermore, the Group has two policies governing animal studies: Animal ethics committee and Animal welfare.

- The Animal ethics committee policy defines the scope, roles and responsibilities, organization, composition, ethical rules and operation of Virbac's ethics committees.
- The Animal welfare policy defines staff roles and responsibilities with regard to animal welfare. Based on the "three Rs" principle (Replace, Reduce, Refine animal studies) and the Virbac code, it describes the standards to be applied to animals, studies and animal units within the Group. These standards are also required of the Group's partners for any animal studies.

### Control process

- Ethics committees are set up in all areas where animal studies can be conducted, even if not required by the local regulations. They are all governed by the same ethical principles (independence, impartiality, absence of conflict of interest) and operational principles (imposed membership categories, ethical evaluation of studies, deliberation, vote, etc.). They review 100% of studies, which can only be conducted after obtaining their approval.
- Ethics audits are carried out, both in the Group's animal units and at its external partners in order to qualify them. With regard to outsourced studies, the Group imposes the same level of requirement on its partners: CRO (Contract research organizations), universities, etc. These requirements include the establishment of ethics committees within them, the deployment of strict procedures for the monitoring their studies and respect for animal welfare and regulations.

### Key actions implemented

- The 3Rs rule, now recognized as the international standard for animal studies, is our guiding principle for the design and execution of studies in our laboratories as well as those of our partners, as well as for the development of alternative methods and their promotion with regulatory agencies around the world. Such alternative methods include, for example, carrying out *in vitro* tests instead of *in vivo* tests, when possible, or capitalizing on reproducible tests, bibliographic research or computer modeling.
- The various initiatives (negotiations with regulatory agencies to eliminate routine tests, production of dedicated batches for countries that do not require animal tests, replacement with *in vitro* methods, etc.) continue to pay off; they have enabled us to commit to the objective of reducing the use of animals in quality control.
- A task force implemented within Virbac is dedicated to the development of alternative methods, which is a CSR priority objective by 2030 and will ensure a reduction in the number of animals. In 2024, nearly 400 hours were dedicated to this group, one of whose deliverables was to suggest seven projects for alternative methods to our management.

## PERFORMANCE RELATED TO ANIMAL WELFARE

In France, the post-study animal adoption program, implemented in 2013, in collaboration with the main French association dedicated to the adoption of laboratory animals, has also been expanded with an employee adoption procedure, and helps maintain our goal of guaranteeing a foster family for 100% of adoptable dogs and cats. In 2024, 27 dogs and seven cats were put up for adoption.

Adoptions	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Overall total
Dogs	135	183	56	68	50	83	66	54	44	16	50	27	832
Cats	62	45	1	19	7	6	12	65	18	4	11	7	257
Total	197	228	57	87	57	89	78	119	62	20	61	34	1,089

Performance indicators	2021	2022	2023	2024
Number of animals used for R&D studies <sup>1</sup>	5,772	6,093	4,764	6,403
Number of animals used for quality controls <sup>1</sup>	20,107	20,458	24,333	20,425

<sup>1</sup>data from the Group's animal units

Some projects have entered a development phase requiring more animals but also due to the development of alternative methods to *in vivo* studies, the number used in R&D studies increased by 34% in 2024 compared to 2023.

The number of animals in quality control of all species combined and at constant scope excluding unaccounted for aquaculture activity in Chile, is down compared to 2023 (-16%) highlighting Virbac's commitment to reducing the number of animals in quality control.



## APPENDICES

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## REPORT ON THE CERTIFICATION OF SUSTAINABILITY INFORMATION AND VERIFICATION OF THE DISCLOSURE REQUIREMENTS UNDER ARTICLE 8 OF REGULATION (EU) 2020/852 YEAR ENDED 12/31/2024

*This document is a translation from French into English of the statutory auditor[s'] report on the certification of sustainability information and verification of the disclosure requirements under article 8 of regulation (EU) 2020/852 of the company issued and it is provided solely for the convenience of English speaking users.*

*This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in article 8 of regulation (EU) 2020/852".*

To the general assembly,

this report is issued in our capacity as statutory auditor of Virbac. It covers the sustainability information and the information required by article 8 of regulation (EU) 2020/852, relating to the year ended 12/31/2024 and included in the Group management report.

Pursuant to article L233-28-4 of the French commercial code, Virbac is required to include the above mentioned information in a separate section of the Group management report. This information has been prepared in the context of the first-time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. It enables an understanding of the impact of the activity of Virbac on sustainability matters, as well as the way in which these matters influence the development of the Group business, its performance and position. Sustainability matters include environmental, social and corporate governance aspects.

Pursuant to article L821-54 paragraph II of the aforementioned code our responsibility was to carry out the necessary procedures to issue a conclusion, with a limited assurance expression, on:

- compliance with the sustainability reporting standards adopted pursuant to article 29 b of directive (EU) 2013/34 of the European parliament and of the council of December 14, 2022 (hereinafter ESRS for European sustainability reporting standards) of the process implemented by Virbac to determine the information reported, and compliance with the requirement to consult the Social and economic committee provided for in the sixth paragraph of article L2312-17 of the French labor code;
- compliance of the sustainability information included in the Group management report with the requirements of L233-28-4 of the French commercial code, including ESRS; and
- compliance with the reporting requirements set out in article 8 of regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French commercial code.

It is also governed by the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in article 8 of regulation (EU) 2020/852".

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by Virbac in the Group management report, we have included an emphasis on some aspects in the paragraph hereafter.

### Limits of our engagement

As the purpose of our engagement is to express a limited assurance, the nature (choice of techniques), the audit extent (scope) and timing of the procedures are less than those required to obtain a reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of Virbac, in particular it does not provide an assessment, of the relevance of the choices made by Virbac in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to article 8 of regulation (EU) 2020/852, as to the absence of identification or, on

the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Any comparative information that would be included in the Group management report are not covered by our engagement.

**Compliance with the ESRS of the process implemented by Virbac to determine the information reported, and compliance with the requirement to consult the Social and economic committee provided for in the sixth paragraph of article L2312-17 of the French labor code.**

Nature of procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by Virbac has enabled, in accordance with the ESRS, to identify and assess its Impacts, risks and opportunities (IRO) related to sustainability matters, and to identify the material Impacts, risks and opportunities, that lead to the publication of information disclosed in Group management report; and
- the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the Social and economic committee.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Virbac with the ESRS.

Concerning the consultation of the Social and economic committee provided for in the sixth paragraph of article L2312-17 of the French labor code we inform you that this requirement has been complied with. The consultation took place on February 25th, 2025.

Elements that received particular attention

Within this section, we present the elements that received particular attention from the auditor in relation to the compliance of the processes deployed by Virbac to determine the published elements with the ESRS.

**Concerning the identification of stakeholders**

Information on the identification of stakeholders is presented in section "II. GENERAL INFORMATION SBM-2 Interests and views of stakeholders" of the sustainability report.

We conducted interviews with the CSR director and other persons we considered relevant to the subject and reviewed the available documentation.

Our work consisted in:

- assessing the consistency of the main stakeholders identified by Virbac with the nature of the company's activities and its geographical presence around the world;
- exercising our critical faculties to assess the representativeness of the stakeholders identified by Virbac;
- assess the relevance of Virbac's engagement channels with its stakeholders;
- assess how stakeholders were involved in the identification and evaluation of material IROs, as described in section "II. GENERAL INFORMATION b. IRO management" in the sustainability report;
- assess the extent to which the main users of sustainability reports have been taken into account.

**Concerning the identification of Impacts, risks and opportunities (IRO)**

Information relating to the identification of Impacts, risks and opportunities is given in Virbac's sustainability report in section "II.GENERAL INFORMATION, b. Impact, risk and opportunity management".

This section includes information on the identification of IROs and the double materiality assessment methodology.

The description is in line with the process implemented by Virbac concerning the identification of Impacts (negative or positive), risks and opportunities, actual or potential, in relation to the sustainability issues mentioned in paragraph AR 16 of the "Application Requirements" of ESRS 1.

This analytical approach complements the company's dialogue with its stakeholders.

Our knowledge of the Virbac Group's activities has enabled us to analyze the process of identifying IROs with regard to the consolidated scope and value chain.

We reviewed and had access to Virbac's matrix of identified IROs, including in particular a description of their distribution within the Group's own activities and value chain, as well as their time horizon (short, medium or long term), and assessed the consistency of this matrix with our knowledge of the Group.

We assessed the consistency of the actual and potential Impacts, risks and opportunities identified by Virbac with the available sector analysis.

### **Concerning the assessment of impact materiality and financial materiality**

Information on the assessment of impact materiality and financial materiality is given in Virbac's sustainability report, section "II. GENERAL INFORMATION, i Identification of IROs and double materiality methodology".

Through interviews with the CSR director and analysis of available documentation, we have familiarized ourselves with the impact materiality and financial materiality assessment process implemented by Virbac, and assessed its compliance with the criteria defined by ESRS 1.

In particular, we assessed the way in which the Group has established and applied the criteria for materiality of information defined by ESRS 1, including those relating to the setting of thresholds, to determine the material information published under the indicators relating to material IROs identified in accordance with the relevant topical ESRS standards.

We have assessed whether Virbac has assessed the IROs independently of any mitigation measures. We are aware that the rating methodology used by Virbac to determine the materiality of impacts takes into account the criteria of probability, magnitude, extent and, in the case of negative impacts, irremediability.

We have taken note of the fact that the methodology used by Virbac to rate risks and opportunities to determine their materiality takes into account the probability of occurrence and the potential extent of their short-, medium- and long-term financial impact.

### **Compliance of the sustainability information included in the Group management report with the requirements of article L233-28-4 of the French commercial code, including the ESRS.**

#### Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in Group management report, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by Virbac for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, *i.e.* that are likely to influence the judgement or decisions of users of this information.

#### Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in Group management report, with the requirements of article L233-28-4 of the French commercial code, including the ESRS.

#### Elements that received particular attention

### **Information provided in application of environmental standards (ESRS E1 to E5)**

Our analysis has focused on a rigorous examination of several ESRS standards, paying particular attention to certain quantitative data points associated with each.

In the case of ESRS E1, on climate change, which is dealt with in section "III. ENVIRONMENTAL INFORMATION a. Climate change", we have examined, analyzed and exchanged views with the expert consultancy firm assisting Virbac in this area, notably in the preparation of a full carbon balance sheet including indirect Scope 3 emissions. We paid particular attention to verifying the



elements linked to the tables: multiple dimensions (base year and targets; types of GHG, scope 3 categories, decarbonation levers, entity-specific denominators for the intensity value) and subjects linked to energy consumption and mix.

With regard to the ESRS E2 standard on pollution, reported in section "III. ENVIRONMENTAL INFORMATION b. Pollution (ESRS E2)", we carried out an in-depth analysis of data relating to pollutants listed in Annex II of Regulation (EC) No. 166/2006 of the European parliament and of the council (European pollutant release and transfer register - 'European PRTR'), emitted into water. We also examined the total quantities of substances of high and very high concern.

With regard to the ESRS E3 standard for water and marine resources, presented in section "III. ENVIRONMENTAL INFORMATION c. Water and marine resources (ESRS E3)", our analysis focused more specifically on the quantitative data point relating to 'Total water consumption, expressed in cubic meters (m<sup>3</sup>)'.

Finally, as part of the ESRS E5 standard on resource use and the circular economy, detailed in section "III. ENVIRONMENTAL INFORMATION e. Resource use and circular economy (ESRS E5)", we have focused our review on the 'total amount of waste generated'.

For all ESRS E1, E2, E3 and E5 standards, our work mainly involved:

- conducting in-depth interviews with the Quality, Health, Safety and Environment (QHSE) managers at the industrial sites of Virbac France, Virbac Corporation and Virbac Australia, to examine in detail the policies in place;
- conducting interviews with those responsible for consolidating data at Virbac's corporate level, and with the expert consultancy firm supporting Virbac on E1 issues;
- examining the consistency and accuracy of the information published in the sustainability report, ensuring that it complies with current regulations;
- analyzing the calculation methodologies used to compile data on substances of concern and of very high concern, and on emissions of pollutants into water, while verifying the relevance and reliability of the consolidated results published in the sustainability report;
- to guarantee the authenticity and veracity of the information presented, by carrying out a rigorous examination of certain randomly selected supporting documents in order to attest to their accuracy.

#### **Information provided in application of social standards (ESRS S1 to S4)**

Information published in respect of the company's employees (ESRS S1) is mentioned in section "IV. INFORMATION RELATING TO SOCIAL AFFAIRS a. Company workforce") of the Virbac sustainability report.

With regard to the verification of certain social indicators (average wage gap between men and women, lost-time injury frequency rate, percentage of women in management, percentage of turnover, percentage of employees covered by a collective bargaining agreement, gender distribution in top management, living wage), our work consisted in particular in:

- obtaining an understanding of the internal control and risk management procedures put in place by the Group to ensure the conformity of published informations;
- performing analytical procedures;
- verifying the arithmetical accuracy of the calculations used to establish these informations;
- inspect documentation and evidence-based verification through sampling tests.

To this end, we interviewed through visio conferences, the CSR director, members of the Human Resources department, the HR management controller, and the HR managers of some subsidiaries, in Mexico, Australia and the United States.

Information published concerning the company's personnel (ESRS S2, S3 and S4) is mentioned in section "IV. INFORMATION RELATING TO SOCIAL AFFAIRS b. Workers in the value chain, c. Affected communities d. Consumers and end-users" of Virbac's sustainability report.

With regards to the verification of the qualitative elements selected by the auditors, our due diligence consisted in:

- interviewing the Group Human Resources director, the CSR director, the Legal Compliance director and the Group Industrial Quality Assurance director;
- obtaining an understanding of the internal control and risk management procedures implemented by the Group to ensure the compliance of published information;
- reviewing the requested documentation and evidences.

#### **Information provided in application of the standard on business conduct (ESRS G1)**

Information published under the governance theme (ESRS G1) is mentioned in section "V. INFORMATION RELATING TO GOVERNANCE" section of Virbac's sustainability report. We have endeavored to verify elements related to section "a. Business conduct and corporate culture", and in particular the indicator relating to 'the rate of anti-corruption training for functions at risk'; part "b. Corruption practices", part 'c. Supplier relationship management' and part "e. Animal welfare".

With regards to the verification of the qualitative elements selected by the auditors, our work consisted in:

- interviewing the CSR director, the Legal Compliance director, the Group Animal Welfare manager and the chairman of the ethics committee;
- reviewing of the procedures implemented by the Group to ensure the compliance of published information;
- reviewing of the documentation and evidence requested.

## **Compliance with the reporting requirements set out in article 8 of regulation (EU) 2020/852**

### Nature of procedures carried out

Our procedures consisted in verifying the process implemented by Virbac to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to article 8 of regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, *i.e.* information likely to influence the judgement or decisions of users of this information.

### **Conclusion of the procedures carried out**

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to the compliance with the requirements of article 8 of regulation (EU) 2020/852.

### **Elements that received particular attention**

#### Concerning the eligibility of activities

Information on the eligibility of activities can be found in the Group's sustainability report in the following section "f. Alignment with the European Green Taxonomy", for each key performance indicator there is a section entitled 'eligibility analysis'.

As part of our audit, we have in particular:

- appreciated that the economic activities that the entity has determined to be eligible are included in the list of eligible economic activities and meet the descriptions in the taxonomy reference framework;
- appreciated that the information provided in respect of these eligible activities meets the requirements of the taxonomy framework, including the format in which these activities are presented.

#### **Concerning the alignment of eligible activities**

Information on the eligibility of activities can be found in the Group's sustainability report, more precisely in the section f. Alignment with the European Green Taxonomy contains a section entitled "Alignment analysis" for each key performance indicator.

As part of our audit, we have in particular:

- appreciated the analytical work carried out by the entity concerning the substantial contribution;
- appreciated the analytical work performed by the entity concerning the absence of significant harm;
- appreciated the entity's analysis of minimum guarantees, and in particular the fact that it covers all issues.

### **Key performance indicators (KPIs) and accompanying information**

Key performance indicators and accompanying information can be found in the Group's sustainability report, more precisely in the following section "f. Alignment with the European Green Taxonomy".

As part of our audit, we have in particular:

- appreciated the reconciliations performed by the entity with the accounting data used as a basis for preparing the financial statements and/or with the management data themselves reconciled with the accounting data; and
- verified the arithmetical correctness of the indicator calculations.

Niort, March 10, 2025

The statutory auditor - GROUPE Y Audit  
Lionel ESCAFFRE  
Associate, Sustainable Development department





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