

# TOGETHER, BEYOND ANIMAL HEALTH

Non-financial  
performance  
statement  
2022

#OneCeva

#OneHealth

#OnePlanet



# F O R E W O R D

"As required under Article L.225-102-1 of the French Commercial Code, this non-financial performance statement (NFPS) presents the primary non-financial risks (page 8), the Group's business model (page 11), as well as the policies applied to help mitigate these risks and their consequences.

The Ethics & Compliance department and the Communication & Corporate Affairs department are responsible for the preparation of this NFPS.

The compliance and accuracy of the information provided in this NFPS is verified by an accredited independent third-party organisation.

For Ceva, the NFPS is more than a mere regulatory obligation; it is also a tool for managing its non-financial impacts. The NFPS reports on all of the CSR activities across the Group and its subsidiaries, and assesses the Group's performance in implementing Ceva's CSR strategy.



Marc Prikazsky

Ceva Santé Animale Chairman & CEO

## EDITORIAL

2022 was defined by an extremely tense geopolitical situation and rising inflation, which took the world by surprise. The post-Covid era is one of ongoing uncertainty and volatility, making the future difficult for both households and businesses alike to predict. But we're determined as ever to stay true to our purpose and values: **we are a global organisation committed to more than just animal health.** We are a global organisation committed beyond animal health, driving **innovative health solutions for all animals, contributing to the future of our diverse planet.**

Our mission is driven by the **One Ceva** community of employees around the world and their dedication to our customers and suppliers. I want to thank them for working hard every day to make Ceva an ethical leader in our industry. Despite the conflict in Ukraine and the challenges we've faced, we ensure every member of the One Ceva community feels supported, included, respected, and safe worldwide.

As one of the top five firms in the animal health sphere, Ceva has a responsibility to consider health issues more broadly. The **One Health** approach launched in 2010 should be implemented in a way that is both multifaceted and concrete. That's why in 2022 we continued our work in

**preventive medicine.** We invested in research and development of effective and safe vaccines against major zoonotic diseases such as avian flu, stepped up our efforts to reduce **antibiotic resistance**, and maintained **epidemiological surveillance.**

We have continued to invest in other facets of **One Health**, such as equipment and services. We support farmers and breeders **to sustainably meet the needs of a growing global population.** We have a major role to play in ensuring that the one billion malnourished people around the world have sufficient access to quality animal protein.

At Ceva Santé Animale (Ceva), we understand that we have a **responsibility to society and the environment.** As part of our **One Planet** programme, the third pillar of our business purpose, we have intensified our efforts to integrate **sustainable and responsible business practices into our operations.** We have also implemented programmes to **reduce our carbon footprint, manage water consumption, promote biodiversity, and minimise waste** in our factories and offices.

We still have much to do, but we are firmly committed to creating a **better future for animals, humans, and our planet.**

Sincerely,  
**Marc Prikazsky**

# CEVA AT A GLANCE

**5<sup>th</sup>** largest animal health company in the world

**Number 1** animal health company in France

Created in **1999**

**Headquartered in Libourne,**  
Nouvelle-Aquitaine, France

**Vision:** "Together, beyond animal health"

**4 values:** customer and animal passion, entrepreneurial spirit, innovation, solidarity

**4 franchises:** poultry, swine, ruminants, and companion animals

**In 47  
countries**

with commercial operations in over **110** countries

**€1.5 billion**

in revenue in 2022, with over **50%** from preventive treatments

**15 R&D centers**

**10%** of revenue invested in R&D, with 55% of that earmarked for innovations in vaccines

**29**

production sites worldwide

**over 6,200**

employees globally, **46%** of whom are women

**81.9 %**

gender pay equality



# HIGHLIGHTS OF 2022

In 2022, Ceva made concrete and tangible strides in delivering its mission and vision, guided by its three pillars: #One Ceva, #One Health, #One Planet.

## # One Ceva

**# 1 / In the third quarter of 2022, over 200 employees joined the One Ceva community after the acquisition of 3 companies:**

- Canadian manufacturer of oral rabies vaccines, Artemis Technologies, Inc.;
- Zoovet, a company specialised in the production and commercialisation of animal health products;
- Biotecnofe, a biotech start-up developing innovative products to be marketed by Zoovet.



**# 2 / A proactive One Ceva Community that supports peers and local communities:**

2022 was sadly defined by the conflict in Ukraine.

- To support their colleagues and local communities, Ceva employees held three donation drives at various company locations in France;
- Ceva arranged accommodation in neighbouring countries, or in France, for its Ukrainian employees and their families who wished to leave the country;
- Ceva also made sure they were able to earn a living once relocated.

## # One Health

### # 3 / Ceva's growing expertise in preventive medicine via strategic acquisitions:

- With the addition of Artemis, Ceva expanded its rabies portfolio and enhanced its capability to produce and manage oral rabies vaccination campaigns worldwide;
- Zoovet and Biotecnofe enable Ceva to advance its research into synthetic hormones.

### # 4 / Ceva's major One Health anniversaries:

- Ceva Dessau anniversary: for 100 years, the site of Dessau, Germany, has developed vaccines for animals. The site has made significant contributions to animal health with these vaccines and serums;
- 110 Years of Ceva Phylaxia: a historic site in Hungary, Ceva Phylaxia has developed and produced vaccines and serums since its opening.

### # 5 / To cover both treatment and prevention, Ceva met its objective of having preventive products (vaccines and welfare products) account for half of its overall portfolio.



### # 6 / Ceva promotes excellence in cardiology with a One Health approach:

Ceva's 5th edition of its Human-Veterinary Symposium in Cardiology was held simultaneously at the Liryc institute (University Hospital Institute) and the Museum of Science and Industry in Chicago, with the collaboration of top experts. It showcased the field's latest breakthroughs and focused on how animal and human health interact.

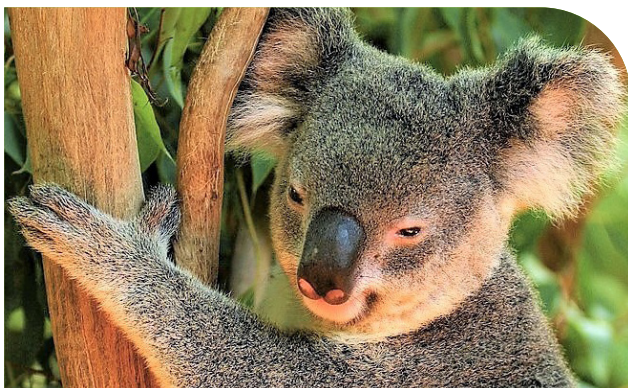
### # 7 / Ceva continues its efforts to improve animal welfare:

To ensure the proper implementation of its 2021 Ceva charter on the care and welfare of animals, the company has developed a dedicated training module, accessible to all employees, and mandatory for those who directly or indirectly work with animals.

## # One Planet

### # 8 / Ceva creates the Ceva Wildlife Research Fund to protect Wildlife:

- The Ceva Wildlife Research Fund, established in 2022, funds applied research projects targeting wild animals;
- A unique initiative, it contributes to the preservation of wildlife health, which gets little investment due to its lack of economic viability.



### # 9 / Ceva protects endangered French species

- Ceva provides financial support to the Conservatoire des Races d'Aquitaine, whose eco-pastoralism project has gained ground. Several châteaux in the Bordeaux region have agreed to reintroduce the Landes sheep, an endangered ovine species, into their vineyards to graze in winter and early spring.
- The reintroduction of sheep to vineyards has several environmental benefits: they enrich the soil with their manure, provide natural weed control, and have a positive impact both the abundance and diversity of native flora, insects, and other wildlife.

# OUR CSR STRATEGY

Ceva's mission and purpose, which is aligned with our values, was the fruit of thoughtful discussions with all our employees. We recognise that society expects businesses to play a part in tackling the climate crisis. We have taken our "Together, beyond animal health" vision even further and embraced our responsibility to meet this challenge.

Ceva employees were invited to define our business purpose with a 'WeShare' survey conducted by Human Resources. Virtual and in-person workshops were

also organised with targeted groups of employees, including representatives of the younger generation, managers at all levels, and the executive committee. The firm Backbone Consulting provided a framework for this process. Our purpose reflects the essence of who we truly are as Ceva, and what sets us apart from other companies. It is through this uniqueness that we address our planet's challenges. In a highly uncertain and volatile world, our purpose is our North Star and an integral part of our corporate strategy.



*Together, our passionate people drive innovative health solutions for all animals, contributing to the future of our diverse planet.*



# Our purpose is based on three pillars that guide our mission:

#OneCeva

Together, our passionate people

#OneHealth

drive innovative health solutions for all animals

#OnePlanet

contributing to the future of our diverse planet

|            | Theme                      | Challenges   | Indicators  |
|------------|----------------------------|--|---|
| #OneCeva   | Development of skills      | Align job descriptions, career and skills management; promote professional training  | Staff turnover rate (resignations)<br>Percentage of employees who received training during the year<br>Percentage of skills assessment completed  |
|            | Social dialogue            | Promote social dialogue in order to avoid workplace dissatisfaction  | Percentage of employees with access to staff or union representatives   |
|            | Health and safety          | Guarantee employee's physical and mental health, and reduce the number of workplace accidents resulting in sick leave                        | Lost Time Frequency Rate (TF1)<br>Frequency of serious incidents (FS)   |
|            | Human rights               | Prevent any violation of human rights; prevent risks related to human rights violations in the supply chain                                  | Percentage of female employees with a pay gap of less than 10% as compared to male employees<br>Proportion of women in the workforce<br>Proportion of men in the workforce<br>Diversity in management<br>Diversity in leadership<br>Percentage of employees covered by benefits (health, retirement, life insurance)<br>Percentage of employees given discrimination and harassment training<br>Percentage of employees with disabilities |
|            | Corporate ethics           | Detect when good business ethics are violated, and take preventive measures to ensure they are upheld  | Percentage of assigned employees trained in the global anti-bribery module<br>Percentage of assigned employees trained in the global anti-money laundering module<br>Percentage of assigned employees trained in the global business ethics module<br>Percentage of employees trained in the compliance awareness campaign  |
|            | Personal data              | Ensure the protection of personal data and detect breaches that may lead to their fraudulent use or loss                                     | Percentage of assigned employees (excluding HR) who have completed GDPR training (Europe / non-Europe)<br>Percentage of assigned employees (HR) who have completed GDPR training  |
| #OneHealth | Animal welfare             | Reinforce animal welfare standards and policies  | Percentage of assigned employees who completed training on the application of the Ceva charter on the care and welfare of animals   |
|            | Product safety and quality | Ensure the quality and safety of products at all stages of their life cycle to avoid risks to animal and human health (inefficiency, danger) | Percentage of product recalls relative to the total number of products sold   |
| #OnePlanet | Environment                | Reduce emissions into the air, water, and soil   | Electricity consumed<br>Stationary sources of fossil fuel combustion consumed<br>External steam consumed<br>Water consumed<br>Volume of waste generated<br><br>CO <sub>2</sub> emissions (scope 1, 2, and 3)  |
|            | Sustainable procurement    | Ensure that the 10 commitments of the charter are properly implemented in procurement processes  | Percentage of indirect purchases made around the sites (France, Hungary and USA)<br>Percentage of assigned employees trained in the charter for responsible supplier relations  |



# CSR GOVERNANCE

## Switching perspectives



**Géraldine Kutas**  
Group Director of Corporate  
Affairs & Communication



**Andras Bolcskei**  
Group Director of  
Commerical Operations

### **How does Ceva relate to Corporate Social Responsibility, beyond just the regulatory obligations of the declaration of non-financial performance?**

**AB:** We have a responsibility: everything we do as a company, and as employees, aims to protect animals and ultimately humans. We must ensure that what we do is driven by a desire for Ceva to succeed, but it doesn't just stop there. What matters is how we achieve this success. Financial performance alone will not take Ceva to the next level.

**GK:** Since Ceva's establishment, we have been committed to promoting the health and welfare of all animals, but that is no longer enough. As a socially responsible company, we have always championed causes that reflect our values. We do not see the NFPS as a mere regulatory, box-ticking exercise, but as an integral part of our CSR. It's a way to track our progress along our sustainability journey.

### **Which CSR issues have the most impact on Ceva's relationship with its stakeholders? How do they differentiate Ceva in the market?**

**AB:** There is no other animal health company in the top 5 globally that gets the majority of its revenue from preventive medicine. That sets us apart. The One Health approach is key: we vaccinate animals against zoonotic

diseases because we know it is the right thing to do to protect our society.

**GK:** Ceva's purpose is based on preserving our planet's balance. To do this, we have selected four themes to focus on: preserving biodiversity and wildlife, supporting and developing the essential bond between humans and animals, promoting the benefits of animal protein for a balanced diet, and improving animal welfare. We also invest in sustainability at Ceva by minimising our footprint, enhancing the welfare of our employees, and rallying our customers and partners around these principles.

### **Why is Ceva's sustainability performance crucial for its growth strategy, particularly in different markets around the world?**

**AB:** We must protect humans, animals, and the planet, in line with our One Health approach. At Ceva, we support all forms of agriculture and offer multiple solutions for animal health and welfare. We have an important role to play in developing safe ways to produce animal protein, by preventing diseases and treating livestock. But we need to go further. With larger and more effective vaccination programmes, we could increase production by up to 20%, as diseases cause significant economic and environmental losses.

**GK:** The climate crisis impacts all businesses worldwide. It's vital to promote sustainable and resilient practices to ensure our growth. We want to prepare for these challenges, mitigate their impact, and provide solutions to help our customers and partners. At Ceva, we see sustainability as an opportunity, not a constraint, because the cost of inaction is much higher than investing in sustainable practices.

### **Who is responsible for Ceva's CSR vision? How are CSR policies put into practice in the field?**

**AB:** Commitment to social responsibility in a company should happen at the highest level. At Ceva, the executive committee is responsible for the CSR strategy. It is our responsibility not only to develop it but also to lead by example. That being said, every employee at Ceva also has a role to play in implementing this strategy on a daily basis.

**GK:** Our CSR vision is driven by Ceva leadership, and the best ambassador for this policy is our CEO. I am personally responsible for our CSR roadmap, but all of my colleagues, from the executive committee to the production line, support Ceva's vision and are committed to delivering more sustainable products and processes every day.

### What were the major CSR accomplishments in 2022? In what ways are they strategic for Ceva? And what are your priorities for 2023?

**AB :** Social responsibility is key at Ceva. We must encourage and support initiatives for those in need. It is clear that the business landscape is undergoing profound changes. To continue growing, we must not simply react to the changes that are imposed on us; we must be proactive and predict them.

Next, every employee must meet our ethical responsibilities, without compromise. What we do, we must do well and for the betterment of all. Performance must be guided by ethics, compliance, and integrity.

Legal responsibility is also non-

negotiable: we must act in compliance with the law, and we expect the same from our suppliers.

Lastly, there is economic responsibility: we must ensure that we can pay our employees' salaries and continue to invest in I&D.

**GK :** In 2022, we focused on structuring our CSR activities, reporting on them, and defining key performance indicators at the group level in a consistent and structured manner. We are very proud to have launched the Ceva Wildlife Research Fund, a unique research fund dedicated to wildlife health. In 2023, we will consolidate this work, add new performance indicators, set reduction goals, and amplify the impact of this policy. We will also prepare for the upcoming European

Corporate Sustainability Reporting Directive (CSRD). We have already begun working on a dual materiality analysis, which will help us delve into topics such as our biodiversity transition plan. We're proud to be making steps in the right direction every day.

## Operational guidelines for managing an independent group

Ceva is an independent company, primarily owned by its employees. Alongside them, new investors – Téthys Invest in France, PSP Investments in Canada, Mitsui & Co. in Japan, and the Klocke Gruppe in Germany – have joined our historic investors. These partners share our values and vision, and as such play a key role in the success of the Group.

Various operational divisions structure the Group's governance. They comprise the core of our businesses: Global Manufacturing, Supply and Quality (GMSQ), Innovation & Development (I&D), Group Operations, Digital Transformation, and Autogenous Vaccines. Though each Ceva site or campus may house multiple activities, each one is linked to a division based on its main focus: I&D, production, warehousing, distribution, marketing, commercial functions, or support functions.

## Championing CSR at the highest level

The Director of Corporate Affairs & Communication, part of the executive committee, is responsible for CSR at the group level. We regularly review and, if necessary, reorganise our governance structures. In 2020, we established an ethics and animal welfare committee and appointed regional animal welfare managers. These managers are part of the committee. Created in 2021, the

strategic sourcing committee ensures that Ceva's supply chain is ethical. Since 2022, the Corporate Affairs & Communication department has worked closely with the group's HSE (Health, Safety, and Environment) department to oversee the operational environmental strategy within our factories and supply chain, as well as address safety and occupational health issues.

## Living up to our values and purpose

Five working groups have been formed to bring Ceva's purpose to life in specific areas:

1. The One Ceva community, comprising Ceva employees;
2. One Health;
3. Sustainable development;
4. Ethics and animal welfare;
5. Wildlife and biodiversity.

Each group consists of nine members: three subject matter experts, three millennials, and three volunteers. The volunteers put themselves forward via a survey conducted in late 2021. Each group has a designated leader. We ensured all continents were represented and maintained a gender balance. The teams are coordinated by a corporate director. In 2022, the groups focused on defining their SMART objectives and designing actionable plans for the Group. The groups meet online roughly once every two months, while the leaders meet about once a month. They collaborate through Microsoft TEAMS. The objectives and deliverables are then validated by a steering committee comprising the CEO, the Director of Investor Relations, the HR Director, and the Corporate Affairs & Communication Director.

# THE CEVA GROUP BUSINESS MODEL

## Our strengths

### Plenty of diversified talents

More than **6,293** employees, **46%** female

- Industrial: **39%**
- Commercial: **38.5%**
- I&D: **10.5%**
- Other: **12%**

### Driving innovation in engineering

**15** I&D sites<sup>1</sup>

**€101 millions** invested in I&D in 2022

**29** production sites<sup>2</sup>

### A robust supply chain of active raw materials

- serums, diluents, excipients -  
consumables and services

**24,000** suppliers

**€828 million** in purchases made in 2022<sup>3</sup>

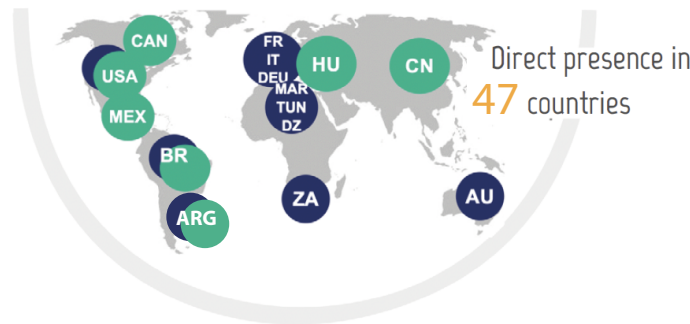
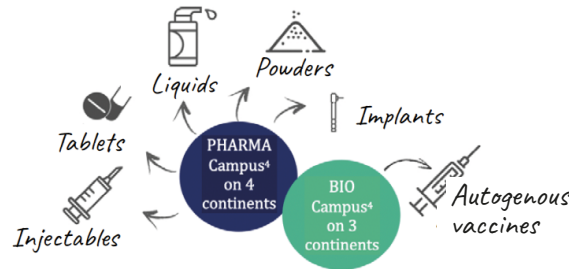
### An international and multimodal distribution chain

Distributors, cooperatives and resellers  
(specialty stores, e-commerce)

### Partnership synergy

With our shareholders, investors, regulatory  
agencies, subsidiaries and contractors

## Together, beyond animal health



<sup>1</sup> excluding CRO (Contract Research Organisation) partners

<sup>2</sup> Industrial and autogenous vaccine sites

<sup>3</sup> excluding factory acquisitions

<sup>4</sup> Campus: a site including both R&D and production activities

<sup>5</sup> Within France

## The value we create



Poultry  
Companion  
Animals



Swine  
Ruminants

Leader in France  
and **#5** at  
global level

**2022 revenue: €1.5 billion**

Commercial presence in **110** countries

### CSR Performance

**81.9%** gender pay equality

**95.1%** of employees took training courses  
in 2022

**303.1T CO<sub>2</sub> eq.** emissions, scopes 1, 2 and 3

### Main customers:

veterinarians - farmers - pet owners

### Sharing of expertise

Digitisation: website & applications

Commercial and scientific partnerships

Towards sustained growth, balanced  
between prevention and treatment



#OneCeva



#OneCeva

## WORKING WITH AND FOR OUR EMPLOYEES



*Spotlight:*

**David Derain,**

Group Human Resources Director

**Ceva's corporate culture is based on autonomy and responsibility. Why is autonomy and responsibility beneficial for both the company and employees? How do they shape HR policies and processes?**

Ceva's ambitions for growth depend on our employees' performance in their respective roles independently and competitively. HR policies and processes support the 24 job families within the company by clarifying and implementing standards, and fostering the development of skills.

**How do managers foster Ceva's culture of autonomy and responsibility? How does regular consultation with employees about their work environment contribute to this culture?**

HR's strategy is competence-based: for each job, the person responsible for the job family approves, clarifies, and maintains standards within their community, so that these expectations are well assimilated by all managers and employees. The job families leaders oversee the deployment of strategic training programmes. They make use of Ceva University, so that any training is guaranteed to be up-to-date, complete, and high quality.



## Encouraging autonomy and a sense of ownership to grow our teams

The commitment of our employees, their entrepreneurial spirit and our approach based on creating solutions tailored to our customers' needs set us apart in the market. These strong markers of our identity drive the Group's growth ambitions forward.

At Ceva, leaders and managers encourage skills development and strive to expand each individual's sphere of responsibility. They play a crucial role in fostering employee loyalty and strengthening our attractiveness.

The creation of 24 new job families in 2022 facilitated exchange between managers and employees, particularly during end-of-year reviews. It clarified everyone's responsibilities, thus enhancing employee autonomy.

### # 1 / How Ceva fosters a culture of autonomy and responsibility

Based on responsibility and autonomy, Ceva's internal culture has strengthened in 2022. Our managerial teams have played a key role in creating this culture by ensuring employees took on the responsibilities, and developed technical skills, specific to their assigned family. Each leader organised meetings with their teams to explain the structure of these 24 job families, either in person or remotely.

These exchanges with employees have improved the understanding of on-the-ground realities. They have also helped refine strategic training needs within each job family. The goal is to support our employees in developing their skills. We have strengthened our culture of autonomy with the roll out of remote work (within a framework of defined agreements and home office policies) and the creation of specific work communities.

### # 2 / Supporting our teams to develop their skills and their careers

#### We co-create personalised career paths for each employee

A core tenet of our Group's culture is tailoring the development of skills and professional growth to individual career paths. After their annual appraisal, employees work together with their managers to create a development plan. This personalised plan takes into account each employee's responsibilities, skills, training needs, and aspirations. In 2022, over 94% of employees took part.

Ceva also promotes ongoing, open communication between managers and their teams throughout the year. This involves organising regular discussions between managers and employees on required skills and addressing any potential challenges in completing a project or task.

#### Identifying up-and-coming talent for future career advancement within the Group

Thanks to its strategic and forward-looking understanding of Ceva's jobs, the Human Resources Department identifies the skills required for the organisation's medium and long-term development. These skills include both technical and behavioural competencies for each specific role. As in all companies, the nature of these roles evolve, and Ceva stays competitive by predicting market changes and providing relevant training to its employees. This may include areas such as data management, digital skills, and key account management. Development programmes and training are implemented to proactively foster the development of strategic skills within our Group.

Annual appraisals are a chance to identify the talents and skills of each employee, enabling us to offer tailored growth opportunities. By consolidating this information, our HR department establishes individual development plans for

emerging talents, high-potential employees, and successors for key or business critical positions. The main criteria for choosing who should be supported with a development plan is the overlap between the employees' skills, and their development potential. Career committees ensure a quarterly update on these development plans.

#### Responding to our employees' training needs: zoom

The development of technical and managerial skills isn't just essential for Ceva's success, it was also an issue highlighted by the teams themselves in the 2020 Pulse Survey. In response, we diversified our professional training, including e-learning, in-person training, coaching, and mentoring. In 2022, our professional training offering had increased over 50% as compared to 2021.

In 2022, new training programmes were added to the Ceva University, which serves as the training library for each job specialism. These programmes are designed for 80% of the Group's roles and are accessible to our employees through PeopleCloud, our development and training tool. 95% of our employees received training this year, either through these programmes or through external resources.



**# 3 / Managers and directors taking ownership of their teams' development**

Our "We Lead" programmes for the company's top 100 executives and "We Manage" programmes for managers guide the management teams in handling and developing the skills of their teams.

In 2022, Ceva enhanced support for its managers by organising working groups which reached 82% of employees via their profession representatives. These discussions focused on the challenges faced by managers, such as evaluating an employee's capabilities at work. All managers in our Group were subsequently trained in conducting annual performance reviews. The training emphasised the importance of an

approach based on responsibilities and skills.

These initiatives complement numerous pre-existing modules. For example, the "We Manage The New Normal" module focuses on team management and empowerment in the context of new post-Covid working methods.

To enrich the existing cross-functional training programmes available to employees, managers are also encouraged to provide their teams with more e-learning modules, from project management, facilitation, feedback practices, to communication. The training topics are diverse and can be accessed through new operational resources, such as experts at the corporate level or platforms in our geographical locations (countries where we have a strong presence).

**Performance Indicators for skills development**

|   | 2020 | 2021 | 2022 |
|---|------|------|------|
| Staff turnover rate (resignation)               | NA   | NA   | 6.4% |
| Percentage of employees trained during the year | NA   | NA   | 95%  |

The method for calculating employee turnover rate changed in 2022. The scope of the indicator for training also changed in 2022, as it now covers all employees within the Group.



## In regular contact with our social partners

At Ceva, social dialogue is seen as a constructive exchange that leads to appropriate and practical outcomes. Maintaining high-quality social dialogue drives our performance, and to this end, we foster the development of our social partners. Moreover, our Group respects freedom of association and recognises the right to collective bargaining throughout its value chain, both internally and throughout its external supply chain (see page 48).

The Group HR department ensures compliance with legal obligations on employee representation, and that organisational issues are subject to consultation, with all necessary information disseminated to employee representatives (discussions ranging from work-life balance, remote working, and health coverage). In the absence of representation, either because it is not required in the country or because employees do not wish to engage in dialogue through this channel, HR asks local counterparts to discuss important topics with managers and employees. HR audits these practices annually, sometimes more, depending on the issue at hand.

Wherever Ceva has an established presence, social dialogue shapes workplace welfare, skills development, health, and safety. 69.1% of our employees are represented by union or employee delegates who are in continual dialogue with leaders of the respective local entity.

This widespread dialogue supports the global transformations of our Group. It enables the tailored management of human resources in line with local economic and social realities.

(1) Based on 69% participation, plus interviews with the social and economic committee (SEC), plus 79 individual interviews, the results are satisfactory. The key areas for improvement are: strengthening the employer brand to attract talent / improving the flow of information within the framework of the hybrid model / developing project communication / strengthening manager training / developing mobility.

Over the past two years, social partners and management have focused on dealing with the pandemic. Some regions have also made substantial strides in their core mission:

- An agreement between management and unions in Brazil to ensure job stability for employees returning after a long absence;
- Additional days off for US employees (from one to five days based on seniority);
- A comprehensive study on risks to employee mental health jointly launched by management and unions in France, to be followed by an action plan;
- An increase in indirect compensation (such as social benefits) for employees in Hungary, approved by management and employee representatives.

### Social dialogue performance indicators

|   | 2020 | 2021  | 2022  |
|---|------|-------|-------|
| Percentage of employees with access to employee representatives or trade unions | NA   | 67.6% | 69.1% |





# Ensuring the health, safety, and welfare of our employees

As part of its EHS policy, Ceva is committed to ensuring a safe and healthy work environment for its employees and partners. At Ceva, the health and safety of everyone is a collective responsibility. Our code of ethics and business conduct emphasises this commitment.

**We are committed to:**

- Preserving the health and safety of our employees through various tools and measures: employee training and information, identification and resolution of hazardous situations, social protection agreements, preventive measures such as periodic medical examinations, ergonomic workplace audits, the prevention of occupational hazards, and the prevention of workplace accidents;
- Providing our teams with good working conditions: environment, equipment, ergonomics, workspace design;
- Preventing sexual and psychological harassment and workplace violence;
- Preventing risks to mental health.

In 2022, we continued to implement our 2020 action plan developed in response to the COVID-19 pandemic. This plan includes preventive measures, guidelines for handling cases of infection, and remote work. The action plan has been adjusted

based on the evolving health situation in different regions of the world.



**# 1 / Mitigating health and safety risks at our production sites**

To ensure the health and safety of our employees, we analyse the risks at our sites and campuses. Their nature varies depending on the activity. Our Group has identified the following main categories:

- Risks related to manufacturing processes (e.g., handling of chemicals and biological agents);
- Risks related to machinery or mechanical hazards;
- Risks related to ergonomics;
- Risks related to primary energies and industrial utilities, such as electricity, stationary combustion sources, heat.

Managers are responsible for the health and safety of employees on their campuses and industrial sites. Locally, our HSE teams have the role of detecting and preventing EHS risks, ensuring compliance with regulations, and training employees. They also implement action plans at each site to eliminate or reduce these risks.

EHS programmes apply to all our activities, from I&D to sales. Bringing together EHS managers from all production sites, the EHS community meets monthly, led by the Group EHS Director. The managers share tools and best practices on a dedicated platform.

In 2022, we recruited a Group EHS Director with diverse and complementary responsibilities, including:

- Galvanising and engaging the Group EHS network;
- Deployment of a global EHS roadmap;
- Harmonisation of processes;
- Improvement of the Group's EHS performance.

In 2022, the Group EHS management began by strengthening the rules for reporting occupational accidents data (definitions, reporting frequency, checks).

The global EHS roadmap for 2023 has been approved by our management. It is based on five main themes: governance, safety, biosafety, occupational health, and environment. This roadmap has been implemented at our industrial sites.

The frequency and severity of occupational accidents are monitored at the campus and site levels, and they are consolidated at the Group level. The monthly campus performance review presents these results along with corresponding action plans. During the monthly performance reviews, the executive committee also analyses the consolidated indicators, which include all Ceva employees. Short, medium, and long-term objectives have been defined.

Furthermore, three of Ceva's six French sites – Laval, Loudéac, and Libourne – have joined the Playsafe training programme. This programme includes technical, organisational, managerial, and behavioural ways of mitigating risk. It makes demands on both the skills and behaviour of employees and managers, thus involving them and making them accountable.

## # 2 / Auditing our industrial sites on Environment, health and safety (EHS)

At all our industrial sites, we carry out various types of EHS audits:

- The Group EHS management team regularly visits all our sites. These audits lead to tailored EHS action plans;
- A regulatory EHS audit programme for our sites, conducted by an independent expert, began in 2017. Eleven audits have since been conducted at industrial sites. The audit campaign had a forced hiatus in 2020 due to the pandemic and will resume in 2023;
- The Risk Management department also conducts risk prevention audits, with a particular emphasis on the risk of fire and compliance with emergency procedures. Each site is audited on average every three years. This programme was brought to a halt during the pandemic and resumed in 2022, with the audit of five sites. In addition, a new audit programme is planned for 2023.

From 2023, we will be implementing a programme of internal cross-inspections. These inspections will be conducted by the EHS Director along with an EHS representative from another site, with the aim of verifying compliance with our internal regulations.

*“ The health and safety of our employees, as well as environmental protection, are of utmost importance to us. We want to promote an agile, innovative, and collaborative EHS culture throughout the organisation. As such, we have formalised an EHS policy, which is based on four pillars: governance, health, safety, and the environment. ”*

**Peggy Malaussena,**

EHS Direction

## # 3 / Taking on employee feedback to improve working conditions

Alignment with the company's vision and welfare at work are factors that drive engagement and overall performance. Communication that flows between employees and local, high-quality social dialogue are crucial to addressing the concerns of each individual. We consult all employees globally at least once a year and work together to develop action plans to improve working conditions.

Following our first major employee satisfaction and engagement survey in 2017, we have strengthened our HR processes to focus on simplification and fostering employee engagement. Action plans for improvements in training, performance reviews, and remote working management have been discussed and rolled out across the Group as a result.

In the wake of the COVID-19 crisis, we prioritised shorter satisfaction surveys. From 2020 to 2021, HR conducted three

Pulse surveys. The first, in 2020, asked our teams about how anxious they were and their thoughts on the company's COVID-19 response. Two 2021 surveys focused on remote working and our Group's social objectives.

In 2022, we focused on implementing our action plans based on these survey results, as well as continuing to foster high-quality social dialogue. In France, union and employee representatives, and management, jointly decided to conduct an in-depth survey on mental health risks. Most employees took part (69%) and expressed a high level of satisfaction (88%).

In other countries, such as Canada, Italy, Germany, the United States, and Mexico, employees were informed about the progress of projects and could discuss any problems during dedicated meetings. In South Africa, workshops were held to collectively address employee issues. In the United Kingdom, the management team organised a meeting with staff to discuss potential improvements to working conditions.



**# 4 / Ensuring all of our employees have social security coverage**

Ceva pays special attention to the social protections of all its workers. All our employees benefit from insurance to access preventive and curative medical care. However, there are two exceptions: if employees refuse coverage or if there is an adequate social security system in their country. As a result, over 98% of workers are covered in the event of illness or death, and all have retirement benefits.

In 2022, we conducted a comparative analysis of social security systems in all the countries where we operate. Based on this study, we have decided to transfer all our employees' health and social benefits to a single provider starting in 2024. This will ensure equivalent and improved services for all employees in our Group, in compliance with local regulations.



**EHS performance indicators**

|                                 | 2021 | 2022 |
|---------------------------------|------|------|
| Lost Time Frequency Rate (FR1)  | 3.6  | 4.5  |
| Frequency of Severity Rate (SR) | 0.07 | 0.04 |

The scope of these indicators covers all employees of the Group, including permanent employees, fixed-term contracts, trainees, interns, and those completing the French corporate volunteer programme, VIE. To harmonise the data, the indicators for 2021 have been recalculated with this same scope. As a result, the updated Lost Time Frequency Rate (FR1) for 2021 is 3.6 (it was 3.1 in the previous report, which only considered employees). The severity rate has not changed, at 0.07.

The Group strengthened its incident reporting in 2022 with monthly monitoring of indicators and accidents. The frequency

of workplace accidents resulting in sick leave has increased, but the total number of work accidents has remained stable. The severity rate has slightly decreased and remains low.

In 2023, we aim to further strengthen this EHS culture. The development of a formal Group EHS policy, and the corresponding roadmap, reflects our commitment to making it a true driver of engagement.





## EARNING THE TRUST OF OUR STAKEHOLDERS

Valérie Mazeaud, Group Legal Director,  
*answers three questions on human rights, ethics and personal data*

//

**Beyond the rights defined by the International Labour Organization, tell us about Ceva's wider policy on human rights: what are the priority areas? And why?**

We ensure the conditions for a good work environment for each employee are met. Our priorities are four key areas. The first is employees' right of expression, as the quality of social dialogue generally reflects the quality of life in a company. The second area is the improvement of working conditions, as this impacts employee health and safety. As a woman, I'm particularly attentive to the third issue, which is gender equality, and fighting prejudice and stereotypes. The last priority is the sustainable employment of people with disabilities. Respect for human rights is ensured through our own checks (internal audits by the Group's audit department or HR), for example to prevent modern slavery.

**What are the main issues that the code of ethics and conduct covers? Who is required to comply with it?**

The code of ethics and conduct is the foundation of our governance. It outlines the behaviour and ethical obligations that all employees and stakeholders must meet, particularly in areas such as anti-corruption, respect for others, product quality, protection of personal data, and animal welfare. It applies to all employees and stakeholders within the company and emphasises the importance of upholding these ethics in our day-to-day operations.

**What are your major achievements in terms of personal data protection for your customers and partners? What do you still aim to accomplish?**

Personal data protection is easy to understand but challenging to implement in a digital environment. Protecting our customers and partners starts with educating all our employees, enabling them to understand the principles and challenges, and to implement this protection in the course of their jobs.

//

## Always ensuring that human rights are respected

Ceva is committed to respecting all universal and inalienable human rights. A fundamental concern for any corporation, we must be vigilant and ensure human rights are also respected by third parties we have relationships with (such as suppliers, customers, subcontractors).

Our Group's policy is based on the fundamental rights of workers outlined in the core conventions of the International Labour Organization (ILO):

- Freedom of association and recognition of the right to collective bargaining;
- Elimination of all forms of forced or compulsory labour;

- Abolition of child labour;
- Elimination of workplace discrimination.

The Group's policy outlines how these rights are to be respected and actions to take to rectify any wrongdoing. Our Corporate Social Responsibility policy was defined in 2021, and it shapes our Human Rights policy.



## Preventing any cases of harassment and discrimination

As per French law and international conventions, Ceva condemns any form of discrimination, including in relation to origin, gender, age, disability, or opinions. We are committed to ensuring that our employees' career journeys at Ceva, from recruitment to training, promotion, or potential dismissal, are not shaped in anyway by discrimination. The same applies to employee access to benefits, compensation, and insurance.

HR managers in each country must respect the following Human Resources procedures. They have been trained on these procedures and are audited by the internal audit department to ensure they are being properly followed. These procedures concern discrimination, recruitment, skill development, dismissal or disciplinary action, salary raises, and benefits. Some local actions must be approved by corporate to ensure compliance.

We strive to create conditions for a respectful work environment. We also strictly prohibit any form of physical or verbal harassment through our procedures on discrimination and harassment, training of all employees, the creation of an ad hoc commission in case of specific incidents, and a Group alert system.

The Code of Ethics and Business Conduct is supplemented by Group procedures, internal regulations, and local agreements, which further emphasise these principles and outline the sanctions for non-compliance. The alert system, defined in the 'Ethics, the cornerstone of our business' section, enables employees and third parties to anonymously report any suspicions, or knowledge of, harassment or discrimination. Ceva is committed to treating incident reports confidentially, following its whistleblower and harassment and discrimination procedures. In 2022, the three individual cases reported through the alert system were thoroughly investigated, resulting in a formal report and action plan.

### Training on fighting discrimination and harassment

In 2022, 90% of our employees received training on Ceva's policy against discrimination and harassment. Most of this training was delivered online, and in-person sessions were also conducted, notably in Italy, for employees less confident in IT.

| Human rights performance indicators  | 2020  | 2021                   | 2022                   |
|--|-------|------------------------|------------------------|
| Percentage of female staff with a salary gap of less than 10% with that of male staff*   | 81.1% | 79.8%                  | 81.9%                  |
| Proportion of women in the workforce   | 45.9% | 45.3%                  | 45.9%                  |
| Proportion of men in the workforce   | 54.1% | 54.7%                  | 54.1%                  |
| Gender balance among managers  | NA    | 40.1% (F)<br>59.9% (H) | 40.1%(F)<br>59.9% (M)  |
| Gender balance among directors   | NA    | 20.3% (F)<br>79.7% (H) | 20.8% (F)<br>79.2% (M) |
| Percentage of employees with access to social benefits (health, pension, life insurance) | NA    | NA                     | 98.1%                  |
| Percentage of employees given "Discrimination and Harassment" training                   | NA    | NA                     | 90%                    |
| Percentage of disabled employees   | NA    | NA                     | 1.4%                   |

CEVA ALSO CARES ABOUT...

Ukraine

Our priority is protecting our employees and their families in conflict regions. We provide them with financial support and arrange accommodation in neighbouring countries for employees who wish to leave Ukraine. We have also organised four rounds of donations drives for Ukrainian orphanages and ensured their delivery. As the situation is rapidly changing, we regularly adjust our approach.



## Ethics, the cornerstone of our business

Beyond regulatory compliance, we act according to the principles of integrity, loyalty, and respect expected by our customers, investors, and partners.

Ceva's Ethics & Compliance department is guided by the Ethics and Compliance programme, as well as relevant policies and procedures. It is responsible for raising employee awareness of principles of ethics and compliance, and supporting other departments to implement them.

Since 2021, the compliance committee, comprising the department's regional representatives, meets on a monthly basis. A network of compliance sponsors has also been established. In each Group subsidiary and department, a compliance sponsor supports the Ethics & Compliance department in the implementation of the programme. They act as a liaison within their team.

### # 1 / Our commitment to ethical business practices and fighting corruption

Our code of ethics and business conduct, along with other relevant protocols, defines the ethical obligations of each employee. These procedures specify the standard of conduct expected every day, especially when it comes to:

- Fighting corruption;
- Preventing money laundering and financing terrorism;
- Compliance with embargoes, boycotts, and trade sanctions;
- Fair competition;
- Conflicts of interest.

This code also reflects the policies and responsibilities regarding health and safety (page 17), quality and innovation (page 39), animal welfare (page 34), and IT security (page 27). The department is working on updating the code for 2023 to incorporate recent legal developments, including an update on the internal whistleblowing process.

*“ Our anti-corruption policy, which applies to both our employees and the stakeholders we work with, is designed to prevent, detect, and correct incidents of corruption.”*

**Joséphine Farcot,**  
Ethics & Compliance Direction

In 2022, Ceva adopted a policy requiring all employees benefiting from gifts or other forms of hospitality to declare them. We plan to monitor compliance with this policy within our subsidiaries by including this metric in the Group's 2023 audit programme.

In accordance with international sanctions and anti-corruption measures, we have also implemented a verification process for every new export client. In 2022, our Group conducted checks for every new client. According to this process, every new client creation request must go through an approvals and verification process with the Compliance and Customer Service departments. These investigations use a screening tool to ensure that the client is not under international sanctions or involved in corruption cases. The objective for 2023 is to roll out this process to subsidiaries exporting to high-risk countries, in collaboration with the Customer Service department.

Furthermore, in 2022, our Ethics & Compliance department established a process for declaring and managing conflicts of interest, which will become a Group-wide policy in 2023.





## # 2 / Raising awareness of ethics and anti-corruption measures

All Ceva employees have access to the code of ethics and business conduct and relevant procedures, available in 17 languages. Every employee in France was sent a leaflet via email detailing the ethics and compliance programme. The code is incorporated into Ceva's internal regulations. On our Group's intranet, employees have access to the code as well as a dedicated FAQ.

Our key commercial partners are made aware of the code, thanks to a contractual clause that they commit to upholding. It is also available on the Ceva website.

In 2022, Ceva launched an awareness campaign on the ethics and compliance programme. This campaign aimed to inform all our employees about the Code of Ethics and Business Conduct, the key principles of anti-corruption, and the whistleblowing system. To this end, the code was translated into 23 languages. Supported by the compliance sponsors in their respective entities, our Ethics & Compliance department provided this training to all our employees. We aim to train 90% of our employees each year.

### Training and awareness for employees most exposed to risk

Ceva provides training to its senior executives and employees who are most exposed to compliance risks (those in Hay grades 16 and above). In 2022, we continued to roll out this training to new hires and employees who were last trained over three years ago. Our objective is to train 90% of our employees.

## # 3 / Identify, report, and investigate to mitigate risk

We have developed action plans for the activities and procedures that are most exposed after first analysing the main risks of corruption and influence peddling at the Group level. We have also established specific policies (corruption, international sanctions, conflicts of interest, human rights) for our employees and implemented due diligence procedures for third parties. In addition, our Group has enhanced its ethical and compliance clauses in contracts.

This analysis is regularly updated and is an accurate reflection of the major risks that Ceva faces.

Our internal and external alert system allows us to investigate potential breaches of ethics and compliance, including anti-corruption regulations. It offers employees and third parties the ability to report any suspicions of a violation to the Ethics &

Compliance department, confidentially and anonymously. The department then examines the report, investigates, and takes appropriate corrective measures, if necessary. Ceva will update its internal alert policy in 2023 to reflect a new whistleblower protection law, which no longer requires whistleblowers to follow their internal whistleblowing system before turning to external bodies.

Furthermore, the Ethics & Compliance department supports teams in their daily activities. This year, the conflict in Ukraine had a significant impact on relations with Russia, Belarus, and Ukraine. The department has assisted the sales and supply chain teams in ensuring relationships continue in full compliance with French and international regulations, regularly verifying that neither our activities nor our stakeholders are subject to international sanctions.



Performance indicators for ethical business practices

|   | 2022 |
|---|------|
| Percentage of employees that completed the global anti-bribery training module    | 74%  |
| Percentage of employees that completed the global anti-money laundering module    | 72%  |
| Percentage of employees that completed the global Business ethics training module | 69%  |
| Percentage of employees trained in the compliance awareness campaign              | 70%  |



# Personal data

Ceva understands the importance of protecting personal data and is committed to safeguarding the personal data it processes, including that of its employees, customers, and partners. Our Group is dedicated to ensuring the privacy and confidentiality of individuals' personal information.

## # 1 / Protecting stakeholder personal data

Ceva has a Group Data Protection Officer (DPO) who provides guidance on data protection. The DPO ensures compliance with the obligations outlined in the General Data Protection Regulation (GDPR) and safeguards individual privacy. The DPO develops an action plan that is implemented by local contacts within various business units and European subsidiaries.

Ceva's code of ethics and business conduct includes requirements on data confidentiality and IT security. We have

established procedures that govern how we handle complaints and requests to exercise data subject rights. These procedures also outline the steps to be taken in the event of a data breach or unauthorised disclosure of personal data (no data breaches or leaks occurred in 2022).

We publish our data privacy and cookie management policy, which provides information about personal data gathering and its use, and informs individuals about their right to control how their data is used, on our website.

## # 2 / Continuing to comply with GDPR

As part of its ongoing commitment to GDPR compliance, Ceva has implemented:

- A comprehensive register of data processed at the European level;
- Dedicated contact forms that guarantee the right to information, consent, access and rectification, the right to be forgotten, the right to object and request limitations, the right to data migration, and the right to seek redress;
- Raising awareness among various departments within the Group that handle personal data to ensure that from the outset of new projects, only data that is strictly necessary is gathered, as a default;
- A prior impact assessment for activities that could put people's rights and freedoms at risk.

As per regulatory obligations, we have developed a register of our data processing activities. The internal audit teams relies on it to define and track their audits.

In 2021, we created a GDPR training programme in multiple languages. Deployed through our global training platform, all Group employees were required to complete it in 2022. HR specialists also had an additional module specific to them. This course is part of the mandatory curriculum for all new hires.

In 2022, our Group continued to provide employees with essential and practical guidelines for maintaining GDPR compliance online. These guidelines cover the classification of data processing actors, sensitive data, and legitimate interests.



### Performance indicators on personal data

|  | 2022 |
|--|------|
| Percentage of HR employees trained in GDPR                               | 49%  |
| Percentage of employees in Europe trained in GDPR (excluding HR)         | 61%  |
| Percentage of employees outside of Europe trained in GDPR (excluding HR) | 53%  |

A man with a beard and a woman are smiling in a barn filled with goats. The man is wearing a green jacket and the woman is wearing a dark jacket with a red scarf. The background shows wooden stalls and several goats with horns.

# #OneHealth

“

*The Group's vision of 'Together, Beyond Animal Health' was the result of an internal collective reflection on our economic and social impact. It is the realisation that by preserving animal health, we contribute to protecting human health and the health of the planet. This vision is a true commitment to take action, and continue transforming our product ranges.*

Martin Mitchell

”



#OneHealth

## FIGHTING AGAINST ANTIBIOTIC RESISTANCE

The use of antibiotics is necessary for the treatment of bacterial infectious diseases. We have an obligation to offer this type of treatment to protect animal welfare and support veterinarians. Ceva's stance on antibiotics is founded on a straightforward idea:

“ As much as necessary,  
as little as possible. ”

Our position on the responsible use of antibiotics is based on four fundamental principles:

1

**THE RIGHT PERSON:**

Supporting veterinarians in their role as prescribers of antibiotics;

2

**THE RIGHT PRODUCT:**

Developing a wide range of molecules to provide veterinarians with the most appropriate product for a specific pathology;

3

**THE RIGHT TIME:**

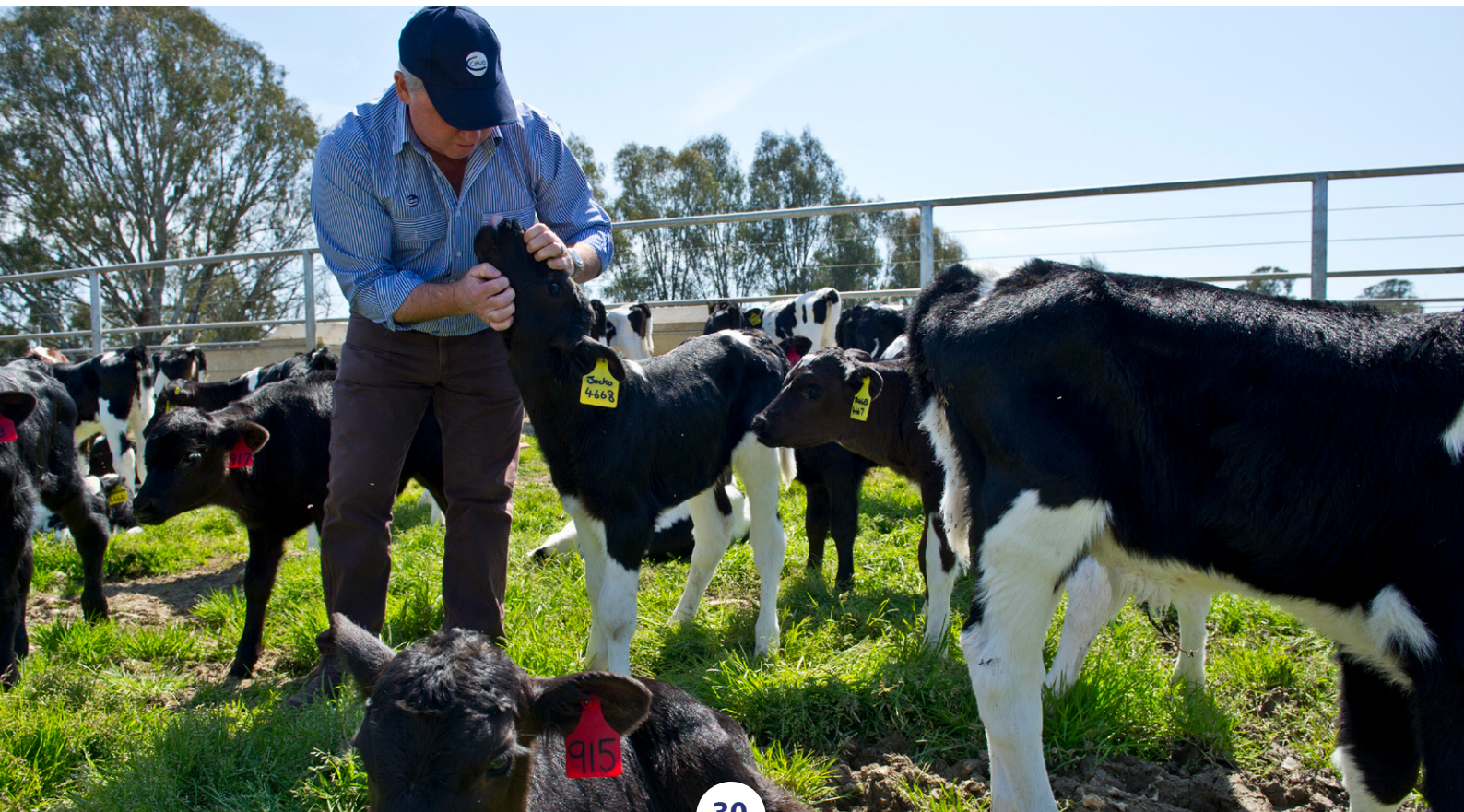
Offering training on the responsible use of antibiotics, including the use of complementary diagnostic tools such as antibiograms;

4

**THE RIGHT FUTURE:**

Continuing to invest in research and development for innovative approaches to antibiotic use.

**These principles reflect our commitment to promoting the responsible and judicious use of antibiotics in veterinary medicine.**



## Reducing the use of antibiotics for animals

// *Ceva is deeply convinced that antibiotics should only be administered as part of a professional diagnosis and for therapeutic purposes only. To avoid any risk of antibiotic resistance, the principle of necessity prevails. With a 30% reduction in the volume of antibiotics used over the last five years, our Group is actively contributing to the rational use of antibiotics in veterinary medicine.* //

### Pascal Anjot

Group Innovation & R&D Director

To avoid the risk of antibiotic resistance in both animals and humans, our Group strictly adheres to the recommendations of the World Health Organization (WHO) and the World Organisation for Animal Health (WOAH). As such, Ceva does not develop any molecules classified as "A" (Avoid). Category "B" (Restrict) accounts for only 11% of our sales of antibiotics, while category "C" (Caution) makes up 43%, and category "D" (Prudence) 45%.

Thus, first and second-line molecules represent the majority of Ceva's offering. Considering that our antibiotic products are primarily injectables, it is important to note that Ceva actively

contributes to the reduction of antibiotic consumption in animal health. Over the past decade, the use of veterinary antibiotics has steadily dropped in the European Union. The Green New Deal will require a further 50% reduction in the sales of antimicrobials for livestock and aquaculture.

Furthermore, our Group has significantly reduced its range of oral antibiotics. Injectable products now account for over 50% of our sales. This offers a dual advantage, as injectable antibiotics provide individual and targeted treatments, and reduce the risk of transmitting antibiotic resistance to commensal flora.



## Educating our audience on the rational use of antibiotics

Always eager to promote good practices, Ceva publishes two reference books in the field of animal health:



### **The Guidance for the Rational Use of Antimicrobials (GRAM), 2nd edition**

This book addresses the use of antibiotics in companion animal medicine. Ceva's technical teams have collaborated with globally recognised experts to provide a comprehensive overview of infectious diseases in dogs and cats, as well as appropriate antibiotic treatments. Furthermore, the GRAM serves as a source material for veterinarian training programmes held worldwide throughout the year. These programmes sometimes offer continuing education credits.



### **CEVOLUTION**

This specialised publication addresses the medical challenges of livestock, in which we present the various scientific issues to be aware of, such as pharmacokinetics, the development of resistance, and more, for the proper use of antibiotics to treat infectious diseases. CEVOLUTION also serves as source material for webinars regularly organised to train veterinarians.





## Innovating to develop new forms of anti-infectives

As a strong advocate for disease prevention, our Group is committed to reducing the use of antibiotics in animal treatment. In fact, 55% of our I&D budget is dedicated to the development of vaccines, particularly autogenous vaccines. Out of the 45% of the budget allocated to treatments, only 15 to 20% is allocated to the research of new antibiotics.

To promote individualised treatments, our I&D teams prioritise the development of new injectable forms of antimicrobials. Some of our development programmes aim to update the formulations and indications of older first-line molecules that were less commonly used by veterinarians.

One innovative breakthrough in antimicrobial resistance is the development of a new indication for an old molecule. In

2021, we conducted a study on a large population of cattle affected by an infectious digestive illness. The objective was to observe the impact of the new treatment on the intestinal commensal flora. This was a first in the veterinary world. This scientific work will be published after obtaining market authorisation.

Furthermore, in partnership with the Executive Animal Health Study Center (CEESA), Ceva maintains updated collections of field bacterial strains to assess the sensitivity of these bacteria to developed antibiotics. We also provide all this information when submitting our marketing authorisation applications (MAA).





## OUR COMMITMENT TO ANIMAL WELFARE: THE CORNERSTONE OF OUR ACTIVITIES IN ANIMAL HEALTH

In 2018, Ceva added its commitment to animal welfare in research to its code of ethics and business conduct. All individuals involved in the research and development process must take appropriate measures to ensure the welfare of laboratory animals.

We have continued to develop Group rules on animal studies, with several guidelines:

- Conduct internal review of studies involving animals;
- Ensure that animals are used only when strictly necessary;
- Comply with applicable regulations;
- Ensure studies' traceability.

Based on these existing guidelines, in January 2022 our Group developed and published a Ceva charter on the care and welfare of animals. The charter was implemented in 2022 across all subsidiaries and is accessible on Ceva's website.

A comprehensive procedure for implementing this charter was also developed. Our employees working directly or indirectly with animals are trained on this charter. Furthermore, all Group employees have access to a non-specialist animal welfare awareness programme.

## Group governance to foster commitment to animal welfare

Animal welfare is deeply important to Ceva, and falls under the remit of the Director of Corporate Affairs & Communication, who sits on the executive committee. To oversee animal welfare at research, development, and production sites that involve the use of animals, our Group appointed regional animal welfare officers in 2020. These officers, usually from the quality teams, must continuously improve the living conditions of the animals. They also ensure the proper implementation of ethical checks for animal experiments.

These regional officers are also part of our Group's Ethics and Animal welfare Committee, which was also established in 2020. Since 2021, this Group committee meets annually. Its role is multifaceted: to ensure compliance with the charter, establish an improvement plan in order of priority, educate and train employees, and finally, collect and monitor performance indicators defined and approved in 2022.



## Helping veterinarians to fulfil in their role in safeguarding animal welfare

Because veterinarians are dedicated to animal welfare, Ceva has long been committed to supporting them. With the launch of the Global Animal Welfare Awards in 2017, we have expanded our commitment to veterinarians on a global scale. This event was founded in collaboration with the World Veterinary Association (WVA).

In 2021, the WVA and Ceva organised the fifth edition of the Global Animal Welfare Awards, which took place virtually for the first time due to the pandemic. Two new categories were introduced: one for veterinary technicians and nurses, and another for veterinary schools. The six winners were awarded a prize of €5,000 each. The 2021 Global Animal Welfare Awards were presented during the 37th Congress of the World Veterinary Association, held in Abu Dhabi in March 29th to 31st, 2022.

In 2019, the WVA Global Animal Welfare Award was launched to honour the Veterinary Student of the Year. Following this award, in January 2020, we entered into a new agreement with the International Veterinary Students Association (IVSA). The association provides support to our permanent committee for animal welfare, which sponsors national projects submitted by student associations.

In another example of our commitment to animal welfare, since November 2021, Ceva has supported International Cat Care (ICC), our long-time partner, in promoting the health and welfare of abandoned cats. This is an important issue in many countries. Ceva will facilitate the creation of an international community with the expertise needed to make an impact. In 2021, we fully funded two scholarships for ICC courses on Cat Friendly Homing, as well as the network's communication activities.



# Reducing the need for laboratory animals

Pascal Raoul, Pharmaceutical Development Direction,  
*answers 3 questions*

## What is Ceva's definition of animal welfare?

Our Group supports the WOA (World Organisation for Animal Health) definition, as well as that of ANSES (French Agency for Food, Environmental and Occupational Health & Safety). These frameworks shape Ceva's development of new drugs, the production of vaccines, and our products that enhance animal welfare during stressful situations.

## With all the modern technology that now exists, why are laboratory animals still necessary?

There are still certain diseases that we cannot model accurately. There are also unforeseen side effects that we cannot predict.

Therefore, we need to demonstrate that the developed product effectively treats the sick animal. But Ceva does participate in working groups with regulatory agencies in France, Europe, and the USA to offer up alternatives to laboratory animals.

## Ceva uses the 3Rs principle for the use of laboratory animals. Is this specific to Ceva?

Reducing, Replacing, and Refining the use of animals in research are the fundamentals of ethical use of animals in laboratories. What is unique is how Ceva applies these fundamentals. Our animal welfare managers ensure our ethical standards are met within both the organisation and our partners.



## # 1 / A necessary, regulated use of laboratory animals

The vaccines, antibiotics, and anti-inflammatories developed by Ceva aim to protect all species, whether companion animals, livestock, or wildlife. The development and production of these health solutions require studies involving laboratory animals. These studies are required by law and are highly regulated. Their objective is to demonstrate:

- The efficacy and safety of the product for the animal, including its absence of toxicity;

- The safety of the product for humans, namely that there are no residues of the drug detected in human food products made from the treated animals;
- The absence of toxicity for the environment and other living organisms that may come into contact with the product or its derivatives.

As a member of SIMV (Syndicat du Médicament Vétérinaire, the French union of veterinary pharmacology), our Group has been a signatory to the French transparency charter on the use of animals for scientific and regulatory purposes since February 2021.

## # 2 / Ceva and the 3Rs

When the use of animals for research purposes is scientifically or legally necessary, we strictly adhere to regulatory compliance and accepted standards of animal welfare. To achieve this, we use the 3R principle — Replace, Reduce, Refine:

**REPLACE:** Use recognised alternatives to animals when regulations permit, such as for drug registration and the release of vaccine batches for domestic animals.

**REDUCE:** Limit the number of animals used and the number of studies conducted.

**REFINE:** Continuously seek to refine procedures on animals and determine the limits at which the use of a given animal should cease.

Ceva is a member of HealthforAnimals and AnimalHealthEurope, as well as the French SIMV union. These organisations work to promote animal health and to ensure treatments do not harm their welfare. We are working together to find alternatives to laboratory animals. In 2021, we joined the international think tank HealthforAnimals, with the aim of reducing the use of animals in the registration and production of veterinary vaccines. This working group meets every two months and focuses on information gathering and jointly drafting documents on how the 3Rs should work in practice.

As per our ongoing commitment to improving animal welfare, our Group collaborates with other partners such as the European Commission and its dedicated platform. In 2022, Ceva participated in three workshops jointly organised by AFSA, HealthforAnimals, and IABS-EU3Rs (International Alliance for Biological Standards). The focus of these working sessions was "Implementation in veterinary vaccine batch-release testing: Current state-of-the-art and future opportunities." During these workshops, we presented our study titled "EDQM BSP130 - Validation of cell-based assays for in-process toxicity and antigenicity testing of Clostridium septicum vaccines."

In addition, Ceva is striving to change regulations to further safeguard animal welfare, and reduce the use of animals in research work. In 2021, we obtained regulatory approval to administer a vaccine in a less invasive way, with a new experimental method. In 2022, we continued to develop ways of replacing animals for vaccine quality control. One of these methods is currently under review by the relevant authorities.

## Stringent regulatory compliance at Ceva and its key partners

Experimental studies involving animals conducted by our company always undergo regulatory approval or prior study authorisation. Local authorities regularly inspect our sites. To date, in the course of Ceva's activities, no inspections have uncovered any regulatory violations.

We also ensure the regulatory compliance of our key partners through quality audits. In 2022, the first audit specifically dedicated to animal welfare was conducted at one of our service providers. An animal welfare audit will be established in 2023 in collaboration with the Quality department.



CEVA ALSO CARES ABOUT...

The PREVENT programme:  
A Ceva One Health project

The PREVENT project (PRomoting and Enabling Vaccination Efficiently, Now and Tomorrow) aims to help 150,000 small-scale African poultry producers to boost productivity and efficiency to grow their businesses. This initiative is led by Ceva and GALVmed (a non-profit organisation) and supported by the Bill & Melinda Gates Foundation. With this project, we aim to make poultry production on the continent much more sustainable. Each year, over 50 million newly hatched chicks, bred and vaccinated in 36 hatcheries spread across eight African countries (Tanzania, Ethiopia, Rwanda, Nigeria, Ivory Coast, Ghana, Mozambique, and Zimbabwe), will be distributed to the smallest producers in the region.



## Auditing ethical standards in our activities that involve animals

In 2014, Ceva Phylaxia Campus (Budapest) was the first to establish an ethics committee for overseeing animal studies. In accordance with the charter, we now extend these ethical checks to non-experimental field studies involving animals. These studies will be reviewed by an ethics committee prior to their implementation. The committee will ensure the presence of a study protocol that:

- Specifies the application of the 3Rs rule (replace, reduce, refine), as it does in experimental studies;
- Defines limits that would result in the termination of procedures for a given animal.

This same committee will check that the study has been conducted under conditions respectful of animal welfare and that it has been carried out by trained professionals under veterinary supervision. Furthermore, it will ensure that the study is justified.

Performance indicators for animal welfare

|   | 2022 |
|---|------|
| Percentage of employees trained in how to apply the Ceva Charter on the Care and Welfare of Animals | 86%  |



#OneHealth

## GUARANTEEING THE QUALITY AND SAFETY OF OUR PRODUCTS

“ To satisfy our customers and meet their needs, we ensure operational and strategic quality throughout our value chain. In this way, we also contribute to our company’s performance and reputation. ”

”

Stéphanie Varandas,  
Quality Direction

## Ceva's dedication to quality: a central part of the Group's identity

### # 1 / An organisation dedicated to quality

Ceva's quality control has been strengthened in several ways:

- Via the creation of various communities: Quality Assurance (QA) systems, sterility, laboratory community, and QA communities in commercial subsidiaries;
- By defining job families and implementing daily team meetings on campuses or community meetings. The objective of these working sessions is to ensure the compliance of products manufactured or sold by Ceva during the development, production, distribution, and commercialisation phases. Our Group thus meets the highest standards in terms of quality, safety, and efficacy throughout the product life cycle.

Ceva's Quality department continues to implement its Quality strategy by putting in place worldwide best practice procedures (auditing, batch release, recalls, etc.) that apply to different departments and entities within our Group. It ensures the harmonisation of quality principles, team training, and digitalisation.

On campus and on sites, quality managers implement best practices and ensure their compliance with the Group's procedures. Their role includes applying internal standards and regulations, ensuring compliance, safety, efficiency, and reliability of products, as well as ensuring that products are distributed and stored in the proper conditions.

### # 2 / A well-documented Quality policy with secure data

To ensure the quality and safety of our manufactured products and optimise Ceva's Quality processes, we have established a hierarchical document structure comprising 5 levels. Starting with the general Quality policy, this structure allows us to define:

- The requirements of our Group;
- How to implement them through procedures and work instructions;
- The processes for recording their execution to ensure a high level of traceability throughout all operations.

#### Data gathering

Data is recorded either in paper format or in digital format. In both cases, measures are in place to ensure their integrity throughout their life cycle. Backup and restoration procedures are in place to ensure constant access to digital data.

We will complete the organisation of Quality by early 2023. Furthermore, all major procedures are now documented. 2023 will be dedicated to assessing the gaps between these documents and the practices of different entities within the Group. Our goal is to identify areas of improvement for 2024.

### # 3 / Quality control and monitoring

Our sites undergo inspections by regulatory authorities every three years on average. The reports generated from these inspections are compiled internally and communicated to Quality management.

Digitalisation of several processes, such as document and audit management, has enabled teams to continue working effectively despite the health crisis and travel restrictions.

New tools such as smart glasses, connected robots, video conferencing software, quality suite software, etc., have facilitated virtual supplier audits and electronic signatures.

In 2022, our Group continued to measure the performance of our procedures using quality monitoring indicators. We also included indicators for the Innovation and Development (I&D) department, based on the indicators and reporting standards used for Global Manufacturing, Supply and Quality (GMSQ).





## Our products' safety

The guidelines of pharmacovigilance best practice outlines the core tenets of pharmacovigilance and defines the local procedures to ensure drug safety. Distributed at each site, this document ensures that the highest standards of pharmacovigilance are upheld across the Group.

As per regulations, Ceva's pharmacovigilance department monitors the safety and efficacy of our products on the market. Comprising veterinarians, pharmacists, scientists, and pharmacovigilance technicians, this department is responsible for:

- Reporting pharmacovigilance concerns to the authorities in compliance with local regulations;
- Analysing any pharmacovigilance issues reported on the Group's products worldwide;
- Detecting and managing potential pharmacovigilance concerns;
- Reassessing the risk-benefit analysis of a product and updating product information sheets.

To ensure the safety of our commercial operations, we decided to go above regulatory requirements: 100% of our products,

whether subject to pharmaceutical regulation or not, are now monitored by the Group's pharmacovigilance system. The information gathered allows Ceva to improve its understanding of the products and make using them safer, such as by updating product information leaflets.

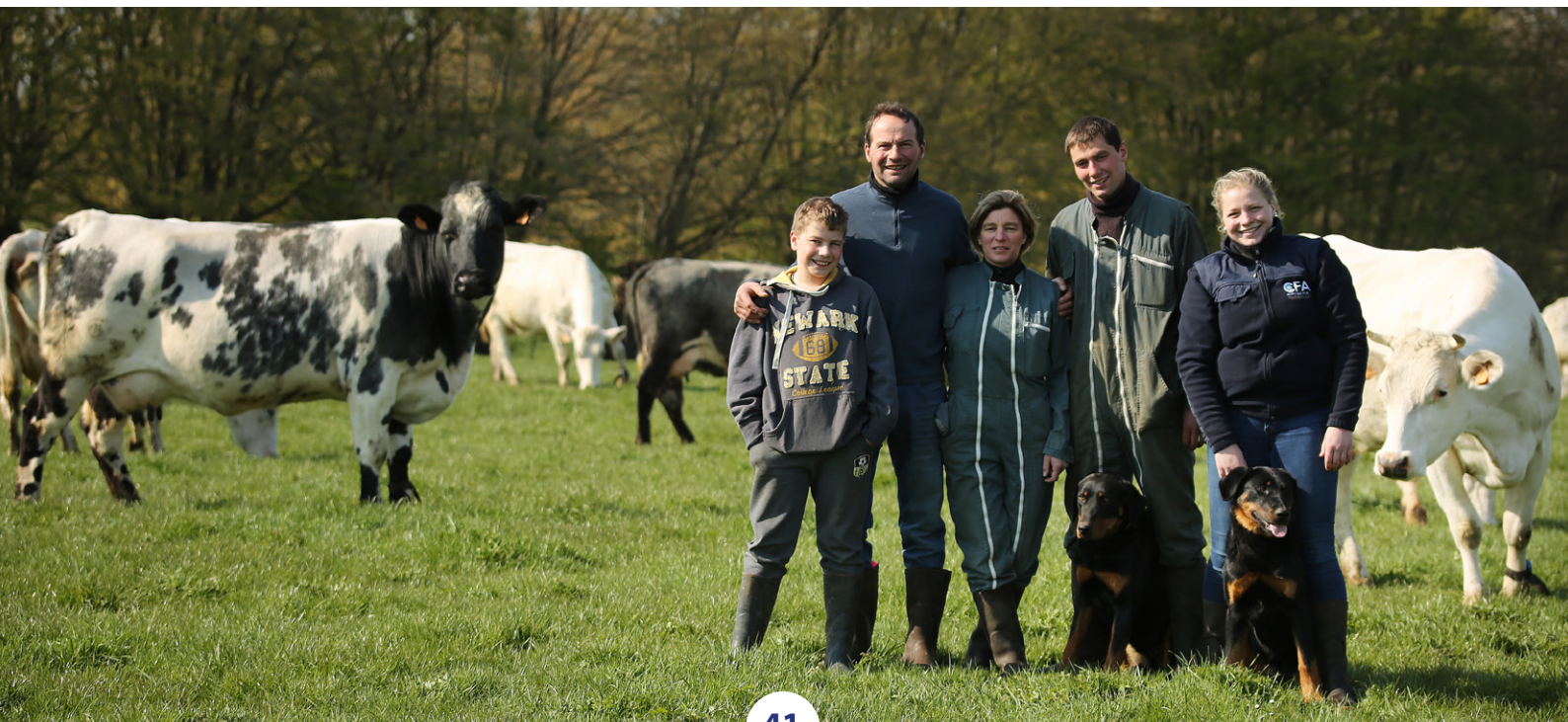
In addition, we require every new employee to undergo an e-learning training on pharmacovigilance. Current employees are required to complete this training every two years. Each person checks their understanding with a quiz.



### Performance indicators on product quality

|   | 2020 | 2021 | 2022 |
|---|------|------|------|
| The percentage of product recalls compared to the total number of products sold | 0.05 | 0.03 | 0.01 |

The scope covers the campuses and industrial sites under the supervision of the GMSQ (Global Manufacturing, Supply and Quality) department, as well as the products manufactured by its subcontractors, representing 80% of the Group's sales.





#  ne Planet



## Environmental governance: a synergy between EHS and corporate affairs

“ *The EHS department plays an operational role on our sites, and its activities by definition enhance Ceva's environmental performance.* ”

Louis Guittin EHS Direction

Established in 2021, the Corporate Affairs & Communication department defines and drives Ceva's CSR and ESG (Environmental, Social, Governance) strategy. Working closely with the EHS department, which was established in 2022, it identifies strategic areas of our environmental policy and ensures that the policy is put into place.

In 2022, we strengthened our rules for reporting environmental data. For all our campuses, including production and R&D sites, we now perform monthly monitoring of several environmental indicators:

- Energy consumption;
- Refrigerant gas leaks;
- Water consumption;
- Quantity of hazardous and non-hazardous waste generated.

Every month, the Group EHS Director and the on-site EHS managers consolidate and review these indicators. Energy and EHS managers community meet monthly to monitor on-site mitigation efforts to continue to improve these indicators.

Ceva's EHS and Corporate Affairs departments have jointly defined a roadmap for 2023.



## Reducing our energy consumption

To reduce the energy consumption of our Group's production sites, we rely on energy diagnostics and implement concrete actions, such as optimising equipment operating modes and regulating heating systems.

In 2022, we conducted energy audits followed by workshops at four of our sites. These audits will continue in 2023, particularly at our most energy-intensive sites. We also pay special attention to the energy efficiency of our new construction projects.

### Energy reduction campaign at our Beijing factory

By 2022, the Beijing site reduced its external steam consumption by 31% and its electricity consumption by 18% as compared to 2021, thanks to dedicated action plans for these two utilities :

#### The steam network was improved by:

- Repairing damage to the internal heat network;
- Restoring thermal insulation;
- Optimising the steam network and shutting down unused loops;
- Optimising the steam use cycle and closing valves when not in production.

#### Electricity consumption was lowered by:

- Improving digital monitoring of consumption;
- Optimising air handling units' operation modes when not in production;
- Shutting down equipment that can be turned off outside production times (pumps, fans, etc.);
- Optimising cold storage areas;
- Replacing lights with LEDs.



## Limiting greenhouse gas emissions

Each year, we conduct a carbon footprint assessment for scopes 1 and 2, in accordance with the GHG Protocol methodology. This assessment covers all of our industrial and I&D sites, as well as about 80% of our commercial vehicle fleet. In 2022, we improved the tracing of our energy sources and consumption, allowing us to track any changes and estimate the investments needed to effectively reduce our scopes 1 and 2 CO<sub>2</sub> emissions. To this end, and to be as concrete as possible, in 2023, Ceva will establish reduction targets for scopes 1 and 2.

**In addition to these actions, to improve our carbon footprint, Ceva is committed to:**

- Producing our own energy, including with solar panels;
- Defining a new transportation policy in collaboration with HR.

In 2021, we conducted an initial audit of emissions related to scope 3, which allowed us to identify the most impactful emission categories in our value chain.

In 2022, we carried out our first scope 3 carbon footprint assessment in accordance with the GHG Protocol methodology. Special attention was given to calculating the impact of our procurement of goods and services.

In 2023, an analysis of this initial quantitative study will enable us to identify the most carbon intensive materials, and engage our suppliers to refine emission factors and collaborate on mitigating the carbon impacts of these materials.



## Reducing waste and water consumption

Ceva is also working towards reducing the generation of hazardous and non-hazardous waste. The requirement to report environmental data was reinforced in 2022, resulting in better tracking of waste tonnage and treatment methods. In 2023, a more detailed and individual analysis of our treatment methods will enable us to further strengthen these rules.

We also monitor our water consumption on a monthly basis at our industrial and R&D sites. Starting in 2023, workshops on water consumption will be held at the five largest sites and at sites in areas of water scarcity. These workshops aim to improve the tracking of industrial water consumption and identify ways of reducing water consumption.

### CEVA ALSO CARES ABOUT...

#### Wildlife



In recognition of the urgent need to address the diseases affecting wild animals and prevent their spread to humans, Ceva created the Ceva Wildlife Research Fund in 2022. This endowment fund aims to finance applied research projects with proven results within a maximum time frame of three to five years. Our goal is to protect the health of wild animals, which suffers from underinvestment because it is not an economically viable activity.

#### Agrobiodiversity



Established by the Fondation du Patrimoine (The Heritage Foundation) and Ceva, the Agrobiodiversity Prize aims to preserve endangered livestock breeds. Under the patronage of the Ministry of Agriculture and Food Sovereignty, this competition has been held for ten consecutive years. It celebrates innovations in the preservation and promotion of low-population French agricultural breeds.

# Using environmental audits to drive improvements

Ceva's eleven most strategic production sites were audited by an external EHS organisation from 2017 to 2019. Interrupted in 2020 by the COVID-19 crisis, a call for tenders was relaunched in 2022 and the audit campaign will resume in 2023.

The audits assess and identify risks, and if necessary, suggest corrective measures in the following areas:

- Environmental management;
- Emissions;
- Water supply;
- Waste management;
- Storage and handling of hazardous substances;
- Environmental noise, nuisance, and complaints;
- Substances depleting the ozone layer.



## Environmental performance indicators

|  | 2021                       | 2022                        |
|--|----------------------------|-----------------------------|
| Electricity consumption  | 90 829 MWh                 | 95 734 MWh                  |
| Stationary sources of fossil fuel combustion                         | 62 865 MWh PCS             | 71 787 MWh PCS              |
| External steam consumption   | 40 045 MWh                 | 34 403 MWh                  |
| Water consumption  | 643 666 m <sup>3</sup>     | 658 566 m <sup>3</sup>      |
| Generated waste, both dangerous and not dangerous                    | NA                         | 8 599 t                     |
| CO <sub>2</sub> emissions (scope 1 and scope 2)                      | 53 389 t CO <sub>2</sub> e | 55 746 t CO <sub>2</sub> eq |
| CO <sub>2</sub> emissions (scope 3) – purchase of goods and services | NA                         | 154 334 t CO <sub>2</sub> e |
| CO <sub>2</sub> emissions (scope 3) – other categories               | NA                         | 86 398 t CO <sub>2</sub> e  |

Following post-audit feedback in 2021, where data errors were identified at certain sites, several corrections have been made to our 2021 indicators, including electricity consumption, water consumption, and CO<sub>2</sub> emissions scopes 1 and 2.

The 2021 indicator for natural gas consumption was replaced with a more comprehensive indicator called "stationary sources of fossil fuel combustion," which includes natural gas as well as other sources (refer to methodological note).

Overall electricity consumption increased by 5.4% in 2022, primarily due to a significant recovery in activity at our Hangzhou campus in China (+140%) following a year of extensive investment projects in 2021. The site also experienced increases in external steam consumption (+63%) and water consumption (+45%).

The overall increase in water consumption is also due to the resumption of activity at this site.

The consumption of fossil fuel-based heat (from stationary fossil fuel combustion sources and external steam) has increased overall for the same reason. The installation of LPG boilers for additional heat production at our Budapest campus in Hungary also explains the overall increase in the consumption of stationary fossil fuel combustion sources. This new heat source led to a reduction in steam consumption from the external network, contributing to its overall decrease in 2022.

These indicators cover 100% of the production sites and I&D sites.

## Sustainable procurement



*One of the core tenets of our sustainable procurement strategy is buying locally, thus supporting our local supplier ecosystem and contributing to the reduction of Ceva's environmental footprint.*

**Arnaud Cosnefroy**  
Purchasing Direction



**€828M**  
worth of purchases

**18,000**  
suppliers across

**110 countries**

Ceva collaborates with numerous suppliers worldwide to procure various materials and packaging used in our products, as well as services for our industrial and commercial activities, research and development, marketing, and other departments.

To ensure uninterrupted production and commercialisation of our products, we strive to secure a steady supply of base materials. We want to have healthy and sustainable relationships with our suppliers and contribute positively to the regions we operate in. To achieve this, we have integrated the principles of the French charter for responsible supplier relations into our procurement strategy.

The Purchasing department of around twenty people manages this strategy across the Group. The purchasing managers implement this approach at the local level, as the purchasing volumes are significant on our Ceva campuses in France, Hungary, the United States, Brazil, and Germany, accounting for 74% of the Group's expenses.

In 2022, the Purchasing department strengthened the local purchasing practices of our Group. In 2023, we will define a common responsible procurement approach, which involves deploying methods and tools for all buyers across major centres (France, Hungary, the United States, and Brazil).

### # 1 / Procurement governance

Our Purchasing department oversees the sustainability of Ceva's supply chain. In 2022, the Director of Sourcing and Innovation joined this department to define and implement the Group's sustainable procurement strategy.

The I&D department and Purchasing department have established a strategic sourcing committee (including representatives from the I&D, GMSQ, and purchasing, as well

as experts on an ad hoc basis as needed). From the early stages of product development, this committee guides procurement decisions to ensure they are responsible. This involves sourcing our indirect procurement as close as possible to our consumption sites (referred to as "geo-purchasing").

Local buyers are integrated into the responsible purchasing approach through monthly sessions with the Purchasing Director and the Sourcing and Innovation Director.

### # 2 / Ensuring human rights are respected throughout the value chain

Throughout its value chain, Ceva is committed to respecting the United Nations Universal Declaration of Human Rights and International Labour Organization conventions. We strongly condemn modern slavery and human trafficking, all forms of illegal, forced, or compulsory labour, particularly child labour, discrimination in hiring and employment, and the restriction of freedom of association and the right to collective bargaining.

Our objective is to conduct due diligence during tendering processes to ensure subcontractors comply with:

- Freedom of association and recognition of the right to collective bargaining;
- Elimination of all forms of forced or compulsory labour;
- Abolition of child labour;
- Elimination of workplace discrimination.



## # 3 / Responsible and supportive supplier relationships

In September 2022, Ceva reaffirmed its commitment to supplier best practice by signing the charter for responsible supplier relations and purchasing, which was updated in 2021 to have a stronger focus on environmental issues. Against a background of mutual trust, Ceva pledges to:

- Ensure financial fairness towards suppliers;
- Foster collaboration;
- Reduce the risks of mutual dependency;
- Integrate environmental considerations;
- Monitor the company's territorial responsibility;
- Manage procurement in a holistic and integrated manner.

Since the creation of the role of Strategic Partnerships and Alliances manager in 2021, the principles of the charter have been integrated into the supplier relationship.

In 2022, our Purchasing department launched a training module on this charter. It is mandatory for new employees, and the entire Ceva procurement and subcontracting community. This ensures that all our buyers are aware of this charter so that they can apply its operating principles.

Our ambitions for responsible relationships with our suppliers means in 2023 we will:

- Ensure the Purchasing department's proper implementation of the charter;
- Organising awareness sessions on environmental issues, especially related to Scope 3 emissions, for all procurement staff (approximately twenty people). The objective is to explain what CSR entails, with a focus on Scope 3 emissions, and how it shapes procurement;
- Gradually integrating CSR rating grids into our tendering processes to include these criteria in supplier selection;
- Developing an initial audit of CSR risks for our key suppliers to define appropriate next steps. This will involve sending a CSR questionnaire to our main suppliers and subcontractors (representing 30% of total Group expenses);
- Engaging with our suppliers on how to optimise CO<sub>2</sub> emissions throughout our value chain, following the calculation of Scope 3 emissions.

## # 4 / A secure supply of base materials

To secure the supply of its base materials, Ceva's global strategy relies on assessing the risks in its supply chain. The Group's approach has several objectives in mind:

- Increasing the number of supplier sources, where possible, to ensure continuity of supply;
- Working towards the relocation of certain active ingredients and other critical components to French and European suppliers;
- Ensuring long-term relationships with existing suppliers through contracts that address key identified risk;
- Enhancing the monitoring of suppliers' financial performance to analyse their level of dependency on Ceva's business.

Ceva tracks risk across its global supply chain for its top 25 most strategic products, which are the firm's highest revenue generators.

Our Group has assessed the exposure of its strategic products to a number of risks that could result in supply chain disruption:

- Product availability;
- Supplier solvency;
- Legal risks;
- Insurance liability;
- Financial risks, including our level of dependence on suppliers;
- Human resources risks;
- Quality;
- Compliance with regulatory and ethical requirements;
- Environmental and logistical issues.

Updated in 2022, this evaluation resulted in a detailed action plan for each key component-supplier pair, based on the severity and level of exposure to the identified risks. We also analysed the risks linked to geopolitical tensions with China for our top 5 products, which contribute significantly to our revenue. This analysis resulted in the adoption of mitigation techniques, such as increasing stocks or seeking alternative suppliers. In 2023, we aim to expand this analysis to the top 25 of our finished products.

Finally, we have reached an agreement with one of our main distributors for them to conduct EHS audits of Chinese suppliers of their key ingredients. These EHS audits were suspended during the health crisis but will resume in 2023.

In 2021 and 2022, our Group's policy successfully avoided any supply chain disruptions. We maintain this objective for 2023, against a backdrop of highly volatile market conditions.





### # 5 / Involvement in the local community and closer ties with our suppliers

To drive the development of local economies, and ensure a secure supply chain, we localise our indirect purchases as close as possible to our consumption sites (which we refer to as "geo-purchasing"/local purchasing). To speed up this shortening of our supply chains, the Group monitors the proportion of indirect purchases within the same regions as our French industrial sites (Laval, Libourne, and Loudéac). The proportion amounts to 29% of our overall purchases.

During the pre-selection process in procurement bids and at Supplier Selection Committee meetings, we prioritise regional suppliers when the costs are equal. This principle is in our charter for responsible supplier relations.

To foster closer relationships with our suppliers, our Group took part in the purchasing fair (BtoB Néobusiness) in Nouvelle-Aquitaine (France). This fair was organised to invigorate the local economy and increase regional purchasing. Additionally, we have formed partnerships with local suppliers such as Cap Ingelec and ADMO-SEMSO.

In 2022, Ceva worked on expanding the "geo-purchasing" indicator to include Hungarian and American centres, which are the major buyers after France.

#### Performance indicators for sustainable procurement

##### LOCAL PURCHASING

| Région                   | Percentage of indirect purchases in 2021 | Percentage of indirect purchases in 2022 |                                |
|--------------------------|--|--|--------------------------------|
|                          |  | France                                   | France, Hungary, United States |
| Local (near a Ceva site) | 29                                       | 29                                       | 34                             |
| National                 | 47                                       | 49                                       | 50                             |
| Total                    | 76                                       | 77                                       | 84*                            |
| Abroad                   | 24                                       | 23                                       | 16                             |

The 2021 indicator only covers France. "Local" refers to the regional administrative entities defined by the Ceva Group, as per the country in question. The Libourne, Laval, Loudéac, Hungary and the United States sites represent 54% of the Group's indirect purchases.

##### TRAINING

|   | 2022 |
|---|------|
| Percentage of assigned employees to have completed training on the charter for responsible supplier relations | 85%  |

# M E T H O D O L O G Y

## **Governance of industrial, I&D, and autogenous vaccines sites**

Group governance is structured into different operating divisions, covering most of Ceva's business and activities, including GMSQ, I&D, Group Operations, Digital Transformation, and Autogenous Vaccines.

Each Ceva site or campus may house multiple activities such as I&D, production, warehousing, distribution, marketing, commercial functions, and support functions, is organisationally aligned with one of these divisions based on its primary activity. A campus refers to a site that includes both I&D and production activities.

- The GMSQ division supervises industrial sites and campuses in Germany (Riems), Brazil (Campinas, Juatuba, and Paulinia), China (Hangzhou and Beijing), Canada (Guelph), United States (Lenexa, Verona, and Anniston), France (Laval, Libourne, and Loudéac), Italy (Cavriago and Porto Empedocle), Hungary (Budapest), Mexico (Cuernavaca);
- The Group Operations division supervises industrial sites in South Africa (Johannesburg), Algeria (Algiers), Australia (Glenorie), India (Pune), Morocco (Casablanca), Tunisia (Tunis);
- The I&D department supervises research and development sites in Germany (Dessau) and Japan (Yokohama);
- The Digital Transformation division oversees an equipment industrial site in France (Brest – Ecat-ID – Desvac);
- The Autogenous Vaccines division supervises sites in Germany (Felgentrager), Canada (Gallant), France (Angers), and United Kingdom (Compton), Allemagne (Felgentrager), Canada (Gallant), France (Angers).

Please note that this list of sites does not include all subsidiaries of the Group, including commercial subsidiaries present in over 40 countries.

## **1. One Ceva**

### **1.1. Skills development**

#### **1.1.1. Staff turnover**

The employee turnover rate represents the rate at which Group employees leave the organisation.

Employee turnover is calculated as follows: number of resignations of permanent staff in 2022 / permanent workforce as of 31st December 2022.

Employees who joined the company less than six months ago and employees gained via an acquisition made during the year do not figure in this calculation.

#### **1.1.2. Percentage of staff benefiting from an annual appraisal**

The percentage of appraisals is calculated based on the number of individual appraisals signed as complete by both the employee and their manager in People Cloud. Employees who have been absent for more than 10 months during the year and those who were absent during the review period (from December 2021 to the end of February 2022) do not figure in this calculation.

#### **1.1.3. Percentage of employees given training at least once over the course of the year**

This metric reflects the number of permanent employees within the Group who have undergone at least one training (in-person or e-learning) in 2022. The calculation includes both training held locally and those offered by the Group (mandatory or optional) through the dedicated tool PeopleCloud.

To determine the percentage: the number of permanent employees who have received at least one training in 2022 / the total number of permanent employees present as of December 31, 2022.

### **1.2. Percentage of employees with access to employee representatives or trade unions**

This calculation reflects the number of employees benefiting from agreements or measures negotiated between the organisation's management and employee representatives (unions, employee committees, employee representatives, etc.), or from measures directly discussed between management and workers.

This percentage is generated by: number of employees belonging to organisations such as trade unions which represent employees or engage in social dialogue directly with management / the total workforce.

### **1.3 Health and safety**

#### **1.3.1. Workplace accidents**

A workplace accident is an unforeseen event that occurs during work and results in injury or illness leading to death, loss of consciousness, sick days, reduced capacity to perform certain tasks, the need for medical treatment, or transfer to another job. It does not include cases where only first aid is administered. Accidents that occur during the commute between home and the workplace are not considered work accidents.

#### **1.3.2. The number of days of sick leave taken following an accident at work**

The number of days of absence refers to the total number of calendar days the employee must take off work, as prescribed by a doctor, starting from the day after the accident at work.

### 1.3.3. Hours worked

The hours worked reflect the working hours of Group employees. They are determined based on the theoretical working hours. They are calculated monthly using the average number of monthly hours worked per employee in the country and the total number of full-time posts. This data is provided by the Group's Human Resources department.

### 1.3.4 The rate of workplace accidents resulting in being signed off work

This metric is measured per million of hours worked, and represents the rate of accidents that resulted in an employee being put on sick leave by a medical doctor the day after the incident, for at least a day.

The rate is calculated using both permanent and temporary employees.

### 1.3.5. The severity of accidents resulting in time off work

The rate of severity of workplace accidents causing time off work is based on the number of days off work following a workplace accident, per thousand hours worked. This includes both permanent and temporary workers.

### 1.3.6. Reporting scope

These indicators are based on data from all campuses, industrial sites, and commercial subsidiaries of the Group.

The frequency rate and severity rate indicators include 100% of the Group's internal workforce in 2022, including temporary workers.

## 1.4. Human rights

### 1.4.1. Workforce gender balance

The Group's workforce is the total number of permanent employees present as of 31st December 2022. Employees who had left by 31st December 31st of the reporting year are also included in the calculation.

### 1.4.2. Percentage of female employees with a pay gap of less than 10% as compared to male colleagues

Employee gender pay equality is determined based on the Hay method of job evaluation.

This metric is calculated by: the number of female employees in the Group as of 31st December, 2022, with a salary gap of less than 10% compared to the male workforce, per country and per Hay category / the Group workforce of employees with comparable salaries as of 31st December.

Excluded from this calculation is:

- Expatriation (employees paid in a currency different from the local currency);
- Hay category by country with only men or women;
- Employees with no available information on salary currency.

### 1.4.3. Percentage of employees with access to social benefits (healthcare, retirement, life insurance)

The rate of social coverage rate is: the number of employees in the Group who have social coverage for health, death, disability, and retirement / the total number of employees.

### 1.4.4. Percentage of workers trained in the anti-discrimination and harassment module

This indicator measures the number of employees who have been trained on the Group's harassment and discrimination policy. The rate is obtained through the following calculation: number of permanent employees trained as of 31st December 2022 / total number of permanent employees. Employees who were trained but failed the module's mandatory e-learning test are not included.

### 1.4.5. Percentage of disabled workers

This metric measures the number of employees who have disclosed their disability to local management. It is calculated using number of employees with disabilities in accordance with local legislation / the total number of employees in the Group. Employees of the Ukrainian subsidiary are excluded as they were unable to respond due to the current conflict.

## 1.5. Ethical business practices

### 1.5.1. Percentage of assigned employees that completed the Compliance Awareness Campaign module

The percentage of assigned employees who have been trained in the Compliance Awareness Campaign module includes employees across the entire Ceva Group.

This excludes non-permanent staff and employees whose status was inactive as of 31st December 2022.

An employee is considered trained when the training has been successfully completed, meaning that the employee has passed the end-of-module test.

This percentage is calculated as follows: total number of trained assigned employees / total number of assigned employees \* 100.

### 1.5.2. Percentage of assigned employees that completed the Global Anti-Bribery module

The percentage of assigned employees who have been trained in the Global Anti-Bribery module reflects the percentage of employees belonging to Hay grades 16 to 29 who have been trained in this module as of 31st December 2022.

The module must be completed every three years, calculated based on the anniversary of the initial training.

This excludes non-permanent staff and employees whose status was inactive as of 31st December 2022. Additionally, some employees who do not belong to the targeted grades nonetheless completed the module.

An employee is considered trained when the training has been successfully completed, meaning that the employee has watched the entire module and passed the end-of-module test.

This percentage is calculated as follows: total number of trained assigned employees / total number of assigned employees \* 100.

### 1.5.3. Percentage of assigned employees trained in the Global Anti-Money Laundering module

The percentage of assigned employees trained in the Global Anti-Money Laundering module corresponds to the percentage of employees belonging to Hay grades 17 to 29 who have been trained in the module as of 31st December 2022.

The module must be completed every three years, calculated based on the anniversary of the initial training.

This excludes non-permanent staff and employees whose status was inactive as of 31st December 2022. Additionally, some employees who do not belong to the targeted grades nonetheless completed the module.

An employee is considered trained when the training has been successfully completed, meaning that the employee has watched the entire module and passed the end-of-module test.

This percentage is calculated as follows: total trained assigned employees / total assigned employees \* 100.

### 1.5.4. Percentage of assigned employees that completed the Global Business Ethics module

The percentage of assigned employees who have been trained in the Global Business Ethics module corresponds to the percentage of employees belonging to Hay grades 17 to 29 who completed it as of 31st December 2022.

The module must be completed every three years, calculated based on the anniversary of the initial training.

This excludes non-permanent staff and employees whose status was inactive as of 31st December 2022. Additionally, some employees who do not belong to the targeted grades nonetheless completed the module.

An employee is considered trained when the training has been successfully completed, meaning that the employee has watched the entire module and passed the end-of-module test.

This percentage is calculated as follows: total number of trained assigned employees / total number of assigned employees \* 100.

## 1.6. Personal data

### 1.6.1. Percentage of assigned employees (excluding HR) that completed the GDPR module

The percentage of assigned employees (excluding Human Resources) who have been trained in the GDPR module corresponds to the percentage of employees throughout the Ceva Group (excluding HR) who have completed the module as of 31st December 2022.

A distinction is made between employees assigned to training in Europe and those outside Europe. As GDPR is a European regulation, it is expected that employees in Europe complete the training. For employees outside Europe, this training serves to raise awareness of personal data concerns.

This excludes non-permanent staff and employees whose status was inactive as of 31st December 2022.

An employee is considered trained when the training has been successfully completed, meaning that the employee has watched the entire module and passed the end-of-module test.

This percentage is calculated as follows: total number of trained assigned employees / total number of assigned employees \* 100.

### 1.6.2. Percentage of assigned HR employees that completed the GDPR module

The percentage of assigned employees (HR) who have been trained in the GDPR module corresponds to the percentage of employees belonging to the Human Resources department who completed training as of 31st December 2022.

Requirements for staff in HR differs from other employees. As the HR department deals with sensitive data, a specific module has been assigned in addition to the generalist module. For this reason, there is no distinction between staff in Europe and outside of Europe.

This indicator excludes non-permanent staff and employees whose status was inactive as of 31st December 2022.

An employee is considered trained when the training has been successfully completed, meaning that the employee has watched the entire module and passed the end-of-module test.

This percentage is calculated as follows: total number of trained assigned employees / total number of assigned employees \* 100.

## 2. One Health

### 2.1. Animal welfare

#### 2.1.1. Percentage of assigned employees who completed the training on the implementation of the Ceva charter on the care and welfare of animals

The percentage of assigned employees who completed the training on the implementation of the Ceva charter on the care and welfare of animals corresponds to the percentage of employees working directly or indirectly animals who have been trained in the module as of 31st December 2022.

The employees in need of this training were identified by contacting:

- Research & Development managers
- Welfare officers
- Franchise directors and geographical zone directors

In addition, members of the Group ethics committee and the French ethics committee were automatically included. Finally, employees whose job titles include the terms "Caretaker," "Care," or "Cleaner" were also included.

However, some employees who meet these criteria were not identified (due to oversight) and therefore were not assigned the training (29 individuals).

This indicator excludes non-permanent staff and employees whose status was inactive as of 31st December 2022.

An employee is considered trained when the training has been successfully completed, meaning that the employee has watched the entire module and passed the end-of-module test.

This percentage is calculated as follows: total number of assigned employees who completed the training / total number of assigned employees \* 100.

## 2.2. Product quality

### 2.2.1. Number of recalls relative to the total number of products sold

A manufactured batch is a set of units resulting from a series of processes (manufacturing, packaging) carried out under nearly identical circumstances. Each batch is recorded and identified with a unique batch number.

The recall of a batch is carried out following a report of an incident or accident during its manufacturing or use. A batch recall always requires regulatory authorities to be notified.

The percentage of product recalls is calculated as follows: the number of batch recalls that occurred during the year / the total number of manufactured batches during the same period \* 100.

This indicator covers all Ceva product batches manufactured by industrial sites or campuses under the GMSQ department, by subcontractors, representing 80% of the Group's sales in 2022.

## 3. One Planet

### 3.1. Environment

#### 3.1.1. Carbon footprint, water consumption, consumption from stationary sources of fossil fuel combustion, electricity consumption, and network steam consumption

##### 3.1.1.1. Methodology

Fossil fuel combustion stationary sources include the following primary energy sources: natural gas, LPG, fuel oil, diesel, propane. They are used for the purpose of heat and electricity generation. They are expressed in a single unit: MWh HHV (Higher Heating Value).

Direct and indirect emissions (Scope 1, Scope 2, and Scope 3) have been calculated using the methodology recommended by the GHG Protocol:

- Scope 1: Emissions from stationary combustion sources (natural gas, LPG, propane, fuel oil, diesel, wood), mobile combustion sources (commercial fleet, service vehicles), and refrigerant leaks. These emissions do not include biogenic CO<sub>2</sub> emissions.
- Scope 2: Electricity and steam consumption from the external grid and steam network.

- Scope 3 - Purchased goods and services: Emissions from purchased raw materials and consumables used in the production phase, non-production purchases, and purchased services.
- Scope 3 - Other: Emissions related to other Scope 3 categories, including capital goods, energy-related activities (excluding combustion), upstream and downstream transportation, business travel (only air travel), waste generated during operations, and leased assets upstream.

The data for calculating Scopes 1 and 2 was gathered from each entity for 2022. Emissions factors for each source were obtained from national agency databases (such as IEA, the French Environment and Energy Management Agency, DEFRA, IPCC) and specific energy suppliers' data. The most up-to-date emission factors were used whenever available.

The data necessary for calculating Scope 3 emissions was gathered from the organisation's central functions and from each entity as required. The emission factors were sourced from databases of national agencies/institutions and life cycle data.

#### 3.1.1.2. Parameters

Calculations for Scopes 1 and 2 (excluding commercial fleet) includes data from all campuses, I&D sites, and industrial sites of the Group. Calculations of water, electricity, and gas consumption were also made based on the same parameters.

100% of production sites and I&D sites are included in this metric. The 20% of employees not covered are accounted for in the upcoming calculation of Scope 3 under "Upstream leased assets", as they work in rented offices.

Emissions related to employees' business travel by car includes countries with the Group's main commercial fleets (approximately 80% of the commercial fleet), as well as vehicles owned by the general services of production sites.

The calculation scope for Scope 3 related to the purchase of goods and services covers all Group purchases.

### 3.2. Sustainable procurement

#### 3.2.1. Percentage of indirect purchases made near Ceva sites in France, Hungary, and USA

The percentage of indirect purchases made close to Ceva sites reflects the percentage of indirect purchases made from 1st January 2022 to 31st December 2022 from suppliers in the same regions as Ceva facilities, including:

- France: Nouvelle-Aquitaine (Libourne), Pays de la Loire (Laval), and Brittany (Loudéac).
- Hungary: Budapest and Pest County (Phylaxia).
- USA: Kansas (Lenexa) and the neighbouring states of Iowa, Nebraska, and Missouri.

The sites in Libourne, Laval, Loudéac, Hungary, and the USA account for 54% of the Group's indirect purchases.

This percentage is calculated as follows: total expenses incurred by the legal entities in France, Hungary, and the US in the regions of their sites during the reporting period / total expenses incurred by these legal entities during the reporting period \* 100.

#### 3.2.2. Percentage of buyers trained in the Charter for responsible supplier relations

The percentage of buyers trained on the Charter for responsible supplier relations corresponds to the percentage of employees working in procurement who have been trained on the Charter as of 31st December 2022. This includes Purchasing department staff or those with a similar remit outside of the department, as is the case in some subsidiaries where there are no employees with the job title of "buyer".

The assigned employees are either identified through the People Cloud tool based on their link to the Purchasing department or by the Sourcing & Innovation manager in subsidiaries where there are no buyers. In addition, employees from the Global External Manufacturing (GEM) department who manage relationships with subcontractors are also included.

An employee is considered trained when the training has been successfully completed, meaning that the employee has passed the end-of-module test.

This indicator excludes non-permanent staff and employees whose status was inactive as of 31st December 2022.

This percentage is calculated as follows: total number of trained assigned employees / total number of assigned employees \* 100.

Considering the nature of our activities, we believe the following themes do not represent a primary CSR risk and do not require further development in this DPEF:

- Societal commitments to sustainable development;
- Societal commitments to circular economy;
- Societal commitments to combating food waste;
- Societal commitments to fighting food insecurity;
- Societal commitments to responsible, fair, and sustainable food;
- Societal commitments to promoting physical activity and sports participation.

This is a free translation into English of the original report issued in the French language 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 professional standards applicable in France.

## Ceva Santé Animale

Year ended the 31<sup>st</sup> December 2022

Independent third party's report on consolidated non-financial statement

EY & Associés

# Ceva Santé Animale

Year ended the 31<sup>st</sup> December 2022

## Independent third party's report on consolidated non-financial statement presented in the management report

This is a free translation into English of the original report issued in the French language 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 professional standards applicable in France.

To the General Assembly,

In our quality as an independent third party, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website [www.cofrac.fr](http://www.cofrac.fr)), and as a member of the network of one of the statutory auditors of your entity (hereinafter "entity"), we conducted our work in order to provide a conclusion expressing a limited level of assurance on the compliance of the consolidated non-financial statement for the year ended 31<sup>st</sup> December 2022 (hereinafter the "Statement") with the provisions of Article R. 225-105 of the French Commercial Code (Code de commerce) and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

### Conclusion

Based on the procedures performed, as described in "Nature and scope of the work", and on the elements we have collected, we did not identify any material misstatements that would call into question the fact that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

### Comment

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

- Regarding responsible purchasing, the policy and action plans have not yet been formalized.

Ceva Santé Animale



## Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

## Limitations inherent in the preparation of the Information

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

## The entity's responsibility

It is the responsibility of the Board of Directors to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators;
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's procedures, the main elements of which are presented in the Statement.

## Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

However, it is not our responsibility to comment on :

- the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation;
- the compliance of products and services with the applicable regulations.

#### Regulatory provisions and applicable professional standards

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000<sup>1</sup>.

#### Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

#### Means and resources

Our verification work mobilized the skills of six people and took place between November 2022 and June 2023 on a total duration of intervention of about twelve weeks.

We conducted several interviews with the persons responsible for the preparation of the Statement, including in particular the Purchasing, Quality, Human Resources, Animal Welfare, Legal, Environment, Health and Safety, and Personal Data Protection departments.

#### Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III of the French Commercial Code;

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<sup>1</sup> ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information

- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as its their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (Social dialogue, Personal data, Human Rights, Business Ethics, Animal Welfare, Product Quality and Safety, Responsible Purchasing) our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities: Phylaxia (Hungary), Dessau (Germany);
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1 , we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 18%and 32%of the consolidated data relating to the key performance indicators and outcomes selected for these tests (18%of the workforce, 24%of scope 1 and 2 CO2 emissions, 32%of work accidents with time off);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

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

Paris-La Défense, the 14<sup>th</sup> of June 2023

French original signed by:

Independent third party  
EY & Associés

Philippe Aubain  
Partner, Sustainable Development

## Appendix 1 : The most important information

| Social Information   |  |
|--|--|
| Quantitative Information (including key performance indicators)  | Qualitative Information (actions or results)   |
| Lost-time injury frequency rate (TF1).<br>Injury severity rate (TG).<br>Staff turnover rate (with resignations) (%).<br>Percentage of employees who received training during the year - scope: France (%).<br>Rate of employees covered by the presence of staff or union representatives (%).<br>Percentage of skills assessment carried out (%).   | Health and safety (accident prevention, working conditions and well-being).<br>Employee development (training, support for skills development, social dialogue).   |
| Environmental Information  |  |
| Quantitative Information (including key performance indicators)  | Qualitative Information (actions or results)   |
| Electricity consumed (MWh).<br>Consumption of fossil fuels (MWh PCS).<br>External steam consumption (MWh).<br>Water consumed (m3).<br>Hazardous and non-hazardous waste generated (tons).<br>CO2 emissions scope 1 and scope 2 (tons CO2e).<br>Scope 3 CO2 emissions - Purchases of goods and services (tons CO2e).  | Actions to reduce energy and water consumption, and waste generation.  |
| Societal Information   |  |
| Quantitative Information (including key performance indicators)  | Qualitative Information (actions or results)   |
| Share of indirect purchases made around sites - France, Hungary and USA (%).<br>Percentage of assigned employees trained in the Responsible Supplier Charter (%).<br>Proportion of men and women in the workforce (%).<br>Gender mix among managers and executives (%).<br>Percentage of women employees with a pay gap of less than 10%with men (%).<br>Percentage of employees trained in Discrimination and Harassment training (%).<br>Percentage of employees with disabilities (%).<br>Percentage of assigned employees trained in Anti-Bribery module, Anti-Money Laundering, Business Ethics, Compliance Awareness Campaign (%).<br>Percentage of assigned employees (Europe, outside Europe RH) having completed the RGPD training (%).<br>Share of assigned employees who have completed training on application of the Animal Welfare Charter (%).<br>Number of product recall events as a percentage of total products sold (%). | Responsible purchasing (continuity of supply and involvement local fabric).<br>Actions to prevent human rights violations human rights violations (harassment and discrimination partners and subcontractors).<br>Actions to promote animal welfare.<br>Actions to guarantee business ethics.<br>Actions to guarantee product quality and safety of products.<br>Actions to protect personal data and RGPD compliance. |

## **Ceva Santé Animale**

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*Together, beyond animal health*

