



Care at our Heart

CVS Group plc
Sustainability Report 2023





Care at our heart: Making Strides

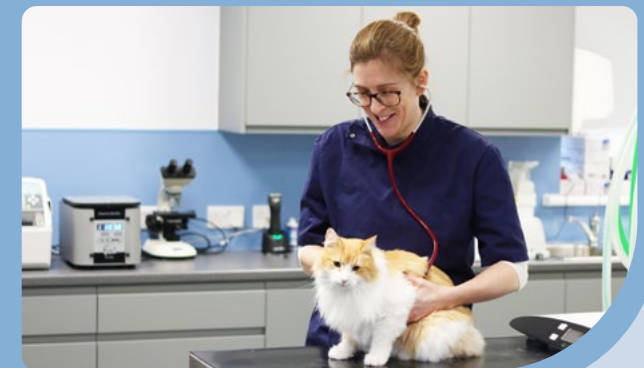
CVS Group plc is an AIM-listed veterinary group and one of the leading providers of veterinary services, with practices in the UK, Australia, the Netherlands and the Republic of Ireland.



Discover more about CVS at
cvsukltd.co.uk

Contents

- 2 Introduction from Richard Fairman
- 4 Our Business
- 5 Our ESG Strategy
- 6 Governance
- 7 Stakeholders/Value Chain
- 10 Our Energy and Carbon Programme
- 13 Our Waste Programme
- 15 Our One Health Programme
- 17 Our People Development Programme
- 21 Our Wellbeing Programme
- 24 Our Equity, Diversity and Inclusion (EDI) Programme
- 27 Materiality Assessment and Target Setting
- 30 TCFD Statement
 - 31 Governance
 - 33 Business Model and Strategy
 - 37 Risk Management
 - 39 Metrics and Targets
- 41 SASB
- 54 Summary



Introduction from Richard Fairman

Chief Executive Officer



I am pleased to introduce CVS's second Sustainability Report, which demonstrates important progress on the issues that most matter to our stakeholders.

Our Environmental, Social and Governance (ESG) strategy, "Care at our Heart" is based on our care for animals, people and environment.

Our sustainable future, and therefore our ESG strategy, is built upon our need to care about:

- > **Our patients and their owners** – our customers are at the heart of what we do – they are the reason our Company exists;
- > **Our colleagues** – our colleagues make CVS – without them we could not run our Company;
- > **Our communities** – our communities give us a social license to operate, which is required to be a trusted veterinary services provider;
- > **Our Suppliers** – our suppliers provide us with the resources to provide high quality care to our patients;
- > **Our environment** – our long-term success depends on the sustainable use of the planet's resources;
- > **Our profession** – our industry bodies help set the course of the profession, train veterinary professionals of the future, and give us unique first-hand insight into environmental and social issues; and,
- > **Our investors** – our investors provide us with the capital we need to run our Company.

"CVS is a caring business with conscientious people and our purpose is to provide the best possible care to animals."



Since 2022 our ESG programmes have been galvanising a Company-wide effort involving our people and our suppliers.

We developed our ESG strategy, which involved at the outset, forming six executive-led working groups to focus on the programmes that are most important to our stakeholders:

- > Energy and Carbon
- > Waste
- > One Health
- > People Development
- > Wellbeing
- > Equity, Diversity and Inclusion

These ambitious ESG programmes are featured in this report.

Introducing our Champions

In order to execute our plans we need the entire Company behind us and we have developed a network of wellbeing and environment champions across the estate. Our Wellbeing Champions role model and promote a healthy culture in the workplace as well as promoting and implementing local wellbeing and Company-wide initiatives. Our Environment Champions raise awareness of our impact on the environment in their practice and encourage their colleagues to act. Both sets of champions act to help execute our six programmes at every level of the business.

Our Sustainability Targets

In 2023, we now better understand the metrics we need to target and how much we can achieve. These new targets are ambitious and show our intent to become a more sustainable company. You will see them featured in each of our programme sections.

The following pages are structured to show the challenge we face; the approach we are using to become a more sustainable company; our programme of work in the period; and the results we have achieved as well as providing guidance about what is coming next.

I am hugely proud of the effort put in by our teams to work towards our sustainable future.

Richard Fairman
Chief Executive Officer
September 2023

“These new targets are ambitious and show our intent to become a more sustainable company.”



Our people-focused strategy delivers the best possible care to animals

CVS Group plc is an AIM-listed veterinary group and one of the leading providers of veterinary services, with practices in the UK, Australia, the Netherlands and the Republic of Ireland.

Highlights

1.2m

Companion animals
(2022: 1.2m)
under our care

472

Veterinary practices
(2022: 472)
throughout the UK, including
27 in the Netherlands and three
in the Republic of Ireland

489k

**Members of the Healthy
Pet Club**
(2022: 470k)
which is our preventative
healthcare scheme

4

**Clinicians on our
Executive Committee**
(2022: 3)
including three veterinary
surgeons and one qualified
veterinary nurse

150

**Practice Standards
Scheme Awards**
(2022: 159)
in our UK companion animal
first-opinion practices

+14.6

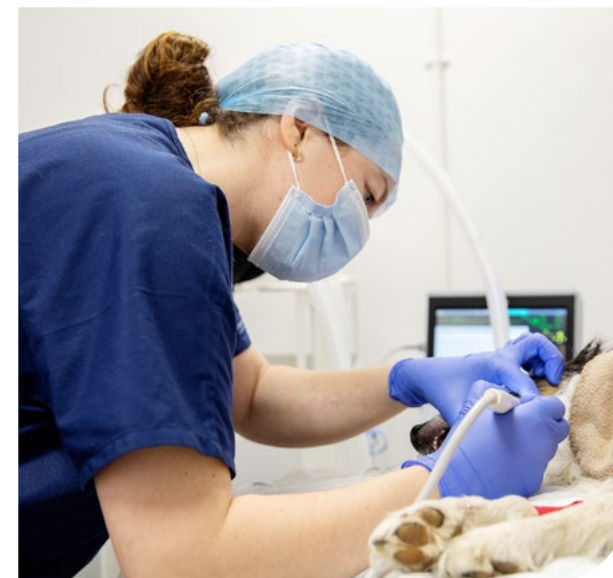
**Employee Net
Promoter Score**
(2022: +4.8)

8,520

Colleagues employed
(2022: 7,913)
including 2,215 veterinary
surgeons and 3,215 nurses

£1.4bn

**Market capitalisation at
30 June 2023**
(2022: £1.2bn)





Understanding our impacts

Our ESG strategy is based on six programmes that we strongly believe will impact on what we care about most.

Our **Energy & Carbon** programme helps to reduce climate change risks and builds trust with our stakeholders – including clients, colleagues and communities. It also drives cost savings and is welcomed by our investors.

The **Waste** programme is helping us manage the substantial amount of environmental waste that is produced in veterinary medicine. Our aim is to reduce the impact on our environment and communities through *our reduce, reuse and recycle* programme.

Our **One Health** programme focuses on the areas where veterinary medicine can impact upon the environment and public health while balancing our primary responsibility for animal welfare. We aim to improve the use and misuse of antimicrobials and how we utilise medicines and anaesthesia that could impact on our environment, our patients and our communities. Our response is to use a Quality Improvement approach using data and other feedback to drive change throughout our practices.

The **People Development** programme is all about building our long-term capability by attracting, developing and retaining the very best colleagues. We want to develop our people in their current roles, enhance our pipeline for future recruitment and engage with wider communities about the opportunities within our sector.

Coupled, with developing our colleagues, the **Wellbeing** programme aims to ensure we retain the best people and to create a healthy, motivated and stable workforce for the long-term. We are taking significant steps to reduce work-based stress, create a healthy and safe workspace, support good mental health and wellbeing, and protect our colleagues.

Finally, our **Equity, Diversity and Inclusion (EDI)** programme aims to ensure we are fostering an inclusive and equitable workplace environment and cultivating a “just culture” where learning is continuous, diverse perspectives are invited and everybody is welcome to question and contribute. We believe there is a strong correlation between colleagues feeling included and how positive they feel about our Company.





Leading by example

Putting care at our heart is a concept embedded throughout our business and we encourage our colleagues to take personal responsibility for ensuring our values are upheld and we continually drive towards a sustainable future.

This is driven directly from the Board of Directors and key leaders within the business who co-ordinate our strategic efforts to drive change.

Our Chief Executive Officer, Richard Fairman, takes ultimate responsibility for delivery of our ESG strategy. Updates on key activities and progress are delivered at each meeting of the Board (eleven times per year). Richard chairs the ESG Implementation Group, which meets periodically to co-ordinate and steer the activities of the Group as a whole, and agree wider priorities for the Working Groups. Our Working Groups are responsible for setting their own objectives and taking action to achieve these objectives. These groups are chaired by senior business leaders, from our Senior Leadership Group and Executive Committee. The Working Groups and the ESG Implementation Group meet together twice a year to discuss progress, challenges and opportunities.





Care at our heart

Putting care at the heart of our business enables us to embed sustainability throughout our operations, business model and value chain. We continue to focus on delivering added value to all our stakeholders which feeds the positive cycle of performance.

In our Annual Report we have set out how and why we engage with our seven key stakeholder groups: our patients and owners, our colleagues, our communities, our profession, our investors, our suppliers and our environment.

Alongside building positive working relationships with these stakeholders, we care about driving positive change, behaviours and actions within these key stakeholder groups and the environment.



Discover more about CVS at cvsukltd.co.uk

Stakeholders/Value Chain continued



	Our patients and their owners	Our colleagues	Our communities
Who are they?	All of the animals that we treat and their owners	Everyone who is directly employed by CVS	Those who live in areas where we have practices and sites
Why do they matter to us?	Our customers are at the heart of what we do – they are the reason our company exists	Our colleagues make CVS – without them we could not run our Company	Our communities give us a social license to operate, which is required to be a trusted veterinary services provider
What do they expect from us?	<ul style="list-style-type: none"> > Access to end-to-end care through our first-opinion practices, our specialist-led, multi-disciplinary referral hospitals, our diagnostic laboratories and, at the end of an animal's life, our compassionate cremation services > Out-of-hours services > Consistently high clinical standards > The prioritisation of animal welfare > Regular check-ups and routine treatments (e.g. vaccines, flea treatments, and worming) > High standards of pain management, particularly in surgical patients 	<ul style="list-style-type: none"> > Supporting their wellbeing > Creating an equitable, diverse and inclusive working environment > Providing career progression, learning and development opportunities including continued professional development (CPD) and access to top-tier clinical expertise > Maintaining high standards of clinical governance > Having a culture of open dialogue and learning > Offering competitive rewards and benefits > Offering an industry-leading graduate programme 	<ul style="list-style-type: none"> > Focus on quality improvement including antimicrobial stewardship > Outreach to schools > Donations to relevant charities
What are the desired outcomes?	<ul style="list-style-type: none"> > A healthy pet population > Outstanding clinical expertise > The best possible service for pet owners and their animals 	<ul style="list-style-type: none"> > Becoming the veterinary company people most want to work for > Fulfilled vets and nurses who have the equipment and support to provide the best possible care for animals > Equal opportunities for all colleagues > A healthy and safe workspace > Having the best Learning, Education and Development (LED) platform in the industry 	<ul style="list-style-type: none"> > Reduce inappropriate or unnecessary use of antimicrobials > Increase the socio-economic diversity of qualified veterinary surgeons and nurses in CVS and the wider profession > Raising money for relevant charities
What are our KPIs?	<ul style="list-style-type: none"> > Our customer Net Promoter Score has increased to +73.0 (2022: +71.9) > Membership of our preventative healthcare schemes, Healthy Pet Club and Healthy Horse Programme, have increased to 489,000 (2022: 470,000) > Patient Care Index, our measure of quality within our practices, has decreased by 1.5 percentage points 	<ul style="list-style-type: none"> > Employee Net Promoter Score has increased to +14.6 (2022: +4.8) > The average number of colleagues we employ has increased 7.7% > Expenditure on training and development per employee has increased 8.0% > Female representation on the Board is 25.0% and Executive Committee is 28.6% > Female representation in all other roles is 87.0% > Ethnic minority representation on the Board and Executive Committee is 14.3% > Ethnic minority representation on all other roles is 2.8% 	<ul style="list-style-type: none"> > Prescriptions of highest priority, critically important antibiotics have decreased by 20% over the past two years > In 2023, we donated £19,000 to Pet Blood Bank which was matched by the Group in a donation to Vetlife



	Our profession	Our investors	Our suppliers	Our environment
Who are they?	The veterinary profession, colleagues, associations and schools	Individuals or organisations which invest in CVS through shares	Organisations that provide us products and services	Our natural environment
Why do they matter to us?	Our industry bodies help set the course of the profession, train veterinary professionals of the future, and give us unique first-hand insight into environmental and social issues	Investors provide us with the capital we need to run our Company	Without our suppliers, we would not have the materials we need to provide great clinical care	Our long-term success depends on the sustainable use of the planet's resources
What do they expect from us?	<ul style="list-style-type: none"> > Regular liaison with industry bodies including the Royal College of Veterinary Surgeons, British Veterinary Association, British Veterinary Nursing Association, and more > Support of veterinary schools with intra-mural studies and extra-mural studies 	<ul style="list-style-type: none"> > Delivering sustained financial performance > Having open dialogue and communication with our shareholders > Adherence to reporting requirements including Streamlined Energy and Carbon Reporting (SECR) > Link shareholder returns and targets to Long-Term Incentive plan (LTIP) awards for Executive Directors > Link annual bonus targets for Executive Committee members to non-financial measures including sustainability 	<ul style="list-style-type: none"> > Responsible sourcing, including sustainable packaging > Introduction of greener deliveries > Recycling of packaging > Support on tackling new illnesses and diseases 	<ul style="list-style-type: none"> > Responsible sourcing, including sustainable packaging > Waste reduction initiatives and the analysis of waste collection data > Use 100% renewable electricity in veterinary practices > Introduction of a greener vehicle fleet
What are the desired outcomes?	<ul style="list-style-type: none"> > Investment in the veterinary profession > Raising standards across the industry > Increasing the numbers of high flying graduate veterinary professionals 	<ul style="list-style-type: none"> > Sustainable shareholder value and long-term growth > Shareholder consultation on key issues raised through AGM voting or through regular meetings > Shareholders have access to senior management and receive appropriate communications 	<ul style="list-style-type: none"> > Collaborative initiatives that reduce plastic, packaging and delivery emissions 	<ul style="list-style-type: none"> > Monitoring and reducing our environmental impact > Reduced waste > Reduced emissions > Reduced carbon footprint > Partner with National Trust and tree-planting initiative > Launch of CVS Print Hub to reduce environmental impact of printing > Reduction in Vet Direct catalogue printing
What are our KPIs?	<ul style="list-style-type: none"> > Involvement in setting strategy and policy, collaborative projects, meetings and events > Tracking the numbers of veterinary and nurse students we have supported with training 	<ul style="list-style-type: none"> > At the year end the Company's market capitalisation was £1.4bn (1,970p per share), compared to £1.2bn (1,656p per share) at the previous year end > Attendance at broker conferences > Engagement with investors 	<ul style="list-style-type: none"> > Work with our suppliers to reduce waste entering via our supply chain and create environmental supplier standards to set out our expectations and promote good environmental practice from our partners > Reduce the volume of products we use that generate large amounts of waste 	<ul style="list-style-type: none"> > Our energy consumption has fallen by 12.3% and our total emissions have fallen by 11.1% > 577 tonnes of medical waste and 1,090 tonnes of non-medical waste were produced in 2023 (590 and 1,009 in 2022) > In 2023, 36.1% of medical waste was disposed via landfill (2022: 32.8%), 33.1% via incineration (2022: 33.0%) and 30.8% via re-use as refuse derived fuel (2022: 34.2%)



“We are investing in a range of interventions to conserve energy, increase energy efficiency and reduce our carbon footprint.”

Our challenge

Our long-term success depends on the sustainable use of the planet's resources.

Climate crisis

Global greenhouse gas (GHG) emissions are now at their highest levels in history. Climate change is already affecting the way we live today through extreme weather, rising temperatures and sea levels. A 1.5°C temperature rise also puts up to 30% of wildlife at risk of extinction.

How this relates to CVS

Climate change has the potential to impact our business in a number of ways, including extreme weather and water scarcity. Reducing our emissions helps to minimise these risks and builds trust with our stakeholders – including clients, colleagues and communities. It may also help to drive efficiencies and cost savings in the longer term, making our business more cost effective.

How we are responding

Caring for animals goes hand-in-hand with caring for the natural environment. We care about doing our job in a way that is sustainable and that does not compromise the natural environment. Our aim is to minimise our impact on the planet in a way that supports and develops our services and clinical expertise.

Our approach

As a leading UK veterinary company, we know we must play our part.

We are investing in a range of interventions to conserve energy, increase energy efficiency and reduce the carbon footprint of our own operations and those within our wider supply chain.

Our energy and carbon reduction work streams have targeted three specific areas:

1. User awareness and consumption management.
2. Enhancing construction, maintenance and property leasing activities.
3. Capital expenditure in energy saving.

As part of our adoption of Streamlined Energy and Carbon Reporting (SECR), we have undertaken work to reduce our Scope 1, 2 and 3 emissions, as well as broadening the extent of our reporting to include details of greenhouse gas emissions (including anaesthetics) which are not covered by SECR.



The programme

We have continued to implement a broad range of energy and carbon reduction initiatives over the course of 2022-2023.

1. User awareness and consumption management

Environment Champions

In 2023, we appointed 260 new Environment Champions. This volunteer network of CVS colleagues represent every practice or building and in some cases several locations.

Their purpose is to help raise awareness, embed a sustainable approach, and encourage colleagues to reduce our environmental impact across our business. Reducing energy consumption and its associated carbon footprint is one of their key roles.

Our champions have launched a series of initiatives to help our colleagues reduce and conserve energy in the most efficient way across all of our sites.

Recent campaigns have included:

- > checking the energy controls in their building to see if heating is being used at the right time in the right rooms and turning down the heating overnight in rooms which are not being used;
- > switching off IT equipment when not in use and overnight; and
- > turning off the lights in rooms when they are not in use.

Moving forward, an annual programme is being developed, quarterly meetings held and support materials produced to help our champions with their work.

Practice Standards Scheme

From 1 June 2023 our practices will be undertaking a new *Environmental Sustainability* module in the *RCVS Practice Standards Scheme* (PSS).

With a focus on environmental sustainability, it will provide practices with the tools and structure to reduce their environmental impact, including reducing greenhouse gas emissions from both the clinical and non-clinical areas of their practice.

The new module will require them to: have a written environmental policy; have an environment champion; have ideas and improvements suggestions scheme; communicate their achievements; plan appointments to reduce mileage; and minimise their anaesthetic gas usage.

2. Enhancing construction, maintenance and property leasing activities

Greener buildings

We have pledged to spend up to £50m a year to upgrade and relocate current practices and to open new practices to a new minimum practice facility standard.

As part of this we have developed a set of sustainability criteria for all new, relocated and refurbished practices. This includes;

- > the use of sustainable building materials;
- > installing Building Management Systems (BMS) in our new build projects;
- > boiler upgrades and replacements to increase heating efficiency and reduce emissions;
- > better insulation to retain building heat;
- > more energy efficient LED lighting;
- > a standard heating and cooling specification for Variable Refrigerant Flow (VRF) to optimise energy efficiency and other solutions to avoid installing cooling systems where they do not impact on operational performance and clinical standards;
- > passive infrared light sensor detectors;
- > the fitting of smart meters; and
- > the installation of solar panels and electric vehicle charging where possible.

We also plan to embed sustainability support on future major projects to ensure whole life carbon emissions and impacts are carefully accounted for. Elsewhere ongoing capital expenditure projects are being rolled out to existing sites including LED lighting, efficient boilers, sensor detectors and smart meters.

We are also continuing to secure Green Leases with our landlords. This includes an obligation for both parties to share building environmental performance data, and for no alterations or maintenance to be conducted which adversely impacts a building's environmental performance.

Moving forward, we will continue to conduct an infrastructure and equipment asset survey of the Group's property portfolio. This will help us to improve future investment in energy monitoring and consumption.

We will also embed an "environmental net gain" principle for our new developments so that they will be compliant with Local Planning Authority requirements in 2023 and beyond.

Facilities management

We have enhanced our Facilities Management provision during the year and engaged with suppliers who specifically promote energy management and sustainability across their service provision to us.

Contracted in March 2023, our new national service provider Arcus, has launched their own "Pathway to Net Zero strategy" – providing a clear, measurable, and data-driven framework to ensure that its operations are net-zero by 2040, and impact is substantially reduced by 2030.



The programme continued

2. Enhancing construction, maintenance and property leasing activities continued

Facilities management continued

In our first three months of working with Arcus they have:

- > introduced 20 electric vehicles supporting our national account with a further 50 on delivery;
- > actively looked to refurbish rather than remove and destroy parts to avoid waste disposal;
- > only replaced lighting with energy efficient products;
- > consolidated “handy person” site visits into one – thus decreasing the carbon footprint of multiple visits; and
- > adopted their supply chain code of conduct to ensure sub-contractors adhere to circular economy principles.

3. Capital expenditure in energy saving

Renewable energy

We continue to source 100% of electricity in our veterinary practices from renewable sources.

Smart metering

We have started to install smart meters across our estate to monitoring energy use at each individual site.

Where installed, information is supplied back to the management team and Environmental Champion at each site so that they can monitor and adapt their ongoing use.

Moving forward, as part of our capital investment programme, smart meters will be installed at our sites as required as part of relocation and refurbishment activities where usage monitoring is not provided by other means.

Greener transport

We are introducing a greener fleet and working towards phasing out petrol and diesel vehicles by 2030.

We have a range of ultra-low emissions vehicles (ULEVs) on our company car list. This year we will also offer our UK colleagues the ability to lease an Ultra Low Emission Vehicle (ULEV) as part of a new salary sacrifice car scheme.

In addition, we offer a CVS cycle to work initiative which gives our colleagues the opportunity to exchange part of their salary in return for a bike and safety equipment, to be used primarily for part or all journeys to work.

Nitrous oxide

For decades, nitrous oxide has been used in veterinary medicine during general anaesthesia to provide analgesia and reduce the patient’s requirement for anaesthetic agents. However, there is now no clinical indication for its use, as other products are superior. The gas is also 300 times more potent than carbon dioxide and depletes the ozone layer. From July 2023, CVS practices will no longer purchase nitrous oxide for use in their patients.

Anaesthetic gas

We have started a clinical improvement project to reduce the use of the volatile inhalational anaesthesia agents, isoflurane and sevoflurane, that we commonly use to maintain anaesthesia in our patients.

They form a small part of the pollutants that enter our atmosphere and contribute to the greenhouse gas effect and therefore global warming.

In essence, the higher the fresh gas flow, the more volatile agent used, with no increased anaesthetic effect on the patient. We simply waste more of the volatile agent and carrier gas with no benefit to the patient.

Safely reducing our fresh gas flow to match our patients’ needs will reduce the amount of waste volatiles produced during each anaesthetic procedure, lightening our impact on the environment.

Tree planting

Starting in 2021, our seven crematoria across the UK have collected donations for the National Trust tree planting initiative. For every pet received for individual cremation over the last twelve months, a contribution was set aside.

Every individual cremation we directly receive nurtures British native woodland.

Reduced printing

Our veterinary equipment supplier, Vet Direct, has continued to reduce printing across its business, since carbon balancing its use of paper through the World Land Trust.

During 2022-2023 Vet Direct achieved a 100% reduction in catalogue printing and a further print reduction across its Technical and Purchasing Departments – with all practice accounts being managed digitally, including all invoices and archiving.

Scheduled orders

The introduction of Vet Direct scheduled orders has enabled nearly 100 practices to consolidate orders and reduce the number of deliveries to sites. In addition to these carbon savings, Vet Direct works nationally with the National Trust, and locally with the Tyne Rivers Trust, to plant a tree for every scheduled order over £300. 302 trees were planted during 2022-2023.

The outcome

From July 2022 to June 2023 we have:

- > Reduced our business energy use by 12.3%.
- > Reduced our operational carbon footprint by 11.1%.

Our target

During 2023-24 our targets are to:

- > Reduce our business energy use by 5%.
- > Reduce our operational carbon footprint by 3%.



Our challenge

Veterinary medicine generates substantial amounts of environmental waste which includes medical and non-medical waste, for example packaging. Managing the waste has an environmental impact depending on whether it is recycled, goes to landfill, or is incinerated. This impact is reduced if it is managed well.

Our approach

Our approach is to Reduce, Reuse and Recycle our waste wherever possible. These strands can be broken down further into the following key areas.

Reduce

- > Optimise waste segregation to divert waste to a suitable stream with the lowest carbon footprint.
- > Provide sites with accessible waste data to allow them to monitor and track their progress.

- > Work with our suppliers to reduce waste entering via our supply chain and create environmental supplier standards to set out our expectations and promote good environmental practice from our partners.
- > Reduce the volume of products we use that generate large amounts of waste.
- > Replace with products that generate less waste whilst maintaining high clinical standards.

Reuse

- > Identify and evaluate reusable product alternatives.
- > Avoid single-use items where possible.

Recycle

- > Increase the amount of waste disposed of via standard dry, mixed recycling through improved waste segregation.
- > Identify and trial dedicated schemes for harder to recycle items such as soft plastics.
- > Work with suppliers to create and share resources to promote recycling of packaging where possible.

The programme

Reduce

Optimise waste segregation to divert waste to the most sustainable stream

- > In January, we distributed posters around our practices and other sites to guide our teams about how to segregate their waste most effectively.
- > We have continued this education with the launch of a dedicated training module on our internal training platform Knowledge Hub in May 2023.

Recruit a network of Environment Champions to drive improvements in practice

- > Our network of over 260 Environment Champions are driving improved segregation of waste at our sites.
- > Their role is to engage and educate all our colleagues about how we manage our waste and energy.

Create Supplier Environmental standards to promote sustainability in our supply chain

- > A series of environmental standards have been incorporated in a new Supplier Code of Conduct.

“Our approach is to Reduce, Reuse and Recycle our waste wherever possible.”

Our Waste Programme continued



The programme continued

Reuse

Trial reusable sharps bins

- > Used sharps such as needles must be treated with great care. Standard sharps bins are single use and undergo high temperature incineration. An alternative solution where the bins are carefully emptied, cleaned, and reused would reduce the amount of waste undergoing incineration.
- > We have conducted a pilot scheme using reusable sharps bins at our ChesterGates Veterinary Specialists hospital and we are currently considering our next steps.

Identify and evaluate reusable product alternatives

- > Vet Direct provide a “green flyer” highlighting more sustainable product options to practices.
- > A working group has also been established to identify and evaluate additional reusable product opportunities.

Recycle

Recycling difficult-to-recycle items

- > We have undertaken a trial recycling scheme for foil pet food pouches at 24 of our small animal practices.
- > Working with our recycling services provider, we have identified a solution for soft plastic recycling for sites in the East of England.
- > We are also conducting a regional trial in the North of England to quantify the volume and type of soft plastics produced to allow us to explore recycling solutions for other sites.
- > Dedicated recycling schemes for batteries and printer toner cartridges are also available to our sites.

The outcome

- > In the last year we achieved a 5.6% reduction in our annual medical waste.

What next

- > Our aim is to give our sites visibility of their waste data to reflect, monitor and measure progress.
- > We will work closely with our Environment Champions to drive improved waste segregation.
- > Some of our pilot projects will be widened to include more sites thus having a greater impact.
- > We will identify additional opportunities to increase the amount of material recycled in practices.

Our target

- > In 2023/24, we aim to reduce our medical waste by a further 5%.
- > We will also aim to reduce the medical waste that is incinerated by 5%.





“By giving people closest to the issues the resources they need we provide support that enables local change.”

Our challenge

To protect the environment and public health while balancing our primary responsibility for animal welfare we are focused on the risks caused by:

- > Antimicrobial resistance – Reducing misuse and overuse of antimicrobials is an important area for continuous improvement in the battle against antimicrobial resistance (AMR), to reduce the development of drug resistant pathogens. The inappropriate disposal of antimicrobials also risks environmental contamination, which can contribute to AMR.
- > Parasiticides – The use and disposal of medicines that could get into the environment. Some of our products such as topical parasiticides, whilst important for animal health and welfare, are potentially damaging to our environment. Where possible, we want to balance this risk and are systematically looking at how we can minimise our environmental impact whilst maintaining animal welfare.
- > Anaesthetic gases – The use of anaesthetic gases that could contribute to global warming through depletion of the ozone layer. Our aim is to continue to meet the physiological needs of our patient's undergoing anaesthesia and avoid the over delivery of anaesthetic gases during their procedure, which will act to reduce our carbon footprint.

Our approach

We use a data driven approach where we seek to understand the problem and then respond to it. Where we can measure the effects of our interventions, that's exactly what we do.

Whether or not we have data, we use feedback to guide the repeated quality improvement process. Through integrating our experience with data collection and analysis, we understand our progress and enable demonstrable improvement.

We empower our people to make change locally. By giving people closest to the issues the resources they need, we provide support that enables local change driven and achieved by all our practice teams.



The programme Antimicrobial Resistance

CVS practices have reduced the number of Highest Priority Critically Important Antibiotics (HPCIA) they prescribe.

CVS's approach was to focus on HPCIA, as these are most important to human health. CVS first updated its Group-wide prescribing guidelines for antibiotics. It then created a digital dashboard for every practice to enable the Company to deliver prescribing data direct to each site on a monthly basis. This provided each practice team with an opportunity to reflect on their decision-making, to monitor trends and to measure their progress.

As part of its Antimicrobial Stewardship (AMS), CVS is also promoting the appropriate disposal of antibiotics. It is currently developing resources to enable practices to encourage clients to return medicines all year round. CVS also collaborated in a profession-wide Antibiotic Amnesty to recover unused and unneeded antibiotics from companion animal owners in the UK, to prevent these medications from harming animals or the environment.

Parasiticides – taking care while reviewing the evidence

A paper published in 2018 found Imidacloprid and Fipronil, both of which are commonly applied to companion animals, at toxic levels in English waterways. This study did not look at the potential sources of contamination which are likely to be varied because both are used in a variety of products and industries.

Imidacloprid is an active ingredient of CVS's own-brand Endectrid product, it works by disrupting the nerve's ability to send a normal signal, stopping the nervous system from working the way it should. Imidacloprid is much more toxic to insects and other invertebrates than it is to mammals and birds because it binds better to the receptors of insect nerve cells.

There is currently no robust evidence that parasiticide products used in companion animal care are adversely affecting the environment or endangering insect life. This lack of information does not mean that there is no link, however more research is needed to prove or quantify a causal relationship.

These topical parasiticides, which are applied to the skin of the animal, could contaminate the environment through the animal swimming after application, through wastewater after washing or poor product and packaging disposal.

Our aim is to take care, and undertake the work needed to find the answers to our questions. We have commissioned, through our clinical research awards, a three-year PhD at Bristol University looking at the environmental impact caused by ectoparasite treatments. The aim is to deepen our understanding for the benefit of the whole profession.

While we are waiting for the evidence, we are making some changes to limit our impact without having a detrimental effect on animal health and welfare. We are asking our colleagues to include the environment in their decision-making process and opt for a systemic product unless there is clear clinical indication for a topical product.

We are communicating through posters, social media and word-of-mouth with our clients around the safe disposal of all medicines; this includes returning any unused product to practice for incineration to prevent environmental contamination.

The use of anaesthetic gases

Nitrous oxide, which is used in general anaesthesia, has nearly 300 times the global warming effect on the atmosphere as carbon dioxide, which depletes the ozone layer.

We have worked with our practice teams who used or stored nitrous oxide to safely eliminate its use and we will continue this work with all new acquisitions. We have now prepared all for better alternatives and at the end of this year we have stopped purchases of nitrous oxide.

The outcome

> CVS has seen a consistent decrease of 20% in the prescriptions of Highest Priority Critically Important Antibiotics (HPCIA) by companion animal practices in the past two years.

> The introduction of the practice-specific dashboard has also encouraged practices to pursue their own individual improvement projects.

> We have eliminated the use of Nitrous Oxide in practices from July 2023

What next?

Our next steps with all our change programmes involve embedding new approaches. Change is not simple and we have to continue to balance animal welfare with decisions on the environment and public health. These decisions are nearly always taken at a local level.

Our aim is to continue to empower our colleagues and give them the support they need to make the right decisions. For example, we will be monitoring postoperative complications and our infection control protocols to provide evidence of the best use of antibiotics.

In parasiticides, we will be launching a new systemic product called Credelio Plus to our practices and work begins on assessing the environmental risk from ectoparasite treatments in September 2023. Shortly after that we plan to introduce prescription bags to our practices that instruct our clients to bring their unused medicines back to the practice for safe disposal.

Our target

> Our aim is to promote responsible use of antibiotics and reduce their use in a way that is consistent with animal welfare.

> To understand better the impact of topical parasiticides on the environment and insect life in particular.

> To end the use of Nitrous Oxide, which has been achieved at the end of the period, and to reduce the overuse of commonly used anaesthetic gases.



“We are a great place to work and have a career.”

Our challenge

Our long-term success in providing the highest standards of veterinary care in part depends on the capabilities of our colleagues.

Why it matters

Significant advances continue to be made in veterinary medicine. These include: a greater emphasis on preventative programmes; more effective diagnostic tools; the availability of minimally invasive treatments; the more selective use of antimicrobials; and improved cancer treatments.

How this relates to CVS

Our purpose is to give the best possible care to animals by providing the highest standards of progressive veterinary medicine. To achieve this we need to offer our colleagues high-quality learning opportunities, alongside excellent facilities and resources.

How we are responding

Our vision is to be the veterinary company people most want to work for. We aim to attract, develop and retain the very best people. We want to be a great place to work and have a long-term fulfilling career. So we have developed an environment which supports learning, education and development (LED), ensures we collaborate and share best practice, and gives access to top tier clinical expertise.

Our approach

Our People Development strategy has three objectives:

1. To develop our people in their current roles, including career pathways and preparation for future roles.
2. To build our relationship with major stakeholders to enhance our recruitment pipeline and raise the standard of new colleagues.
3. To support broader society with community outreach, school engagement and client education.

Our work streams fall under four key pillars:

1. To deliver industry leading training.
2. To offer the best learning, education and development in the profession.
3. To have the best leaders in our business
4. To engage with the veterinary profession and support its interest.

Our People Development Programme continued



The programme

We have continued to grow our wide range of people development initiatives during 2022-2023.

1. Industry leading training CVTC nurse training centre

Our unique CVTC nurse training centre in Chester moved to a new dedicated premises, whilst a new satellite centre opened in Dereham. Our Chester centre exceeded national average "first time pass rates"¹, ranking within the top ten UK nursing schools. It was also categorised Good by OFSTED. To date it has trained over 200 students.

State-of-the-art training facilities

We invested in state-of-the-art training facilities including flexible wet labs for practical courses such as dentistry or surgery, to upskill clinicians in a safe environment and enable quality assurance. Our wet lab in Wetherby has run several new graduate courses such as abdominal surgery and dermatology. These in-person practical courses replace online training to provide an improved learning experience.

ECCelerate emergency and critical care training

We developed an ECCelerate training programme to help vets' confidence and competence in emergency and critical care cases, with the equipment and medication available. It will ensure the best outcomes are delivered for every emergency case. This course was developed by out-of-hours vets and nurses in front line emergency care alongside the LED team.

Insights psychometric training

We upskilled an in-house team to deliver psychometric training throughout the Company. It will help colleagues identify their personality type, become more self-aware, understand their communication and operational styles, and build better teams. A number of colleagues have become accredited trainers, with 355 colleagues attending the course so far.

2. The best learning, education and development

Knowledge Hub

We continued to invest in our Knowledge Hub portal so colleagues can access the best learning, with a catalogue of over 450 courses. Designed for all veterinary roles, it includes clinical courses for vets and nurses across all species. It also includes patient care assistant and front-of-house staff training in customer care, dispensing medication and infection control. Courses in leadership and management, and coaching and mentoring are also available. This year CVS made select courses on Knowledge Hub available to everyone within the profession for the first time.

Clinical improvement projects

We introduced nine pioneering clinical improvement projects to achieve outstanding levels of patient care in small animal practice. They focus on improving standards in dental radiography, ear cytology, endoscopy and endosurgery, fine needle aspiration, hypertension, lameness investigation, ophthalmology, radiography and radiology, and ultrasound. They help practices to; identify areas to improve; detect any barriers;

ascertain learning and development needs; offer clinical learning and support materials; plus provide tools to report and evaluate project achievements.

Veterinarian professional development

We continued to improve learning opportunities for our vets.

Increasing face-to-face training

We launched four new wet lab courses focusing on dermatology, behaviour, echography and ultrasound.

Discipline webinar streams

Four dedicated webinar streams were created offering Continuing Professional Development (CPD) in each species discipline.

Research webinar series

A webinar series was launched to support those wishing to undertake clinical research.

Funded certificates

138 of our vets enrolled on two-year certificates, funded by CVS.

Support network

We continued to offer a support network to clinicians so they are never alone when dealing with a case via our Regional Clinical Hubs, Advanced Clinical Services Network of over 300 advanced practitioners, and vet-to-vet telemedicine service Vet Oracle.





The programme continued

2. The best learning, education and development continued

Graduate veterinary programme

Our industry-leading programme provides over £6,000 per graduate CPD and training. Graduates are on-boarded during a three-week induction including a week's residential camp for day one skills and a host practice week for supervision in consultations and skills development in surgery, dentistry and radiology.

For two years, graduates are supported by a programme of prescribed and elective training to help them gain the skills they require. The programme feeds into our "lifelong-learning" CPD curricula – enabling vets to train, specialise, or become certified in a discipline of their interest.

A team of specially trained pastoral support vets, ensure each graduate has a mentor to coach them through their first two years. We have launched Coaching and Mentoring Applied in Practice training to equip these mentors with the skills to develop graduate vets and student nurses into professionals.

Veterinary nurse professional development

We have continued to support our nurses with their professional development.

Nurse utilisation

We prioritised important areas for improving nurse utilisation – in the consulting room and with schedule 3 delegated surgical procedures. In small animal we aim to achieve utilisation of 90% or above. Our training for nurses has resulted in 33% becoming competent in undertaking nurse consultations.

Advocating nurses² involvement in schedule 3 procedures supports improved patient care and provides nurses with rewarding careers.

- > A key element is vets who pledge to support nurses to achieve this work within practice. Here we have published guidelines to provide clarity around effective delegation under schedule 3.
- > To upskill nurses in schedule 3 surgical procedures we created a tailored course, comprising blended learning with wet lab training. 18% of our RVNs have completed the course to date.

New courses

We launched a Level 5 Advanced Diploma in Veterinary Nursing (Practice Nurse). Only the second such course in the UK, it is for RVNs wishing to advance their skills to a mastery level, beyond that of RCVS Day One Skills and Competences.

Certificates and Diplomas

2023 saw an increase of 40 nurses enrolled, so that 272 now hold certificates or advanced diplomas.

Veterinary nurse career pathways

A new nurse career pathway is in development and will be launched in 2023-24.

Receptionist and Patient Care Assistant (PCA) professional development

We invested in significant LED for our receptionists and PCAs.

Induction and Client Care Hub

We have implemented a centralised induction plan, to ensure training consistency. We have also launched new non-clinical guidelines to build receptionist and PCA confidence in understanding clinical conditions. In addition we have launched a new Client Care Hub on *Knowledge Hub* with a wide range of training and resources.

New courses

A new multiple course training plan has been created. It includes a Level 2 Patient Care Assistant on client care, finance and pharmacy and a Level 4 Client Care with topics such as bereavement support.

3. The best leaders in our business Leadership Academy

A new academy will provide our leaders with support to be an effective manager, lead teams effectively and increase team performance. It will include CPD and resources in eight areas based on the British Veterinary Association's Good Workplace Voluntary Code. It also hosts a range of short courses to support our leaders with key day-to-day activities across their teams.





The programme continued

4. Engaging the with the veterinary profession to support its interest Apprenticeships

Since 2018, 1,000 employees have begun apprenticeships with CVS. We have supported 22 subject areas, and funded apprenticeship training through the apprenticeship levy to the value of £5.2m. Our Apprenticeship Programme Manager has been appointed to the Department of Education as a National Apprentice Ambassador.

Veterinary universities

We engage with all UK veterinary schools to teach the next generation of vets.

Intra-mural rotations (IMR)

IMR is key to the veterinary degree, where specific clinical skills are taught in a practical setting. We provide rotations for the Universities of Surrey, Nottingham, Bristol and the Royal Veterinary College – covering farm, equine and small animal general practice. 300 colleagues are involved in day-to-day teaching, two thirds of all students pass through a CVS practice, and we are the top scoring placement experience as voted by veterinary students.

Extra-mural studies (EMS)

EMS placements provide an opportunity to gain experience in a real workplace, but no formal training is required. 212 students are currently enrolled with us, and we are currently launching a 2023 programme to all UK vet schools.

We have developed an EMS online booking system so students can find placements at the touch of a button. We have also created an EMS support framework, based on RCVS day one competencies – so practices and students can carefully structure each placement, to make the most of an EMS experience. A placement supervisor is also appointed to be the main contact for each EMS student during their placement.

University prizes

In 2022 we awarded graduation prizes to four universities for students demonstrating “Outstanding Contribution to Patient Care”.

BSAVA library

We were the first veterinary group to make the British Small Animal Veterinary Association online library available to all colleagues. This year CVS employees have logged on 20,000 times, with BSAVA’s Manuals and Guides accessed 40,000 times. We will continue to forge these new partnerships.

The outcome

From July 2022 to June 2023 we have:

- > Reduced attrition.
- > Reduced vet attrition.
- > Increased the average number of vets employed to 6.5% (against a 1% market growth).
- > Achieved 200 graduate vets employed (20-25% of the available UK pool).
- > Achieved an improvement in our Employee Net Promoter Score (eNPS).

Our target

During 2023-24 our targets are to:

- > Increase our eNPS score by 5%.
- > Reduce attrition rates by 5%.

- 1 In almost all Level 3 veterinary nursing modules according to the latest VetSkill data.
- 2 Under Schedule 3 to the Veterinary Surgeons Act, only registered veterinary nurses and student veterinary nurses have the privilege to perform certain procedures in veterinary practice, as delegated to them by veterinary surgeon colleagues employed in the same practice. Schedule 3 surgical procedures could include: stitch ups, dental scale and polish, radiography, minor benign skin mass removals, tail and toe amputations, and aural haematomas. www.rcvs.org.uk/setting-standards/advice-and-guidance/advice-on-schedule-3.
- 3 Our employee Employee Net Promoter Score (eNPS) reflects the number of people who would recommend us as a good place to work.



“We are taking significant steps to reduce work-based stress, create a healthy and safe workspace, support good mental health and wellbeing, and protect our colleagues.”

1 2019-2021, RCVS Workforce Summit 2021.

Our challenge Workforce shortages

Workforce shortages are a key challenge. There has been a decline in people joining the UK veterinary profession in recent years¹. The issue has been exacerbated by a drop in new EU registrants post Brexit and an increase in demand for vets, driven by a surge in pet ownership.

In RCVS's recent workforce survey, 9% stated they intended to leave the profession within five years, for reasons other than retirement. The most common reasons were poor work-life balance (60%), not feeling rewarded or valued (55%), chronic stress (49%), long or unsocial hours (48%), and pay (44%)¹.

How this relates to CVS

Our purpose is to give the best possible care to animals and our vision is to be the veterinary company people most want to work for. We aim to attract, develop and retain the best people and to create a healthy, motivated and stable workforce in the long-term.

How we are responding

We take our responsibilities seriously and continue to prioritise the wellbeing of our people. We are taking significant steps to reduce work-based stress, create a healthy and safe workspace, support good mental health and wellbeing, and protect our colleagues. We aim to have fulfilled vets and nurses who have both the resources and support they need.

Our approach

Our Group employs 8,520 colleagues, including over 90 specialists, 2,215 veterinary surgeons, and 3,125 nurses. Their continued efforts help us to deliver our purpose of providing the best possible care to animals.

As a leading UK veterinary company, we are continually bettering conditions for the colleagues who work for us.

We are investing in a range of initiatives and programmes to protect colleagues and increase wellbeing in the workplace.

Our wellbeing work streams focus on three specific areas:

1. *Individual*: Providing support and resources to enable individual colleagues to look after their own wellbeing.
2. *Leadership*: Supplying leaders with the relevant tools, training, and role-modelling to enable them to support the wellbeing of their teams.
3. *Community*: Fostering wellbeing across our teams using our network, activities and events.



The programme

We have implemented a broad range of wellbeing initiatives over the course of 2022-2023.

1. Individual Wellbeing Resources

Our Wellbeing Working Group has continued to run our Wellbeing Calendar resource accessible to all colleagues. This year the twelve monthly topics included well-known wellbeing factors such as mindfulness and peer support, as well as topics of particular interest in the veterinary community such as psychological safety, compassion fatigue and imposter syndrome.

Fertility, Pregnancy Loss & Exceptional Health Events Policies

This year we have also introduced policies driven by our EDI strategy but which also support colleague wellbeing, including our exceptional health events policy, fertility leave policy and pregnancy loss policy (see EDI section).

Health Cash Plan

We have launched a free health cash plan² to look after our colleagues' financial, physical and mental wellbeing. It enables colleagues to claim back the cost of medical treatments – including dental, optical and physiotherapy consultations. The plan also offers access to 24 hour GP telephone and video appointments, wellbeing tools and health assessments. Dependent children are automatically covered and partners can be added to a plan. This scheme was launched in November, with 23% of colleagues signed-up to the scheme since launch.

Private Medical Insurance, Life Insurance, and Critical Illness Cover

We are offering our colleagues access to competitively priced private medical insurance². Those joining the scheme are given virtual GP services, fast track referrals to specialists, plus access to private hospitals, tests and eligible treatment when needed. The scheme also includes physiotherapy, health issues, plus counselling and support services – both for work related and personal issues.

CVS is also making critical illness cover and life insurance available to colleagues at competitive rates, as a financial safety net to protect them and their family².

Employee Assistance Programme

Usage of our free employee assistance programme has continued to grow, with its continued promotion via our CVS Wellbeing Champion network. This 24 hour hotline and mobile phone app from Health Assured offers confidential support from experienced counsellors and advisors to any colleague experiencing personal or work related issues that impact their wellbeing. This year, colleague log-ins to the online wellbeing portal and App where self-care, proactive and preventative wellbeing resources can be found, increased from 2,471 to 3,695.

Save as You Earn

In November 2022 our SAYE plan was extended to CVS Group colleagues in the Republic of Ireland and the Netherlands. It allows colleagues to save up to £170-a-month for three years to purchase discounted shares in the Company at the end of the three-year period. The combination of the discount and the growth of the share price in over the last three years has led to bumper payouts for colleagues.

2. Leadership Check-ins

We place great importance on line manager conversations and are continuing to promote regular Check-Ins to ensure all colleagues are getting the time and engagement needed from their manager. As well as providing feedback on performance and identifying development opportunities, these regular check-ins are designed to support colleagues' wellbeing. This year a new colleague survey question on Check-Ins reported 84.3% were having Check-Ins in April 2023.

Wellbeing Training for Leaders

In the last twelve months we converted our *Supporting the Wellbeing of your Team* training course into an online, on-demand modular course to increase accessibility for our leaders. Since then, 540 of our leaders have engaged with the course. This will enable them to support the wellbeing of their team and address the root causes of work-related wellbeing issues.

What Matters to You

The *Framework for Improving Joy in Work* was developed by the Institute for Healthcare Improvement to address the challenge of burnout. It was renamed by CVS teams to "What Matters to You" and has been implemented in over 100 practices at team meetings.

At the heart of asking "what matters" is an approach to problem-solving. Once a problem has been identified, we can work together to solve it, which will lead to having more good days at work and avoiding burnout.

In 2023, we have built training and toolkits for local leaders so that they can implement the framework within their own team.

² For CVS colleagues in the UK and ROI.



The programme continued

3. Community

Wellbeing Champions and First Aiders for Mental Health

We have continued to grow our network of Wellbeing Champions to promote and engage people with our wellbeing resources and activities. They are all formally trained and certified to administer First Aid for Mental Health. They can offer help to someone developing a mental health problem, experiencing a worsening of an existing mental illness or a mental health crisis. In the last year we have increased the number of Wellbeing Champions in our network to 372.

In addition, this year twelve further colleagues from CVS have completed a “train the trainer” course – enabling us to get more Wellbeing Champions appointed and trained over the coming year.

CVS Refresh

Our CVS Refresh scheme is designed to run every week to support our team’s welfare. Up to £3 per week per colleague can be claimed for activities or products that contribute to wellness in the workplace decided upon by the teams themselves. The Refresh fund has been used for plants for the office, team yoga sessions, book tokens, fresh fruit deliveries, self-care packages and many other innovative ideas.

Protecting our Colleagues

Recent data from the British Veterinary Association found six in ten vets had felt intimidated by a client’s language or behaviour in the past year. So we have launched a Zero Tolerance Policy to safeguard the wellbeing and safety of our colleagues. It is intended to protect against intrusive, offensive, violent or aggressive behaviour from clients and covers contact made in person, by telephone and email, through the website or on social media.

Practices can deal with unacceptable behaviour through a multi-stage process. The policy empowers colleagues to: ask clients to leave a premises; decline to supply its veterinary services; report clients’ conduct to the police; and pursue legal action.

The outcome

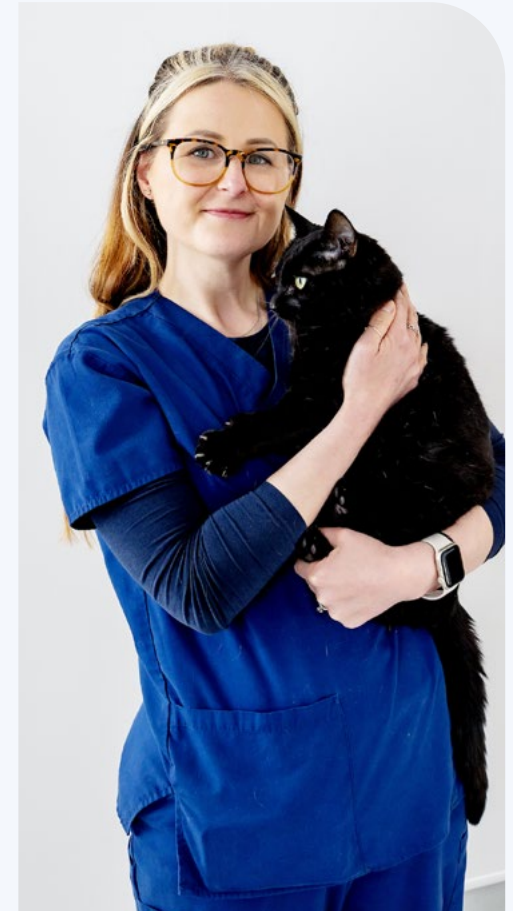
Overall, our eNPS reflects the number of people who would recommend us as a good place to work. During the last twelve months our eNPS has increased to +14.6 from +4.8. From July 2022 to June 2023 we have also:

- > Increased the number of colleagues saying our wellbeing resources are relevant and useful – from 63.0% in August 2022 to 66.4% in June 2023.
- > Increased the number of colleagues saying work has had an overall positive effect on their wellbeing – from 40.5% in August 2022 to 45.4% in June 2023.

Our target

During 2023-24 our targets are to:

- > Ensure that our colleagues are having regular check-ins where their wellbeing is a key topic of conversation.
- > Increase the % of colleagues saying we provide relevant and helpful wellbeing resources to 70%.
- > Ensure that our colleagues are having regular team meetings.





Our challenge

Equity, Diversity and Inclusion (EDI) is important for the long-term success of our Group.

Diversity in the veterinary profession

Only 3.5% of the UK veterinary profession are Black, Asian or of Ethnic Minority background¹, despite 19% of the working age UK population identifying as such². There is under-representation of people with disabilities. 6.7% of vets and 7.4% of nurses identify as having a disability¹. In the working age population this is 23%³. The sector, needs to improve its diversity.

The veterinary sector is highly feminised with 58% vets, 97% nurses, and the majority of receptionists¹. This influences the profession's Gender Pay Gap. We want to close this gap by ensuring women have fulfilling careers and equal opportunities to succeed at the highest level.

How this relates to CVS

- > To increase the levels of diversity we first need to ensure that we are fostering an inclusive and equitable workplace environment.
- > Continuous clinical improvement relies on cultivating a "just culture" where learning is continuous, diverse perspectives are invited, challenges are welcomed and people feel psychologically safe to speak up.

- > There is a correlation between colleagues feeling included and how positive they feel about our Company. This reduces attrition and will improve the sustainability of our workforce.

How we are responding

Our purpose is to give the best possible care to animals and our vision is to be the veterinary company people most want to work for – regardless of who they are, how they identify, or their background. Our colleagues tell us that feeling included and being able to be yourself is vital to feeling engaged. So we want to foster a culture where everyone feels welcome and nurtured.

We recognise sustainable cultural change takes time. We have therefore built a comprehensive EDI strategy, which will evolve as we respond to what colleagues are telling us.

Our approach

Nurturing an inclusive culture take conscious effort over time. So we have set out a ten-year plan:

- > Year 1: Awareness (2021-22)
- > Year 2: Foundational Understanding (2022-23)
- > Years 3-5: Growing Competence (2023-26)
- > Years 5-10: Inclusion Fluency

During our first "Awareness" year we increased our organisation's self-knowledge and set up EDI structures. We established five Colleague EDI Groups (ability and neurodiversity, ethnicity, gender, LGBTQ+ and social mobility), introduced systems to capture diversity data, and started a survey to inform our EDI approach.

Last year's our "Foundational understanding" phase has built a good level of EDI understanding and includes actions within all six of our EDI strategy pillars:

1. Understanding our Workforce
2. Inclusive Culture
3. Inclusive Leadership
4. Addressing Inequalities and meeting Diverse Needs
5. Inclusive Recruitment
6. Developing Diverse Talent

1 <https://www.rcvs.org.uk/news-and-views/publications/rcvs-diversity-and-inclusion-group-strategy/>

2 [https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/bulletins/ethnicgroupenglandandwales/census2021#:~:text=the%20%22Asian%2C%20or%20Asian%20British,was%2081.0%25%20\(45.8%20million\)](https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/bulletins/ethnicgroupenglandandwales/census2021#:~:text=the%20%22Asian%2C%20or%20Asian%20British,was%2081.0%25%20(45.8%20million))

3 <https://commonslibrary.parliament.uk/research-briefings/cbp-7540/#:~:text=There%20were%209.58%20million%20people,598%2C000%20from%20the%20year%20before>



The programme

We have continued to introduce a wide range of EDI initiatives over the course of 2022-2023.

1. Understanding our Workforce Workforce Data

In 2021-2022 we started to build a demographic understanding of our workforce with improved capture of diversity data which will be tracked. This year, we have set three, five and ten-year targets to increase diversity in terms of ethnicity and disability.

Survey Data

In 2022, our culture survey guided our EDI strategy and initial Colleague EDI group priorities, focusing on; Ability and Neurodiversity, Ethnicity, Social Mobility, Gender and LGBTQ+.

This year, we revised our monthly colleague survey to gather more insights. The survey asks if colleagues feel equally included and safe to present themselves at work. This is helping local leaders understand perceptions of team inclusivity, to start positive local change.

Colleague EDI Groups

Last year we refreshed our EDI Committee and recruited 60 colleagues for our five Colleague EDI groups, focusing on: ability and neurodiversity; ethnicity; gender; LGBTQ+; and social mobility.

This year, the groups have fed into our EDI strategy, and worked on their own initiatives. They also act as a barometer – monitoring our progression and forming peer support networks.

2. Inclusive Culture

EDI and Bullying & Harassment Policies

This year we introduced an EDI policy which sets out how we prevent discrimination – on all legally protected characteristics – and how we will ensure equity, equal opportunities and inclusion in all workplace practices. It addresses recruitment, performance management, career development and progression. We also introduced a new Bullying, Harassment and Incivility Policy.

Inclusive culture through learning

We have also created training resources, to enable colleagues to understand what inclusivity looks like and to adopt inclusive behaviours.

> An “EDI for All” training course supports colleagues in implementing our new policies (above). Exceeding minimum legal needs around discrimination and harassment, it educates on microaggressions, prejudice, bias, and practical behaviours to being inclusive – bespoke to our veterinary settings.

> A new “Respect and Civility at Work” online module supports colleagues to implement the principles of our Bullying, Harassment and Incivility Policy.

Further EDI learning has been introduced – from bitesize modules to advanced courses –, on topics including: menopause; autism; Trans inclusion; and domestic abuse. They sit on a new EDI section on CVS’s Knowledge Hub.

3. Inclusive Leadership

EDI Leaders Hub

We launched a learning hub for leaders, with practical content on:

> Growing inclusive leadership skills: This includes a module on creating Psychological Safety – known to contribute to feelings of inclusion and team wellbeing, along with patient safety and quality improvement.

> Supporting individual colleagues with EDI-related needs: This includes a module on disability awareness and inclusion, and resources to support ADHD, Autism, chronic illness, hearing loss, and menopause.

> Practicing equity and inclusion in performance management: This webinar shares how to recognise and minimise bias in performance management.

4. Addressing Inequities and meeting Diverse Needs

Reasonable Adjustments Guide

So our leaders understand, role-model, promote and ensure EDI within their teams, we have created a new guide to help understand disability differences and make reasonable adjustments needed.

Fertility, Pregnancy Loss & Exceptional Health Events Policies

We have implemented new policies to support colleagues experiencing fertility challenges, pregnancy loss and exceptional health events:

> *Fertility Treatment*: One week’s paid leave is now provided in any twelve-month period to colleagues undertaking fertility investigations and treatment. It is also available to a partner and those who have a surrogate.

> *Pregnancy Loss*: We are giving a week’s paid compassionate leave to colleagues experiencing pregnancy loss before 24 weeks. This special leave is separate to CVS’s normal provision of two weeks Company sick pay.

> *Exceptional health event*: Colleagues are being offered up to eight weeks full pay in the circumstances of an exceptional health event. It is available on a discretionary basis to colleagues affected by a serious illness or health condition that requires hospitalisation, major surgery or treatment and will apply to major surgery as part of a gender transition.

Menopause Support

A variety of menopause support mechanisms have been launched for colleagues including an awareness-raising webinar, a colleague peer support group which 30 colleagues have joined and a menopause support toolkit which over 150 colleagues have accessed.

Free Period Products

We are providing free menstrual products to all colleagues at work, with dispensing machines installed in toilets at every site. 75% of CVS colleagues have periods and many will have experienced being caught short without a pad or tampon, which can cause anxiety or embarrassment.



The programme continued

5. Inclusive recruitment

Candidate messaging

This year we added a specific inclusivity statement to our careers site which sets out our EDI commitment and Colleague EDI Groups. Our Ability and Neurodiversity group and recruitment team ensure we talk positively about disability and reasonable adjustments on our job application forms and during the recruitment process to make it accessible to all.

Social Mobility

Our Social Mobility group is working to increase the socio-economic diversity of vets and nurses in CVS and the profession. We are beginning to work with schools and universities to attract a diverse workforce. This year we launched a pilot programme where state secondary school visits were run hosting vet talks, and work experience and mentoring was provided to individual students.

6. Developing Diverse Talent

Informal Mentoring Scheme

This year we launched a mentoring scheme, with our Colleague EDI Groups. It is inclusive of all colleagues, especially those from underrepresented groups.

Hosted on our Knowledge Hub it enables colleagues to “match” themselves with a mentor who provides details about themselves, including their role and experience alongside their EDI-related interests. Over 30 CVS colleagues from diverse backgrounds have signed up as mentors and 50 colleagues have accessed the scheme.

The outcome

From July 2022 to June 2023:

- > We have embedded Foundational Understanding of EDI through; policy-implementation, supportive training resources, and initiatives that address the needs of under-represented groups.
- > The proportion of colleagues reporting they feel equally included at work has risen from 75.0% (Culture Survey, Feb 2022) to 83.6% (Jun 2023).
- > The proportion of colleagues reporting they feel safe to present themselves at work, saw a rise from 73.0% (Feb 2022) to 84.6% (Jun 2023) following the launch of our Psychological Safety training (Aug 2022).
- > Steps we’ve made have contributed to an increased eNPS score and a reduction in colleague attrition levels.

“Nurturing an inclusive culture take conscious effort over time.”

Our target

Within three years of the launch of our EDI programme in June 2022, our targets are to:

- > Increase the % of colleagues saying they feel equally included at work to 85%.
- > Attain the below workforce data completion rates:

Workforce data completion rates	Target 3 years
Ethnicity	80%
Sexual Orientation	65%
Disability	65%
Gender identity	50%
Social Mobility	30%

- > Achieve the following workforce representation:

Workforce Representation Goals	Veterinary sector benchmark (RCVS 2021)	Within 3 years
Ethnic Diversity (Black, Asian, & other Ethnic Minority backgrounds)	Vets 3.5%	Vets 4%
	Nurses 1.9%	Nurses 2.4%
		Other: 4%
		Overall: 4%
Disability representation	Vets 6.7%	Vets: 7%
	Nurses 5.2%	Nurse: 7%
		Other: 6.5%
		Overall: 6.5%

Materiality Assessment and Target Setting



Approach

A detailed materiality assessment is conducted every 3 years. This is supplemented with a lighter review which is carried out on an annual basis.

Process

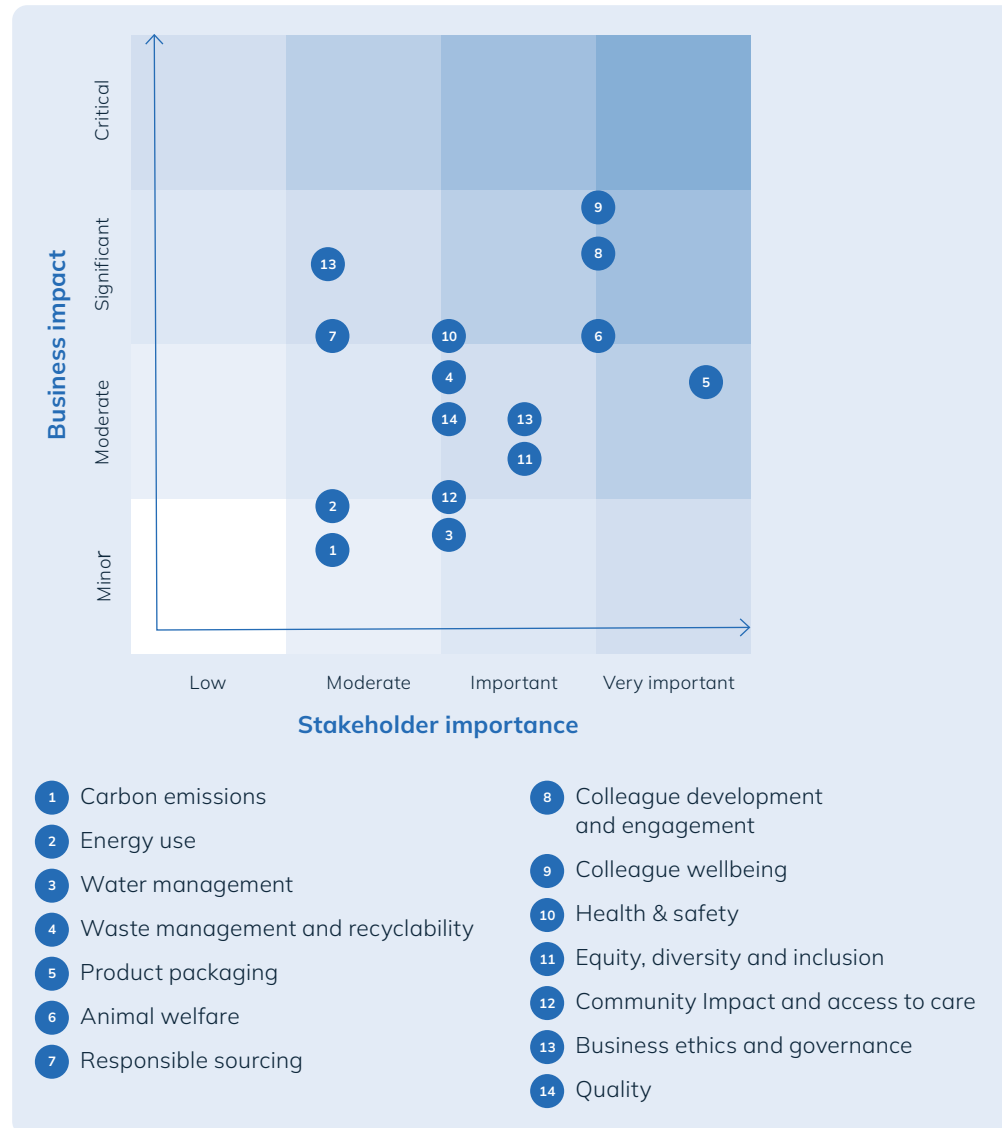
We started the process in 2020 when we appointed a third party to help us develop our Sustainability strategy. Led by the Chief Executive Officer, we engaged with colleagues and external stakeholders to understand what were the most material sustainability concerns.

This inclusive process started with 14 broad topics under the Environment, Social and Governance Pillars, each tailored to CVS and our business.

Based on this materiality assessment, we listened to what were the most material concerns and developed our Sustainability focus, aiming to address the issues identified as being most material to our business and stakeholders.

The assessment results are plotted on a materiality matrix to show both the degree of stakeholder interest and potential business impact.

Topic	Relevance to CVS
Carbon emissions	Controlling our operational and supply chain carbon impact with a focus on reducing our carbon footprint.
Energy use	Ensuring efficiency in energy use and consumption at our facilities and buildings.
Water management	Ensuring efficiency in water use across our facilities and buildings.
Waste management and recyclability	Managing hazardous and non-hazardous waste, preventing waste generation and improving the recycling of waste.
Product packaging	Eliminating plastic wherever possible from our own-brand packaging and promoting recyclable, compostable and reusable options.
Animal welfare	Ensuring pets and animals' wellbeing and welfare throughout our practices.
Responsible sourcing	Establishing supply chain standards for responsible sourcing and ensuring suppliers align with the Group's criteria.
Colleague development & engagement	Providing the right conditions and workplace culture for colleagues to feel motivated and engaged, identifying with the Group's culture and values.
Colleague wellbeing	Prioritising our colleagues' wellbeing and providing the necessary resources to support them.
Health and safety	Creating a healthy and safe workplace for our colleagues and ensuring our measures represent the best levels in the profession.
Equity, diversity and inclusion	Building of a diverse and inclusive workforce, addressing issues of discriminatory practices on the bases of race, gender, ethnicity, religion, sexual orientation, and other factors, and providing equal opportunities for all.
Community impact & access to care	Establishing innovative pricing schemes to foster accessibility and affordability to healthcare services and animal medicine.
Business ethics and governance	Ensuring transparent governance mechanisms are in place to manage risks and opportunities, including a responsible approach to modern slavery, compliance, cybersecurity, tax and anti-bribery.
Quality	Ensuring all our services and practices meet high standards of safety and quality and promoting a culture of continuous quality improvement.



Process continued

From this assessment, we developed our Sustainability Strategy. Refining the areas of focus, the following six were identified by stakeholders as the most important and working groups have been created focusing on these workstreams.

- > Energy and Carbon
- > Waste
- > One Health
- > People Development
- > Wellbeing
- > Equity, Diversity and Inclusion

We review these Sustainability topics against the Group's wide risk approach to ensure clarity on governance.

Our principal risks, referenced below can be found in detail on pages 60 to 68 in the Annual Report.

Sustainability topic	Principal Risk
Energy and Carbon	> D, J, M
Equity, Diversity and Inclusion	> A, D, J
One Health	> F, N, G
People Development	> A, B, C
Waste	> F, G, J, M
Wellbeing	> A, B, C, D, F

- | | |
|---|---|
| A – Key Employees | I – Health & Safety Legislation |
| B – Economic Environment | J – Corporate legislation and regulatory requirements |
| C – Competition | K – Bank facilities |
| D – Adverse publicity | L – Future pandemic or lockdown |
| E – Information technology | M – Sustainability and climate change |
| F – Changes in industry regulations | N – Epidemiology |
| G – Sourcing pharmaceutical supplies | O – Cyber attack |
| H – Sourcing and integrating acquisitions | P – Competition and Markets Authority market review |



Targets

In our 2022 Sustainability Report, in recognition of our corporate commitment to ESG, we introduced non-financial metrics in our annual bonus scheme for the year ending 30 June 2023 for Executive Directors and other members of our Executive Committee. These non-financial targets, which cover 20% of bonus potential, are set out below.

	Target	2023 performance
Clinical waste	5% reduction in gross tonnage of clinical waste which is incinerated or which is sent to landfill (measured across existing CVS sites and excluding acquisitions in year)	Met
Attrition	10% reduction in colleague attrition	Met
eNPS	50% improvement in employee net promoter score	Met
Client NPS	5% improvement in client net promoter score	Not met
Patient Care Index	an increase of 1 percentage point	Not met

We are pleased that we have met our Sustainability targets centred around our Colleagues. This is aligned with our continued focus of being the Veterinary company people most want to work for.

Further information on our 2023 targets can be found on pages 54 and 55, in the Summary.





Preparing for the potential impacts of climate change

Caring for animals goes hand-in-hand with caring for the natural environment, so climate-related risks and opportunities are a key factor of consideration in the short-, medium- and long-term strategic planning of the Group. Our aim is to minimise our impact on the planet in a way that supports and develops our services and clinical expertise.

In 2022, we applied the Task Force on Climate Related Financial Disclosures (TCFD) recommendations for the first time, to begin the journey of understanding our impact on the environment and vice versa. This year, we developed our climate-related scenario analysis, gathering an understanding of the potential climate scenarios in our future, the impacts of these on our business, and the strategic steps we can take to ensure we are prepared.

Over the following pages we have applied the TCFD recommendations, including:

- > scenario analysis which includes a global warming scenario as well as a Net Zero scenario;
- > setting targets for short-, medium- and long-term actions to lessen harmful environmental impacts of our business and increase environmentally friendly activities; and
- > reviewing and improving our processes around monitoring our environmental impact and managing climate-related risks.

To ensure open communication with stakeholders on progress, we have chosen to adopt the disclosure recommendations of the TCFD in this report. Over the following pages, we have set out our progress against the eleven recommended disclosures.





Disclosure requirement	Our progress	More information
Governance		
Describe the Board's oversight of climate-related risks and opportunities	<p>The Board has overall responsibility for ensuring risk is appropriately managed across the Group, including risks relating to Environmental, Social and Governance (ESG) matters and climate change. The composition of the board, and the members' expertise, enables substantial coverage across risk management, governance & legal, operations, technological and strategy, as set out in the Annual Report on pages 70 and 71. This ensures a balanced and extensive consideration to climate-related risks and opportunities that impact the Group.</p> <p>In 2021, the Group formed an ESG Implementation Group, chaired by the Chief Executive Officer (CEO), to assist the Board in identifying the risks and opportunities arising as a result of climate change and sustainability. Addressing the climate challenge is a key part of our wider ESG strategy.</p> <p>Sustainability and ESG, including climate-related issues, are discussed as a standing agenda item in Board meetings, with the CEO presenting the activities of the ESG Implementation Group with key findings and metrics reviewed against set criteria and targets. In 2023 there were 11 Board meetings.</p> <p>The Group has increased the volume and regularity of its climate-related reporting, with the publication of our second annual Sustainability Report in 2023, which again includes data under the Sustainability Accounting Standards Board (SASB) standards. The Group has made significant efforts to ensure this reporting is fair, balanced, and understandable, for example by adapting metrics and, where necessary, providing supporting discussion to explain sources of data or calculation methods.</p> <p>The Board feels that the business is prepared for potential short-term climate-related issues which are discussed later in this report, due to the strength of its integrated model.</p>	<p>2023 Annual Report: Principal Risks and Uncertainties <i>on pages 60 to 68</i></p> <p>2023 Annual Report: Remuneration Committee report <i>on pages 83 to 93</i></p>



Disclosure requirement	Our progress	More information
------------------------	--------------	------------------

Governance continued

Describe Management's role in assessing/managing climate related risks and opportunities

The ESG Implementation Group, chaired by the CEO, has assisted in the identification of climate-related risks and opportunities, and helped to set climate-related targets across the Group.



Within CVS, working groups have been formed to monitor, assess, and understand our impact on areas including energy, carbon and waste. These groups are led by senior management, and are already making good progress, having developed their own terms of reference, and set work in motion to ensure that we are doing the right thing, and to challenge us to go further. For example, the Waste working group has developed key objectives to segregate waste appropriately for effective recycling, to replace single-use items with reusable items where possible and to engage with suppliers around their sustainability policies.

The Group has been able to diversify its climate-related assessments and monitoring with the working groups spanning across the business from colleagues in our practices to the support office which provides a wider remit of input to be gained with relevant and innovative measures.

This enables monthly information and monitoring to be reported back to our CEO, the chair of the ESG Implementation Group, with progress reports and improvement areas across the Group which is subsequently fed back to the Board as part of the standing agenda item.

The Group intends to introduce further ESG targets and KPIs, including climate-related targets, against which progress can be reported to the Board to ensure consistent and comparable information is available to support decision-making.



Disclosure requirement	Our progress	More information
Business Model and Strategy		
<p>Describe the climate-related risks and opportunities identified in the short, medium and long term</p>	<p>The Group's continued long-term success depends on the social and environmental sustainability of its operations. There is a risk that potential climate-related issues can have an adverse effect on financial or operational performance, including our ability to fulfil operational activities, disruption of supply chain, cost of production, and demand for services.</p> <p>The Group's strategy, long-term sustainability and growth potential also rely on how the Group assesses risks and opportunities and takes action to reduce the environmental impact of operations. Below we have detailed some of the key climate-related risks and opportunities we have identified.</p> <p>As an AIM-listed business, risks and opportunities which will impact our financial performance are considered financially material as these are likely to impact the decision-making of our investors and potential investors, particularly our financial Key Performance Indicators (KPIs) as disclosed on pages 24 and 25 of the 2023 Annual Report. Therefore, the Board considers that those risks that are likely to impact these metrics the most significantly are the most financially material to the Group.</p> <p>A scenario analysis has been performed, taking into account three climate scenarios. Using the research and models produced by the Network for Greening the Financial System (NGFS), we identified scenarios across the spectrum of transition risks and physical risks. The Divergent Net Zero scenario has high transition risks and low physical risks; the Net Zero 2050 scenario has low transition risks and low physical risks; and the Current Policies scenario has low transition risks and high physical risks.</p> <p>Based on guidance from the TCFD, we have analysed the driving forces of each scenario and whether these represent risks or opportunities. We considered the potential impacts on our stakeholders, particularly our suppliers and customers as the stakeholders with the most material impact on the business. We have analysed the potential financial impacts on assets, revenue, costs, and other financial metrics and used a probability-impact matrix to assign a RAG rating to each risk or opportunity considering the Political, Economic, Social, Technological, Legal and Environmental (PESTLE) landscapes. This brought 36 potential financially impacting risks and opportunities in which we have broken down into Short-to-Medium-Term (0-5 years), Medium-to-Long-Term (5-10 years) and Long Term (10+ years). This subset is then categorised into its RAG status based on its impact to the Group's financial position. Finally, we considered the strategic options for the business to take in order to address the risks and optimise the opportunities posed by climate change.</p> <p>Based on this detailed assessment, we remain confident in the strength of our people-focused strategy and fully-integrated veterinary services business model in addressing the risks and opportunities of climate change. We will continue to review the scenario analysis annually.</p>	<p>2022 Quality Improvement Report published on our website www.cvsukltd.co.uk/wp-content/uploads/2023/06/QI-Report-2022-23-V6.pdf</p> <p>2023 Annual Report: Principal Risks and Uncertainties on pages 60 to 68</p>



Disclosure requirement	Our progress	More information
Business Model and Strategy continued		
<p>Describe the climate-related risks and opportunities identified in the short, medium and long term continued</p>	<p>Divergent Net Zero The Divergent Net Zero scenario reaches net-zero by 2050 but with higher costs due to divergent policies introduced across sectors and a quicker phase out of fossil fuels. We identified a range of risks and opportunities in this scenario, including:</p> <ul style="list-style-type: none"> > an opportunity for CVS to continue to differentiate as a high-quality brand with a transparent approach to carbon reporting; > a risk that supply chains relying on less developed countries who decarbonise less successfully than more developed countries, results in poor brand image; whereas profit margins could be adversely impacted by moving supply chains to more developed countries and therefore reducing the environmental impact of the business and its supply chains; > a risk that declining crop yields and increased raw material prices cause growing inflation, reducing disposable income and putting increased cost-of-living pressure on households. This may reduce demand for veterinary services due to a reduction in pet population; and > a risk that carbon tax schemes are introduced, including border taxes which affect supply chains and cause significant economic disruption. <p>Net Zero 2050 Reaching net-zero global CO₂ emissions by 2050 will require an ambitious transition across all sectors of the economy. This scenario emphasises the importance of decarbonising the electricity supply, increasing electricity use, increasing energy efficiency, and developing new technologies to tackle hard-to-abate emissions. Risks and opportunities identified in this scenario include:</p> <ul style="list-style-type: none"> > risks that some customers and business areas will be significantly impacted by changing lifestyles, such as an increase in meat-free diets significantly reducing the Farm animal veterinary market; > opportunities arising from behavioural changes towards reduced international travel and increased leisure time, which are likely to see increases in pet populations and a demand for preventative veterinary care; > despite global warming being limited to 1.5 degrees, environmental risks remain such as more intense monsoon seasons in Asia disrupting food production, and longer and hotter UK summers causing operational challenges; > significant policy changes such as the ban on the sale of new petrol and diesel cars causing risks such as reduced household income and increased taxes; and > risks arising from a slowing of global economic growth and rising carbon prices. <p>Current Policies While many countries have started to introduce climate policies, they are not yet sufficient to achieve official commitments and targets. If no further measures are introduced, 3 °C or more of warming could occur by 2100. This would likely result in deteriorating living conditions in many parts of the world and lead to some irreversible impacts like sea-level rise. Physical risks to the economy could result from disruption to ecosystems, health, infrastructure and supply chains.</p> <ul style="list-style-type: none"> > The current temperatures are the highest they have been for 12,000 years and if there isn't sufficient changes to current policy then extreme temperature changes could be expected throughout the 21st century. > On the current trajectory, with the highest emissions of greenhouse gasses since the industrial revolution, global warming of 1.5 °C could be reached in the 2030s, 2°C around 2050 and 3°C in the 2090s. 	



Disclosure requirement	Our progress	More information
Business Model and Strategy continued		
<p>Describe the impact of climate-related risks and opportunities the Group's businesses, strategy and financial planning</p>	<p>As part of the scenario and risk analysis described on page 33 ("Describe the climate-related risks and opportunities identified in the short, medium, and long term"), we have considered the impact of the identified climate-related risks and opportunities on the business' assets, revenue, costs, and other financial metrics. We identified through this analysis a requirement to monitor the valuation of assets for the possible impact of climate-related risks which may result in impairment of those assets. For example, a significant decline in demand for meat and other animal-derived products as a social impact of the Net Zero 2050 scenario could reduce the market for veterinary care for farm animals; as a result, the Group may be required to impair assets in the Farm division.</p> <p>The Group will continue to monitor KPIs including revenue, EBITDA margin, energy costs and salary costs to ensure the business model remains appropriate to cope with the potential impacts of future climate-related scenarios, including:</p> <ul style="list-style-type: none"> > increased energy costs as Carbon, Capture and Storage (CCS) and Carbon Dioxide Removal (CDR) technologies are implemented and costs passed on to consumers; > increased costs of consumables due to environmental impacts on the supply chain, including moving supply to more developed countries which are less impacted by climate change; > a reduction in disposable income as a result of inflation in raw material costs, declining crop yields, and other factors, increasing pressure on colleague's salaries; and > potential fiscal measures such as carbon tax schemes, border taxes and government support schemes increasing the Group's tax expense. <p>Conversely, the Group's diversified business and integrated veterinary services model positions it well to benefit from climate-related opportunities, including:</p> <ul style="list-style-type: none"> > reduced international travel and the resulting increased domestic leisure time increasing the demand for pets and therefore the pet population and number of clients for our Companion Animal veterinary division; > a more holistic understanding of prosperity increases customers' desire for quality services and leisure time, increasing the demand for our preventative healthcare services to ensure longevity and good health of pets; and > the share of online sales increasing due to a reduction in travel or during extreme weather events providing enhanced opportunities for our Online Retail Business. <p>In preparing the 2023 Annual Report, the Group has, where possible, considered the impact of climate-related risks and opportunities on the Group's businesses, strategy, and financial planning. Consideration has been made as to the impairment of tangible and intangible assets held at the end of the year, in line with the Group's annual impairment review. As a result of the impairment review undertaken this year, there were no tangible or intangible assets which required impairment on the grounds of climate-related impact and carbon emissions.</p> <p>In future years, the Groups accounting policies and impairment reviews will feature climate-related criteria which will be empirical and quantifiable of which the Groups assets will be reviewed against. At the present time, no changes were made to the Group's accounting policies, estimates or judgements. In line with developments in climate change, the related reporting thereof and the climate-related initiatives we have put in place, we expect these disclosures to evolve in future years.</p>	<p>2023 Annual Report: Sustainability on pages 32 to 46</p> <p>2023 Annual Report: Financial statements Accounting Policies on pages 115 to 154</p>



Disclosure requirement	Our progress	More information
Business Model and Strategy continued		
<p>Describe the resilience of the Group's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</p>	<p>As part of the scenario and risk analysis described on page 33 ("Describe the climate-related risks and opportunities identified in the short, medium, and long term"), we have considered the impact of the identified climate-related risks and opportunities on the business' strategy.</p> <p>In order to manage the climate-related risks and opportunities identified in the scenarios considered, we have highlighted some strategic options to consider in future business planning. The Group's current strategy for growth includes organic growth through capital investment in existing and new facilities, and inorganic growth through synergistic acquisitions. This strategy enables the Group to be flexible in deciding where to deploy capital, therefore climate-related issues such as mass migration as a result of rising sea levels, can be adapted into our strategy, for example by choosing alternative sites in which to invest.</p> <ul style="list-style-type: none"> > Further, we have identified strategic points to monitor and focus on, including; > continuing to increase transparency and accuracy of carbon and climate-related reporting in order to maintain positive brand alignment with "green" goals; > maintaining focus on high-quality clinical care and preventative veterinary care to appeal to the conscientious customer and increasing demand for quality and decline of "throw-away" culture; and > maintaining strong relationships with suppliers whilst auditing and monitoring supply chains to reduce supply disruption, increased costs resulting from carbon taxes, and the likelihood of "greenwashing" scandals within the supply chain. 	<p>2023 Annual Report: Principal Risks and Uncertainties <i>on pages 60 to 68</i></p> <p>2023 Annual Report: Market overview <i>on pages 14 to 17</i></p>



Disclosure requirement	Our progress	More information					
Risk Management							
<p>Describe the Group's processes for identifying and assessing climate-related risks</p>	<p>As an AIM-listed business, risks and opportunities which will impact our financial performance are considered financially material as these are likely to impact the decision-making of our investors and potential investors, particularly our financial Key Performance Indicators (KPIs) as disclosed on pages 24 and 25 of the Annual Report. Therefore, the Board considers that those risks that are likely to impact these metrics the most significantly are the most financially material to the Group.</p> <p>As described on page 33 ("Describe the climate-related risks and opportunities identified in the short, medium, and long term"), we have completed a detailed scenario analysis which includes a risk and opportunities assessment, rating the probability and impact of the identified risks.</p>	<p>2023 Annual Report: Principal Risks and Uncertainties on pages 60 to 68</p>					
<p>Describe the Group's process for managing climate-related risks</p>	<p>The Board regularly undertakes assessments of the emerging and principal risks facing the Group, including climate-related risks and climate-related impacts on other risks. The ESG Implementation Group and members of senior management monitor these risks on a day-to-day basis, reporting changes to the Board where necessary.</p> <p>The Group has identified a range of climate-related risks, both transitional and physical.</p> <table border="1" data-bbox="501 762 1816 1385"> <tr> <td data-bbox="465 975 501 1166" rowspan="2" style="writing-mode: vertical-rl; transform: rotate(180deg);"> Transition Risks </td> <td data-bbox="510 778 1144 1070"> <p>Disorderly Assume significant climate action but with delays or regional tensions. The two associated narratives within this category are the Divergent Net Zero scenario, which reaches net zero by 2050, but where action only commences in 2030, and the Divergent Transition scenario, where different regions pursue uncoordinated policies of transition. These scenarios both result in around 1.5° of warming in 2100, respectively, but with much more severe economic disruption.</p> <p>Scenarios: Divergent Net Zero, Delayed Transition</p> </td> <td data-bbox="1153 778 1807 1070"> <p>Too little, too late Assume that a late transition fails to limit physical risks. No scenarios have been specifically designed for this purpose. This space can be explored by assuming higher physical risk outcomes for the disorderly scenarios.</p> </td> </tr> <tr> <td data-bbox="510 1077 1144 1378"> <p>Orderly Assume global climate action occurs steadily and efficiently. The two associated narratives within this category are the Net Zero 2050 scenario, which limits end-of-century warming to below 1.5°C, and the Below 2°C scenario, a slightly less ambitious pathway that results in below 2°C of warming in 2100</p> <p>Scenarios: Net Zero 2050, Below 2°C</p> </td> <td data-bbox="1153 1077 1807 1378"> <p>Hot house world Assume limited additional climate action is taken, and physical damages from climate change continue to mount. In the more optimistic narrative, countries fulfil their Nationally Determined Contributions (NDCs) but nothing more, leading to warming of over 2.5°C in 2100. The more pessimistic narrative (termed "Current Policies") assumes climate policies are not strengthened, leading to warming of over 3°C by 2100.</p> <p>Scenarios: Current Policies, Nationally Determined Contributions (NDCs)</p> </td> </tr> </table> <p style="text-align: center;">Physical risks</p>	Transition Risks	<p>Disorderly Assume significant climate action but with delays or regional tensions. The two associated narratives within this category are the Divergent Net Zero scenario, which reaches net zero by 2050, but where action only commences in 2030, and the Divergent Transition scenario, where different regions pursue uncoordinated policies of transition. These scenarios both result in around 1.5° of warming in 2100, respectively, but with much more severe economic disruption.</p> <p>Scenarios: Divergent Net Zero, Delayed Transition</p>	<p>Too little, too late Assume that a late transition fails to limit physical risks. No scenarios have been specifically designed for this purpose. This space can be explored by assuming higher physical risk outcomes for the disorderly scenarios.</p>	<p>Orderly Assume global climate action occurs steadily and efficiently. The two associated narratives within this category are the Net Zero 2050 scenario, which limits end-of-century warming to below 1.5°C, and the Below 2°C scenario, a slightly less ambitious pathway that results in below 2°C of warming in 2100</p> <p>Scenarios: Net Zero 2050, Below 2°C</p>	<p>Hot house world Assume limited additional climate action is taken, and physical damages from climate change continue to mount. In the more optimistic narrative, countries fulfil their Nationally Determined Contributions (NDCs) but nothing more, leading to warming of over 2.5°C in 2100. The more pessimistic narrative (termed "Current Policies") assumes climate policies are not strengthened, leading to warming of over 3°C by 2100.</p> <p>Scenarios: Current Policies, Nationally Determined Contributions (NDCs)</p>	<p>2023 Annual Report: Principal Risks and Uncertainties on pages 60 to 68</p> <p>2023 Annual Report: Directors' Report on pages 94 to 97</p>
Transition Risks	<p>Disorderly Assume significant climate action but with delays or regional tensions. The two associated narratives within this category are the Divergent Net Zero scenario, which reaches net zero by 2050, but where action only commences in 2030, and the Divergent Transition scenario, where different regions pursue uncoordinated policies of transition. These scenarios both result in around 1.5° of warming in 2100, respectively, but with much more severe economic disruption.</p> <p>Scenarios: Divergent Net Zero, Delayed Transition</p>		<p>Too little, too late Assume that a late transition fails to limit physical risks. No scenarios have been specifically designed for this purpose. This space can be explored by assuming higher physical risk outcomes for the disorderly scenarios.</p>				
	<p>Orderly Assume global climate action occurs steadily and efficiently. The two associated narratives within this category are the Net Zero 2050 scenario, which limits end-of-century warming to below 1.5°C, and the Below 2°C scenario, a slightly less ambitious pathway that results in below 2°C of warming in 2100</p> <p>Scenarios: Net Zero 2050, Below 2°C</p>	<p>Hot house world Assume limited additional climate action is taken, and physical damages from climate change continue to mount. In the more optimistic narrative, countries fulfil their Nationally Determined Contributions (NDCs) but nothing more, leading to warming of over 2.5°C in 2100. The more pessimistic narrative (termed "Current Policies") assumes climate policies are not strengthened, leading to warming of over 3°C by 2100.</p> <p>Scenarios: Current Policies, Nationally Determined Contributions (NDCs)</p>					



Disclosure requirement	Our progress	More information
Risk Management continued		
<p>Describe the Group’s process for managing climate-related risks continued</p>	<p>We have not identified any risks which we currently expect could have a significant or critical impact on the Group .</p> <p>Within this process, we have also considered the strategic actions which can be taken to mitigate these risks, as described on page 36 of this report (“Describe the resilience of the Group’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario”).</p> <p>The Directors have assessed the prospects of the Group in line with the “Going concern” provision for a period of five years, as disclosed in the Directors’ Report on pages 94 to 97 of the 2023 Annual Report, and have concluded the business is viable and will remain viable up to at least 30 June 2028.</p> <p>Sustainability and climate change are key considerations of the Group, and the potential impacts have therefore been built into the Group’s going concern and viability assessment.</p> <p>This assessment is reconsidered on at least an annual basis, and any significant signals that climate-related issues are likely to have an impact on this assessment would be identified by the working groups responsible for monitoring and assessing matters relating to sustainability and ESG. These working groups feed back to the ESG Implementation Group, which provides a report to the Board at each board meeting as a standing agenda item.</p>	
<p>Describe how processes for identifying, assessing and managing climate-related risks are integrated into the Group’s overall risk management</p>	<p>The Group’s overall risk management approach is described in the Principal Risks and Uncertainties report on pages 60 to 68 of the 2023 Annual Report. One of the principal risks identified by the Board is Sustainability and climate change.</p> <p>The impact and probability of this risk is reviewed on at least a bi-annual basis, including review of the mitigating factors in place, and any changes since the last review.</p> <p>The Group has also developed a framework for assessing climate-related risks using a scenario analysis, which is described on page 37 of this report.</p>	<p>2023 Annual Report: Principal Risks and Uncertainties on pages 60 to 68</p>



Disclosure requirement	Our progress	More information
Metrics and Targets		
<p>Disclose the metrics used by the Group to assess climate related risks and opportunities in line with its strategy and risk management process</p>	<p>The Group has a standalone ESG strategy, “Care at Our Heart”, which underpins the Group’s overall strategy and business model.</p> <p>To support the delivery of this strategy, our working groups in energy and carbon, waste, One Health, people development, wellbeing and EDI monitor and assess our impact in these areas. Each group has its own terms of reference and targets, within which climate-related challenges can be identified and managed.</p> <p>In addition, we publish an annual Sustainability Report in which we produce a full disclosure report under the Sustainability Accounting Standards Board (SASB) standards. This reporting framework was selected to provide reliable data on financially material sustainability factors which is comparable and consistent, thereby assisting investors to make better investment and voting decisions.</p> <p>SASB standards are industry specific, and under the current classification system used by SASB, there is no single industry framework that would be fully aligned with the indicators relevant to a veterinary business.</p> <p>To maximise the transparency and suitability of our reporting, we decided to report against two industry-specific sets of standards within SASB: “Health Care Delivery”, and “Multiline and Speciality Retailers & Distributors”. In some cases, the metrics within the SASB standards were adapted to suit the Group’s business and markets. We were advised and supported in the selection of the SASB framework, and the reporting of this data, by an external expert which also advised in the creation of our Care at Our Heart strategy.</p> <p>In most cases, the data required to report against SASB metrics is available internally. This is with the exception of some energy and carbon data, for which we use an external energy consultancy which also supports us in the delivery of our Streamlined Energy and Carbon Reporting (SECR) in our 2023 Annual Report.</p> <p>The Board is aware that the Group has runway to improve in a range of sustainability and climate-related metrics. One of the key intentions when publishing the Sustainability Report and SASB data is to ensure accountability across the Group in delivering improvements to these metrics. The creation of our ESG working groups helps to disaggregate responsibility for delivering progress in the Group’s sustainability and readiness for climate-related risks and opportunities.</p> <p>Whilst SASB standards are for the purpose of a holistic reporting of sustainability, there is limited climate-related metrics. The Group reports alternative climate-related metrics within the SASB section of this Sustainability Report, however there are not currently specific timelines for improvement of these metrics.</p>	<p>2023 Annual Report: Streamlined Energy and Carbon Reporting on pages 98 to 99</p>
<p>Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</p>	<p>The Group’s Scope 1, Scope 2 and Scope 3 emissions and the methodology for calculating these are disclosed in the SECR report within our 2023 Annual Report on pages 98 to 99.</p> <p>The SECR lays out the total emissions, as well as the methodology applied. An internal carbon price is calculated to normalise year-on-year data, by calculating the emissions in tonnes of CO₂ per £m of revenue resulting in an intensity ratio. This allows for more effective year-on-year comparison which represented a 18.9% reduction from 21.2 to 17.2 tCO₂e per £m revenue from 2022 to 2023.</p>	<p>2023 Annual Report: Streamlined Energy and Carbon Reporting on pages 98 to 99</p>



Disclosure requirement	Our progress	More information
Metrics and Targets continued		
<p>Describe the targets used by the Group to manage climate-related risks and opportunities and performance against targets</p>	<p>The Group has initiatives in place to reduce its impact on the environment, which are disclosed in our Sustainability Report. Our purpose is to give the best possible care to animals and, to be able to deliver this purpose, the Group must be able to continue in operation despite climate-related risks. Therefore, the Board is overseeing the implementation of specific targets relating to climate resilience.</p> <p>We have set sustainability-related targets in bonuses for Directors and other Senior Management, for the financial year to 30 June 2023, as a strategy to incentivise the achievement of climate-related targets. These are included in the non-financial components of the bonus entitlement which represent 20% of the available bonus. These are set out in our Remuneration Committee Report on page 85 of the 2023 Annual Report and specified below.</p> <p>The five non-financial components each present 4% of the bonus entitlement:</p> <ul style="list-style-type: none"> > Patient Care Index – an increase of one percentage point. Actual Patient Care Index reduced in the year by 1.5 percentage points and therefore this target was not met. > Attrition – 10.0% reduction. Attrition fell by 17% in the year and therefore this target was met. > eNPS – 50.0% improvement in employee net promoter score. eNPS increased by 204.2% in the year and therefore this target was met. > Clinical waste – 5.0% reduction in total clinical waste (measured across existing CVS sites and excluding acquisitions in year). Total clinical waste reduce 5.6% and therefore this target was met. > Client NPS – 5.0% improvement in client net promoter score. Client NPS increased by 1.5% in the year and therefore this target was not met. 	<p>2023 Annual Report: Remuneration Committee Report on pages 83 to 93</p>



Reporting standards

Following consideration of various disclosure frameworks and standards, in 2022, we selected the standards developed by the Sustainability Accounting Standards Board (SASB) as a basis for our reporting, to better identify, manage and communicate sustainability information to investors. Reporting against SASB standards provides reliable data on financially material sustainability factors which is comparable and consistent, thereby assisting investors to make better investment and voting decisions.

Our approach to this report, and sustainability reporting in general, has also been informed and influenced by other globally recognised frameworks and sets of principles, including the Global Reporting Initiative standards, the United Nations Sustainable Development Goals and the Task Force on Climate-Related Financial Disclosures recommendations. SASB standards are industry-specific. Under the current classification system used by SASB, there is no single industry framework that would be fully aligned with the indicators relevant to a veterinary business. To maximise the transparency and suitability of our reporting, we have decided to report against two industry-specific sets of standards within SASB: “Health Care Delivery”, and “Multiline and Speciality Retailers & Distributors”.

The SASB disclosure requirements are international, but have been developed with a focus on data applicable to businesses in the US. Where no meaningful data could be disclosed for geographical or sectoral reasons, it has been indicated accordingly, although we have endeavoured to populate such fields with comparable metrics which capture the material

information of a veterinary business with operations in the UK, Australia, the Netherlands and the Republic of Ireland. This is the second year in which we have reported against SASB standards and we intend to continue doing so going forward. This will involve improving our data collection processes to provide our stakeholders with a full picture of our performance, and aligning the reporting period of various disclosed metrics to the extent possible.

Alongside the requirements of the SASB disclosure, additional sustainability reporting requirements of IFRS S1 and IFRS S2 came into effect in June 2023 with the intention to have an internationally recognised baseline for sustainability-related information. This will build on the requirements of SASB disclosures by using metrics for global understanding where the SASB disclosures use data applicable to businesses in the US. It is our intention to incorporate the IFRS S1 and IFRS S2 into the annual reporting to provide a greater understanding of the group’s performance and our commitment to an environmentally sustainable growth model enabling greater transparency and accountability.





Metric	Available data points
Energy Management	
1. Total energy	174,305 GJ in the financial year ended 30 June 2023 (2022: 198,820 GJ).
2. Total percentage grid electricity	We have estimated 100% of our energy is grid energy, as we are not aware of any record of off-grid energy generation at any of our sites.
3. Total percentage renewable	All our veterinary practices in the UK, the Netherlands, and the Republic of Ireland use 100% electricity from renewable sources.
Waste Management	
1. Total amount of medical waste, percentage incinerated, recycled or treated, and landfilled	577 tonnes of medical waste were produced in the twelve months to June 2023 (2022: 590 tonnes); of this: <ul style="list-style-type: none"> > 33.1% – incinerated (2022: 33.0%) > 36.1% – landfill (2022: 33.8%) > 31.8% – treated and used for refuse derived fuel (2022: 34.2%)
2. Total amount of hazardous and non-hazardous pharmaceutical waste, percentage incinerated, recycled or treated or landfilled	5 tonnes of hazardous and 87 tonnes of non-hazardous pharmaceutical waste were generated in the twelve months to June 2023 (2022: 6.8 tonnes hazardous and 85 tonnes of non-hazardous pharmaceutical waste). <ul style="list-style-type: none"> > 100% incinerated (2022: 100%)
Patient Privacy & Electronic Health Records	
1. Percentage of patient records that are Electronic Health Records (EHR) that meet “meaningful use” Requirements	Electronic Health Records do not apply to animals, and animal (patient) data is not covered under GDPR.
2. Description of policies and practices to secure customers’ protected health information (PHI) records and other personally identifiable information	PHI is not applicable to animals. With regards to personally identifiable information regarding animal owners, the Group has instigated an automatic anonymisation feature within its primary practice management system (‘PMS’) that will routinely erase or anonymise customer data (including address, phone number, email address, etc.) once a customer record satisfies the data retention policy criteria; namely, that there has been no activity on the customer’s record for more than seven years and their account balance is £nil. There are approximately 1.9m customer records in the PMS database that have had customer account activity in the last seven years, and for records satisfying the criteria for automatic anonymisation, over 34% have been resolved.
3. The number of data breaches	There were two data breaches which were reported to the Data Protection Officer.
4. The percentage of data breaches involving personally identifiable information (PII) only and protected health information (PHI)	Both of the data breaches contained PII.



Metric	Available data points
Patient Privacy & Electronic Health Records continued	
5. The number of customers affected in each category, PII only and PHI	<ul style="list-style-type: none"> > PII: approximately 427 customers > PHI: 2 customers
6. Total amount of monetary losses as a result of legal proceedings associated with data security and privacy	None.
Access for Low-Income Patients	
1. Discussion of strategy to manage the mix of patient insurance status	<p>Non-routine veterinary costs can often be an unpleasant surprise to clients.</p> <p>The Group seeks to provide estimates to clients at the outset and regular updates for procedures, while by their very nature, are difficult to accurately quote for up front.</p> <p>The Group provides a preventative health care scheme, the 'Healthy Pet Club', as part of our strategy to provide the best possible care for animals. This includes annual health checks and vaccinations, six-monthly health checks, flea and worming treatment, and a range of discounts on additional services, allowing our clients to spread the cost of preventative healthcare for their pets, save money throughout the year, and reduce the risk of high costs in future for preventable illnesses.</p> <p>The Group offers pet insurance ('MiPet Cover'), with a key focus on educating our customers on the value of insurance and the potential costs of certain procedures when uninsured or without valid insurance. We provide them with the flexibility to choose the appropriate level of fee cover and excess amounts to suit their needs and affordability. As such, much of our in-practice materials & website are educational, based around pet insurance. We also offer our clients four weeks of free pet insurance (for puppies and kittens) to provide them with time to consider the type of insurance they need while being assured that their pet is covered for any accident or illness. We provide two key pet insurance product ranges: lifetime and annual policies; our clinical focus would always recommend lifetime cover for pets, but for affordability reasons, we also offer an annual policy to ensure access for all our clients.</p> <p>Many of our clinical colleagues perform pro bono work to support low-income pet owners. We do not currently have sufficient data to disclose the value of pro bono work performed. In cases where we cannot perform pro bono work, we direct low-income pet owners to charitable organisations or non-CVS practices who may be able to support them. Where possible, we provide a choice of clinical interventions which carry reduced costs, in order to ensure the animal receives the best possible care.</p>
2. Amount of Medicare Disproportionate Share Hospital adjustment payments received	Non-applicable.



Metric	Available data points
Quality of Care & Patient Satisfaction	
1. Average Hospital Value-Based Purchasing Total Performance Score and domain score, across all facilities	Non-applicable.
2. Number of Serious Reportable Events (SREs) as defined by the National Quality Forum (NQF)	We do not have a mandatory event reporting system, such as that in the NHS in the UK. However, we have a Significant Event Reporting framework, using the online significant event reporting system, VetSafe. You can read more about this system in our Quality Improvement ('QI') reports, which are published on our website: www.cvsukltd.co.uk . The meaning of a significant event in this context is: any unintended or unexpected event which could or did lead to animal harm. The significant event analysis process provides a framework to systematically identify all factors that contributed to an event, so that improvements can be made. There were 692 significant events recorded on VetSafe in the financial year ended 30 June 2023 (2022: 617).
3. Hospital-Acquired Condition (HAC) Score per hospital	Non-applicable.
4. Excess readmission ratio per hospital	<p>Readmission in veterinary procedures is not recorded and monitored as it would be in human healthcare, however, in our Referrals division we have introduced collection of data measuring outcomes and complications in orthopaedic cases. Further information is available in our 2022 QI report, which is published on our website: www.cvsukltd.co.uk. This initiative was introduced to all referral hospitals in 2022, and we saw an engagement of nearly 60% of those invited to complete the questionnaire.</p> <p>The Group also uses client surveys which are sent out after discharge of patients, to measure Client Reported Experience Measure ('CREMs'). There is increasing evidence that these have importance alongside outcome measures. We are also trying to promote the use of the Canine Cruciate Registry within CVS. This is a national project run by RCVS Knowledge. In future reports we hope to report quantitative data demonstrating the outcomes of these initiatives.</p>
5. Magnitude of readmissions payment adjustment as part of the Hospital Readmissions Reduction Program (HHRP)	Non-applicable.



Metric	Available data points
Management of Controlled Substances	
1. Description of policies and practices to manage the number of prescriptions issued for controlled substances	<p>The Group has internally published policies and guidance relating to hazardous or potentially hazardous substances, referred to as Control of Substances Hazardous to Health ('COSHH'). The Group provides and maintains a 'dedicated and preferred list' of hazardous or potentially hazardous substances and products, including all Veterinary Medicines and preparations, that are used across all divisions. Risk Assessments are provided for identified hazardous substances, and a library is maintained of COSHH Risk Assessments and Material Safety Data Sheets ('MSDS') for all hazardous and potentially hazardous substances or products used within CVS sites. There is also a COSHH Working Group which oversees the provision and monitoring of the COSHH Policy and its implementation, including a range of representatives from across the business. The Working Group is advised by the Clinical Advisory Committees ('CAC'), a group of Senior Clinicians and invited others dedicated to providing the best clinical outcomes for CVS patients. A library of relevant Specific Product Characteristics Sheets ('SPC') for Veterinary Medicines, MSDS and Manufacturer information is published on the Group's intranet and attached to the electronic COSHH Risk Assessments on the Group's electronic safety management system.</p> <p>The Group also have an Antimicrobial Resistance ('AMR') policy and two of our veterinary surgeons took part in an internationally-published AMR study. AMR is one of the top health threats facing our planet and as a Group we have taken action to reduce the number of highest priority critically important antimicrobials ('HPCIA's') in the past two years, HPCIA product sales decreased by 20%.</p>
2. Percentage of controlled substance prescriptions for which a prescription drug monitoring program (PDMP) database was queried	Non-applicable.



Metric	Available data points
Pricing & Billing Transparency	
1. Description of policies or initiatives to ensure that patients are adequately informed about price before undergoing a procedure	<p>A core part of the Code of Professional Conduct for Veterinary Surgeons surrounds practice information, fees, animal insurance and fair trading. These can be reviewed here: https://www.rcvs.org.uk/setting-standards/advice-and-guidance/code-of-professional-conduct-for-veterinary-surgeons/supporting-guidance/practice-information-and-fees/.</p> <p>Any procedure undertaken requires informed consent which is also covered by the code of conduct. CVS sites will adhere to all these principles and we go further, ensuring that our practices are accredited to the Royal College of Veterinary Surgeons ('RCVS') Practice Standards Schemes.</p>
2. Discussion of how pricing information for services is made publicly available	<p>Routine, consultation and emergency out-of-hours consultation price information, along with prices for vaccinations and neutering procedures, are published on some practice websites or in their new client information leaflets, and are always available at the request of clients. We publish our prescription pricing in our waiting rooms in a notice that ensures clients are aware they can ask for a prescription.</p> <p>Not all clinical diagnostics and/or treatments have pricing information that is easy to predict and therefore to publish. It is not possible to know the exact price of veterinary intervention in all cases, as there can be variable responses to treatment or indeed complications in any course of treatment. However, our practices have the ability to provide detailed printed or recorded estimates to ensure that customers are adequately informed of estimated prices before agreeing to procedures. The potential for additional charges is included in discussions with customers on appropriate treatment options, there is a detailed consent form on our PMS, and customers are updated regularly on any changes in cost.</p> <p>We publish in our practices, and on our websites pricing for all our Healthy Pet Club Schemes, and our crematoria websites disclose prices for all options available to clients</p>
3. Number of entity's 25 most common services performed that these represent	The 25 most common services in our companion animal, farm animal and equine veterinary practices are included in the list of 69 standard known-value 'shoppable' items.
Employee Health & Safety	
1. Total recordable incident rate (TRIR)	<p>TRIR is a safety measurement from the US Occupational Safety and Health Administration (OSHA) and as such is not commonly used in the UK. Alternatively, the Group reports under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).</p> <p>The total number of incidents reported under RIDDOR regarding employees in the financial year ended 30 June 2023 was 25 (2022: 25). Going forwards, we intend to align our HR and Health & Safety systems to enable us to calculate a frequency rate for RIDDOR incidents.</p>
2. Total number of days away, restricted, or transferred (DART) rate	DART is a safety measurement from the OSHA and as such is not commonly used in the UK. This data was not available for the financial year ended 30 June 2023.



Metric	Available data points
Employee Recruitment, Development & Retention	
1. (1) Voluntary and (2) involuntary turnover rate for physicians, non-physician health care practitioners, and all other employees	<p>Turnover rate across the Group is undisclosed as this information is commercially sensitive. Alternatively, we record and monitor vet vacancy rates, calculated as the number of vet vacancies / total number of vet roles.</p> <p>In the financial year to 30 June 2023 our vet vacancy rate averaged 11.5% (2022: 10.4%). We continue to create new roles to support the growth of our business.</p>
2. Description of talent recruitment and retention efforts for health care practitioners	<p>All our clinical roles are advertised publicly on our CVS Careers website, and to our existing colleagues via our Intranet site. These are also published on a range of Veterinary Job Boards, including Vet Record Careers and Vet Times Jobs online. We also advertise on LinkedIn and Indeed.</p> <p>We create talent pools for any vet candidates we cannot place at the time; for example, vets who need to sit the RCVS Statutory exam, or vets whose experience is not at the required level for the role. We also stay in contact with vets who withdraw from our process in case there are roles which they may be suitable for at a later date.</p> <p>We promote our “refer-a-friend” scheme internally, with our hiring managers and practices. We currently offer up to £5,000 for a vet and £3,000 for a nurse, where both the referring employee and new joiner receive this bonus for anyone that successfully refers a friend to work for CVS.</p> <p>We are looking to appoint a dedicated international recruiter, a role created in 2022.</p> <p>We place significant focus on graduate recruitment, and our new graduate recruitment drive includes drinks receptions with final-year students. We also advertise directly with universities for any remaining final-year students who are still searching for jobs. We welcome our new graduate vets with a three-week training programme, including a one-week residential course, providing support and Continuing Professional Development.</p> <p>We promote and encourage a regular feedback culture where colleagues have regular “check-in” conversations to discuss their performance objectives, their career goals and their wellbeing.</p> <p>Career development opportunities are available, for example through career pathways which are fully supported with funded training programmes for vets to become advanced practitioners or specialists.</p>



Metric	Available data points
Climate Change Impacts on Human Health & Infrastructure	
1. Description of policies and practices to address the physical risks due to an increased frequency and intensity of extreme weather events	<p>The Group has adopted Task Force on Climate-Related Financial Disclosures (TCFD) in its 2023 Annual Report.</p> <p>As part of this, the Board has identified a range of climate-related risks, including operational disruption to colleagues and clients caused by extreme weather events, and operational and financial effects of disruptions to supply chains resulting from such events.</p>
2. Description of changes in the morbidity and mortality rates of illnesses and diseases, associated with climate change	<p>As part of the Group's TCFD disclosures the Group has performed scenario analysis which includes analysis of risks and opportunities arising from climate-related issues. This includes discussion of changes to morbidity and mortality rates, and changes to illnesses and diseases in animal populations.</p>
3. Percentage of health care facilities that comply with the Centres for Medicare and Medicaid Services (CMS) Emergency Preparedness Rule	<p>Non-applicable.</p>



The table below excludes data points which overlap with the “Health Care Delivery” standards, to avoid duplication.

Metric	Available data points
Fraud & Unnecessary Procedures	
1. Total amount of monetary losses as a result of legal proceedings associated with Medicare and Medicaid fraud under the False Claims Act	Non-applicable.
Activity Metrics	
Number of:	1. The Group has 472 veterinary practices, including nine specialist referral hospitals and 39 dedicated out-of-hours sites, three laboratories and seven crematoria.
1. Facilities by type	2. Non-applicable.
2. Beds	3. Inpatient (human) admissions are not applicable to our business.
3. Inpatient admissions	4. The number of visits to our veterinary practices is undisclosed as this information is commercially sensitive.
4. Outpatient visits	
Data Security	
1. Description of approach to identifying and addressing data security risks	<p>The Group has a number of policies in place that are aimed at ensuring the stability and security of our networks and systems, whilst at the same time supporting the growth of the business.</p> <p>Access to networks, applications and data is limited to those who require it. Where possible, physical access to equipment is restricted. Access to networks and applications is restricted by passwords which are changed regularly as well as Multi-Factor Authentication where possible.</p> <p>Network security is regularly enhanced with external reviews being performed periodically to identify areas of risk.</p> <p>Networks and equipment are automatically monitored to identify risks and issues, and failover systems are in place in key areas. A scheduled programme of equipment and software replacement takes place to help ensure that the latest security features are available.</p> <p>Procedures are in place over the development of systems. These require full testing on test platforms and, where relevant, on a number of test sites before the full implementation of any changes.</p> <p>Systems are regularly backed up to servers and the cloud and the recovery of those systems is tested.</p> <p>The main system used by operations is the practice management system in our surgeries. One well-established and well-maintained practice management system is primarily used. Each practice’s system is independent of others and most practices can operate for a short period of time without access to the internet. This reduces the risk of any issues impacting on the business. This system is continually developed to meet the needs of the business.</p>



Metric	Available data points
Data Security continued	
2. Number of data breaches	None.
3. Percentage involving personally identifiable information (PII)	Non-applicable, as no data breaches.
4. Number of customers affected	Non-applicable, as no data breaches.
Labour Practices	
1. Average hourly wage	Undisclosed as this is commercially sensitive.
2. Percentage of in-store employees earning minimum wage, by region	None. From May 2022, we committed to paying a minimum of 3% more than the current National Minimum Wage/National Living Wage to all our colleagues.
3. Voluntary turnover rate for in-store employees	Turnover rate across the Group is undisclosed as this information is commercially sensitive. Please refer to page 47 of this report in which we disclose vet vacancy rates.
4. Involuntary turnover rate for in-store employees	Turnover rate across the Group is undisclosed as this information is commercially sensitive. Please refer to page 47 of this report in which we disclose vet vacancy rates.
5. Total amount of monetary losses as a result of legal proceedings associated with labour law violations	£Nil.



Metric	Available data points
Workforce Diversity & Inclusion	
1. Percentage of gender and racial/ethnic group representation for management	<p>At Board level:</p> <p>Gender:</p> <ul style="list-style-type: none"> > Male – 75.0% (2022: 75.0%) > Female – 25.0% (2022: 25.0%) <p>Ethnic diversity:</p> <ul style="list-style-type: none"> > Ethnic minority – 12.5% (2022: 12.5%) > White – 87.5% (2022: 87.5%) <p>At Executive Committee level:</p> <p>Gender:</p> <ul style="list-style-type: none"> > Male – 71.4% (2022: 57.8%) > Female – 28.6% (2022: 43.2%) <p>Ethnic diversity:</p> <ul style="list-style-type: none"> > Ethnic minority – 14.3% (2022: 14.3%) > White – 85.7% (2022: 85.7%)



Metric	Available data points
Workforce Diversity & Inclusion continued	
2. Percentage of gender and racial/ethnic group representation for all other employees	<p>Gender:</p> <ul style="list-style-type: none"> > Female – 87.0% (2022: 86.4%) > Male – 12.8% (2022: 13.5%) > Non-binary/other – 0.2% (2022: 0.1%) <p>Ethnic Diversity:</p> <ul style="list-style-type: none"> > Asian/Asian British – 1.1% (2022: 1.6%) > Black/Black British – 0.2% (2022: 0.2%) > Mixed/Multiple – 1.5% (2022: 1.9%) > White – 94.9% (2022: 94.1%) > Other – 0.1% (2022: 0.1%) > Prefer not to say – 2.2% (2022: 2.1%) > Based on ethnicity data completion rate of 65% (2022: 55%)
3. Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Losses as a result of potential tribunal action (i.e. where we have settled prior to tribunal) in the financial year ended 30 June 2023 were £55,000 (2022: £26,000). Losses as a result of tribunal hearings in 2023 were £nil (2022: £nil).



Metric	Available data points
Product, Sourcing, Packaging & Marketing	
1. Revenue from products third-party certified to environmental and/or social sustainability standards	Undisclosed as we do not currently have data relating to supplier third-party certification. We are working with our key suppliers to understand their sustainability policies, with the intention that over time we can disclose this data.
2. Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Refer to page 45 of this Sustainability Report for discussion of our policies and guidance relating to hazardous or potentially hazardous substances, referred to as Control of Substances Hazardous to Health (COSHH). In addition, CVS has over 100 assessments on the CVS Health and Safety Portal which are accessible to every colleague. The assessments cover everything from cleaning products to laboratory chemicals and veterinary medicines.
3. Discussion of strategies to reduce the environmental impact of packaging	<p>The Group employs a number of strategies aimed at reducing the environmental impact of packaging, including:</p> <ul style="list-style-type: none"> > choosing suppliers which use sustainable packaging, such as cardboard-alternative 'Notboxes' used by WarrensOffice; > carbon-balancing the use of paper in our Vet Direct catalogues through partnership with the World Land Trust to protect 4,999m² of forest by November 2021; > trialling reusable sharps and pharmaceutical bins; > using Veolia's Microsoft Power BI platform to analyse and monitor waste bin utilisation to increase recycling and reduce waste collections; > partnering with our main veterinary wholesalers to offer a packaging return scheme, where unwanted packaging is collected for reuse or recycling; and > sending approximately 32,000kg of cardboard and 6,000kg of plastic for recycling.
Activity Metrics	
1. Number of retail locations	The Group's principal activity is the provision of veterinary services and ancillary services. As such the number of veterinary practices, laboratories and crematoria is of greater relevance than retail locations. The Group has 472 veterinary practices, including nine specialist referral hospitals and 39 dedicated out-of-hours sites, three laboratories and seven crematoria.
2. Number of distribution centres	We have two distribution centres, for our "Animed Direct" online retail business and our "Vet Direct" veterinary supplies business.
3. Total area of retail space	Undisclosed as retail is a small area of our business and the data is not financially material.
4. Total area of distribution centres	Undisclosed as distribution is a small area of our business and the data is not financially material.



As we look ahead to 2024, we have some clear priorities outlined which will enable the continued delivery of our sustainability focus.

The Outcome – 2023	Our target – 2024 and beyond	ESG
Our Energy & Carbon Programme		
Reduced our business energy use by 12.3%.	> Reduce our business energy use by 5%.	E
Reduced our operational carbon footprint by 11.1%.	> Reduce our operational carbon footprint by 3%.	E
Our Waste Programme		
In the last year we achieved an 1.85% reduction in our annual medical waste that is incinerated. This is the category of waste that has the highest environmental impact.	> We aim to reduce our medical waste by a further 5%.	E
We also reduced our total volume of medical waste by 2.2% in the twelve month period.	> We will also aim to reduce the medical waste that is disposed of by 5%.	E
Our One Health Programme		
CVS has seen a consistent decrease of 20% in the prescriptions of Highest Priority Critically Important Antibiotics (HPCIAAs) by all companion animal practices in the last twenty-four months.	> Our aim is to promote responsible use of antibiotics and reduce their use in a way that is consistent with animal welfare.	ES
The introduction of the practice-specific dashboard has also encouraged practices to pursue their own individual improvement projects.	> To understand better the impact of topical parasiticides on the environment and insect life in particular.	ES
We have eliminated the use of Nitrous Oxide in practices from July 2023.	> To end the use of Nitrous Oxide, which has been achieved at the end of the period, and to reduce the overuse of commonly used anaesthetic gases.	ES
Our People Development Programme		
Reduced attrition.	> Increase our eNPS score by 5%.	S
Reduced vet attrition.	> Reduce attrition rates by 5%.	S
Increased the average number of vets employed to 6.5% (against a 1% market growth).		
Achieved 200 graduate vets employed (20-25% of the available UK pool).		
Achieved an improvement in our Employee Net Promoter Score (eNPS).		
Our Wellbeing Programme		
Overall, our eNPS reflects the number of people who would recommend us as a good place to work. During the last twelve months our eNPS has increased to +14.6 from +4.8 last July. From July 2022 to June 2023 we have also:	> Ensure that our colleagues are having regular check-ins where their wellbeing is a key topic of conversation.	S
> Increased the number of colleagues saying our wellbeing resources are relevant and useful – from 63% in August 2022 to 66.4% in June 2023.	> Increase the % of colleagues saying we provide relevant and helpful wellbeing resources to 70%.	S
> Increased the number of colleagues saying work has had an overall positive effect on their wellbeing – from 40.5% in August 2022 to 45.4% in June 2023.	> Increase the number of Wellbeing Champions/ First Aiders for Mental Health we have to 450.	S



The Outcome – 2023

Our target – 2024 and beyond

ESG

Our Equity Diversity and Inclusion (EDI) Programme

We have embedded Foundational Understanding of EDI through; policy implementation, supportive training resources, and initiatives that address the needs of under-represented groups.

The proportion of colleagues reporting they feel equally included at work has risen from 75% (Culture Survey, Feb 2022) to 83.6% (Jun 2023).

The proportion of colleagues reporting they feel safe to present themselves at work, saw a rise from 73% (Feb 2022) to 84.6% (Jun 2023) following the launch of our Psychological Safety training (Aug 2022).

Steps we've made have contributed to an increased eNPS score and a reduction in colleague attrition levels.

> Within three years of the launch of our EDI programme in June 2022, our targets are to:

> Increase the % of colleagues saying they feel equally included at work to 85%.

> Attain the below workforce data completion rates:

Workforce data completion rates	Target 3 years
<i>Ethnicity</i>	80%
<i>Sexual Orientation</i>	65%
<i>Disability</i>	65%
<i>Gender identity</i>	50%
<i>Social Mobility</i>	30%

> Achieve the following workforce representation:

Workforce representation Goals	Veterinary sector benchmark (RCVS 2021)	Within 3 years
<i>Ethnic Diversity (Black, Asian, & other Ethnic Minority backgrounds)</i>	Vets 3.5% Nurses 1.9%	Vets: 4% Nurses: 2.4% Other: 4% Overall: 4%
<i>Disability representation</i>	Vets 6.7% Nurses 5.2%	Vets: 7% Nurses: 7% Other: 6.5% Overall: 6.5%

All S

Produced by
designportfolio

CVS Group plc
Owen Rd, Diss
Norfolk
IP22 4ER
01379 644288
Company No. 06312831

