

Care at our Heart

CVS Group plc
Sustainability Report 2022





Introduction from Richard Fairman Chief Executive Officer

Care at the heart of our business

I am pleased to introduce CVS's first 'Care at our Heart' report, our new sustainability report which sets out the foundations of our approach to ESG.

The care we have for our colleagues, our clients and their animals is ingrained within our very DNA. 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. This purpose and vision guide us in everything we do and help us not only to have a positive impact on our teams, our patients, our customers, and our other stakeholders, but also to make a bigger contribution to wider society.

Taking this approach helps to bolster the sustainability of our business in every sense of the word, driving value for our stakeholders and helping us to look after the world around us.





Introduction from Richard Fairman continued

Our ESG foundations

The foundations of our environmental, social, and governance ('ESG') strategy, as originally set out in our 2021 Annual Report, articulate **why and how we care:**

We care

about protecting the wellbeing of our colleagues, and equipping them with the support, resources, training, and access to personal development opportunities that they need.

We care

about driving standards of clinical excellence in the profession and providing the best possible care for animals.

We care

about making a positive impact in the communities in which we work.

We care

about doing our job in a way that is sustainable and that does not compromise the natural environment.

We care

about delivering value for our investors by doing the right thing.

To support the delivery of this strategy, we have established working groups across CVS which have been assigned to monitor, assess, understand and develop proposals to manage our impact in the following areas:

- > energy and carbon;
- > waste;
- > 'One Health' (including antimicrobial resistance);
- > people development;
- > wellbeing;
- > equality, diversity and inclusion; and
- > community.

These groups are already making good progress, having developed their own terms of reference and set work in motion that will not only ensure we are doing the right thing, but challenge us to go further.

I am particularly proud of our work not just to support the development of CVS colleagues, including through our nursing school and our graduate and apprenticeship schemes, but also to support the wider veterinary sector and the communities our veterinary practices serve. I am also very pleased with the partnerships we have in place, both within our supply chain and with each of the UK veterinary schools, as we know that our positive impact

“The care we have for our colleagues, our clients, and our patients is ingrained within our very DNA.”

is only enhanced through collaboration. Vitality, our work to promote the responsible use of antimicrobials within CVS practices and beyond sees us play our part in combatting one of the greatest health threats facing our planet.

This year, for the first time, we are disclosing data against standards developed by the Sustainability Accounting Standards Board ('SASB'). Doing so helps us to better identify, manage, and communicate information relating to our sustainability to stakeholders. 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 recommendations of the Task Force on Climate-Related Financial Disclosures.

The following pages provide more detail on what our teams have delivered so far, and give an indication of what we hope to achieve going forward.

I am hugely proud of the effort put in by our colleagues not just to provide outstanding care to our clients and their animals, which in itself is positive for society, but also to enhance and protect the world around us. I am excited about the impact their ideas and initiatives will deliver for our business, our stakeholders, and our wider communities in the months and years ahead.

Richard Fairman
Chief Executive Officer
12 August 2022



At a glance

A fully-integrated veterinary services platform

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

Our business highlights

c.1.2m
Companion animals

under our care in 2021-22

c.500
Veterinary practices

throughout the UK, including 27 in the Netherlands and six in the Republic of Ireland

c.470k
Members of the Healthy Pet Club

which is our preventative healthcare scheme, in 2022

3
Clinicians on our Executive Committee

including two veterinary surgeons and one qualified veterinary nurse

159
Practice Standards Scheme Awards

in our UK companion animal first-opinion practices in 2020-21

>350
First Aiders for Mental Health

trained within the Group by June 2022

c.7,900
Colleagues employed

including c.2,100 veterinary surgeons and c.2,800 nurses, in 2021

£1.3bn
Market capitalisation

in August 2022





Strategic roadmap

Delivering our vision for the future

Our purpose

Our purpose is to give the best possible care to animals.

Our vision

Our vision is to be the veterinary company people most want to work for.

Our strategic pillars



Our values

Customer focus

Our dedication to our customers is at the heart of our business and we are focused on our customers' and their animals' needs.

Commitment to excellence

We constantly strive to achieve the highest possible standards in the quality of services we provide.

Success through our people

We aim to attract, develop and retain the best people and to be the veterinary company people most want to work for.

Honesty and integrity

We treat our colleagues and customers with honesty and respect. We strive to achieve long-term relationships with our customers and suppliers, and ensure safety and accessibility in all areas of our business.



Driving business performance

A positive cycle of performance

Working with care at our heart is instinctive for us, but there is method to it too. Not only is it the right thing to do, but it also ensures that we are an attractive company to engage with.



“My role is to shape our business for a sustainable future that caters for changing client and colleague demands. This includes leading our ESG efforts, driving the adoption of new technology and testing new ideas. Improving animal welfare is at the heart of what we do as vets, and, beyond that, having the chance to make a significant positive environmental and socio-economic impact only adds to our sense of fulfilment.

“Our work to build a more sustainable business results in a positive cycle of performance, driving increased standards, a better colleague working environment and improved shareholder returns. Becoming the employer of choice, providing the best clinical care and playing our role in society will ensure we have the capacity to meet growing demand. In simple terms, at CVS we believe investing in our ESG strategy de-risks our business, creating value for all our stakeholders.”

Dr. Graham Dodds BVM&S, MSc(Res), MRCVS
Director of Innovation and Transformation



Many in the industry recognise the importance of sustainability and are taking steps to ensure it is integrated into the way we all work. CVS's practices are accredited by the Royal College of Veterinary Surgeons ('RCVS') through the Practice Standards Scheme ('PSS'), which promotes and maintains the highest standards of veterinary care, and we are looking forward to the ESG standards it may introduce in the future.



How we measure our progress

Driving positive change

We have put in place key metrics for each of our key stakeholder groups and for the environment, which are laid out on the following pages, to describe their importance in driving positive change, behaviours and actions.

Our patients and their owners



How we care

- > Ensuring clients have 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
- > Demonstrating consistently high clinical standards
- > Prioritising animal welfare
- > Providing regular check-ups and routine treatments (e.g. vaccines, flea treatments, and worming)
- > Maintaining high standards of pain management, particularly in surgical patients
- > Providing sign access in all our first-opinion companion animal practices to allow deaf clients access to veterinary care
- > Providing an equine out-of-hours service

- > Supporting veterinary professionals through our Vet Oracle™ teleservices

Outcomes

- > A healthy pet population
- > Outstanding clinical expertise
- > The best possible service for pet owners and their animals

KPIs

- > Customer Net Promoter Score ('NPS')
- > Membership of our preventative healthcare schemes, Healthy Pet Club and Healthy Horse Programme, which allow our customers to spread the cost of routine treatments
- > Clinical outcome surveys
- > Tracking of Patient Care Index to improve quality of service and care



How we measure our progress continued

Our colleagues



- > Commitment to the Time to Change mental health pledge

Outcomes

- > 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

KPIs

- > Employee Net Promoter Score ('eNPS')
- > Tracking of follow-up actions from eNPS surveys
- > Employee numbers
- > Clinical role vacancy rates
- > Expenditure on training and development per employee
- > Colleague gender and ethnicity data, particularly in senior roles

How we care

- > Supporting colleagues' wellbeing and performing regular check-ins
- > Creation of an Equality, Diversity and Inclusion ('EDI') working group
- > 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
- > Industry-leading graduate programme, including graduate camps
- > A culture of open dialogue and learning
- > Offering competitive rewards and benefits

Our community and industry bodies



How we care

- > Focus on quality improvement including antimicrobial stewardship
- > Outreach to schools
- > Regular liaison with industry bodies including the Royal College of Veterinary Surgeons, British Veterinary Association, British Veterinary Nursing Association, and more
- > Donations to charity, including sponsorships and annual Vetlife charity donations

Outcomes

- > Investment in the veterinary profession
- > Raising standards across the industry

KPIs

- > Percentage increase in community investment
- > Monetary value donated to charity



How we measure our progress continued

Our investors



How we care

- > Delivering sustained financial performance
- > Open dialogue and communication with our shareholders
- > Appointment of a financial PR agency and recording of analyst results presentations
- > Adherence with reporting requirements including Streamlined Energy and Carbon Reporting ('SECR')
- > Long-Term Incentive plan ('LTIP') awards are linked to total shareholder returns and targets are aligned with shareholder interests. Executive Directors are subject to two-year holding period on LTIP awards
- > Annual bonus targets for Executive Committee members will now include non-financial measures linked to sustainability

Outcomes

- > 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

KPIs

- > Share price and total shareholder return
- > Attendance at broker conferences
- > Engagement with investors

Our environment



Outcomes

- > Monitoring and reducing our environmental impact
- > Reduced waste
- > Reduced emissions
- > Reduced carbon footprint

KPIs

- > Reporting under SECR on Scope 1, 2, and 3 emissions alongside details of greenhouse gas emissions (including anaesthetics) not covered by SECR
- > Tonnes of healthcare waste (clinical, offensive, sharps, pharmaceutical, and cytotoxic) and non-healthcare waste (non-hazardous industrial, mixed recyclables, cardboard, and food) produced per annum
- > Percentage of waste disposed via landfill, incineration and recycling
- > Absolute waste reduction targets
- > Water consumption
- > Percentage of packaging formats that are recyclable, reusable or compostable
- > Proportion of recycled material in our waste packaging

How we care

- > Responsible sourcing, including choosing suppliers which use sustainable packaging
- > Use of Microsoft Power BI platform to analyse waste collection data, among other waste reduction initiatives
- > Sourcing 100% of electricity in veterinary practices from renewable sources
- > Introduction of greener vehicle fleet
- > Partnership with National Trust and tree-planting initiative
- > Launch of CVS Print Hub to reduce environmental impact of printing
- > Reduction in Vet Direct catalogue printing



Our responsibility: putting care into practice

Being responsible for all stakeholders

We care about our responsibility to people, animals and the natural environment, and the United Nations Sustainable Development Goals ('UNSDGs') are an invaluable framework for our business to put care into practice. We outline in the following pages our priorities as a Group and the initiatives we have put in place to ensure we meet and exceed this responsibility, highlighting the relevant UNSDGs.

Our UNSDGs

We have identified the following UNSDGs as the most important to our activities and impact on people, animals and the natural environment.



Good health and wellbeing

Ensure healthy lives and promote wellbeing for all.



Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Gender equality

Achieve gender equality and empower all women and girls.



Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full productive employment and decent work for all.



Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.



Responsible consumption and production

Ensure sustainable consumption and production patterns.



Climate action

Take urgent action to combat climate change and its impacts.



Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



Partnerships for the goals

Strengthen the means of implementation and revitalise the global partnership for sustainable development.



Our responsibility: putting care into practice continued

Attracting and retaining talent, and ensuring the wellbeing of our colleagues



Why we care:

Our services, and the success of our operations, depend on the expertise, experience and wellbeing of our teams. Our vision is to be the veterinary company people most want to work for, and we aim to achieve this by providing long-term fulfilling careers, appropriate rewards and benefits, and equal opportunities for all. We offer numerous high-quality learning opportunities alongside excellent facilities and resources, whilst encouraging and supporting good mental health and wellbeing.

How we care:

800 apprentices have enrolled in training through CVS, with 400 current active learners being supported. Increasingly, we are seeing more colleagues embracing the notion of lifelong learning by opting to take on a second apprenticeship.

Our Chestergates nursing school, which is ranked "Excellent" by both employers and learners*, is being relocated to larger premises in order to support more students. It is our intention to have 50 students within the next two years, and we hope to create satellite sites elsewhere in the UK to increase the school's reach.

We understand the importance of wellbeing, and July 2021 saw the introduction of our Wellbeing Calendar resource, which, in its first year, featured topics including resilience, exercise, sleep, stress, financial wellbeing and crisis awareness.

Our graduate programme

Our graduate programme is in its eighth year and provides over £6,000 per graduate of Continuing Professional Development ('CPD') and training. New graduates are welcomed to CVS with a three-week induction process, including a week-long residential camp, to practise and develop the skills they will need from day one of their role, and a week with a host practice, providing close supervision in consultations, and development of skills in surgery and areas such as dentistry and radiology.

For the following two years, graduates are supported by a structured programme of training and development. This is partly prescribed and partly elective, to help them gain the skills they require in areas that are of interest for their future careers.

We have a dedicated team of specially trained and experienced pastoral support vets, to ensure that each new graduate receives a mentor who will coach them through these first two crucial years.

One of the aims of the graduate programme is to develop 'lifelong learners'. The programme therefore feeds into our CPD curricula, enabling our vets to further train, specialise, or become certified in a professional discipline of their interest.

We collaborate closely with the University of Surrey for our graduate programme, to maximise the use of the latest learning technology. We were the first veterinary



corporate to make available the entire British Small Animal Veterinary Association ('BSAVA') online library to all of our colleagues, and we continue to develop innovative training opportunities by forging new partnerships.

One of our new vet on the graduate programme said:

"I really enjoyed summer camp. It was a great introduction to work and provided such a great week of training which is all extremely useful for a new grad entering in the first year of practice. Would recommend to anyone and I am really, really happy that I've joined CVS!"

* Search 'ChesterGates apprenticeships gov.uk' on Google to see our reviews on the gov.uk website.



Our responsibility: putting care into practice continued

Delivering a first-class experience to our patients and their owners



Why we care:

Providing the best possible care for our patients is integral to our business. Our teams care deeply about the health of the animals they treat, providing outstanding service and expertise that is trusted by animal owners.

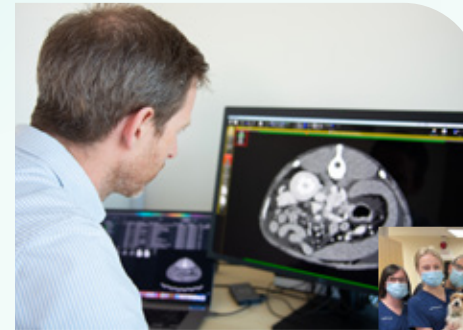
How we care:

Our integrated model supports our customers by enabling us to set the highest standards of clinical care, supporting the work of our practices with specialist referral hospitals and diagnostic laboratories.

We have been working to increase consultation and procedure availability through the professional development of our veterinary nurses. Well-supported

veterinary nurses make a significant difference to the animals in our care, from reduced appointment waiting times to nurses' contribution to disciplines such as minor surgery, dentistry, and diagnostic imaging.

The launch and rollout of our Vet Oracle™ business, created to provide “specialist support at your fingertips,” means that vets across CVS can access veterinary specialists to assist in resolving complex clinical issues. Almost 21,000 cases have been considered since the business began in 2020, including c.13,000 in the financial year ended 30 June 2022. Users say the service enhances the standard of care provided to patients, and, almost as importantly, provides increased job satisfaction and confidence when dealing with more difficult cases. In recognition of this, CPD certificates are issued to those who access advice via the platform.



c.13,000
cases seen by
Vet Oracle™*



Quality Improvement
2021 Report

We are the only veterinary corporate group in the UK to publish an annual Quality Improvement report. We are also fully committed to the RCVS Practice Standards Scheme and have received a number of “Outstanding” awards.

* In the financial year ended 30 June 2022.



Our responsibility: putting care into practice continued

Playing an active role in our communities and defining the future of the veterinary profession



Why we care:

We believe in the importance of playing an active role in community life. Building trust, familiarity, and reliability helps us to make a positive impact on the lives of our patients, customers, and their communities. Leading the way in driving standards of excellence, innovation, and initiatives to shape the profile of the profession will help to advance animal healthcare for future generations.

How we care:

We want to increase the level of diversity in our sector and are beginning to work with schools and universities to attract a more diverse workforce. This year, we refreshed our equality, diversity and inclusion ('EDI') committee and recruited 60 colleagues from across CVS to five new colleague EDI groups, focusing on:

- > ability and neurodiversity;
- > ethnicity;
- > gender;
- > LGBTQ+; and
- > social mobility.

The groups' impact is already being felt around CVS. For example, our LGBTQ+ group is championing changes to our HR systems and processes to enable formal recognition of all gender identities.

The group has released an educational piece about gender pronouns, and has ensured that, for the first time, CVS celebrated Pride Month in June 2022.

We engage with all UK veterinary schools and provide clinical rotations for the Universities of Surrey, Nottingham, and Bristol, and the Royal Veterinary College. This rotational teaching is a key part of the undergraduates' learning experience, and we cover farm animal, equine ambulatory, and companion animal general practice. Over 40 colleagues are directly involved in the day-to-day teaching of undergraduate students, and this is robustly assessed through an independent quality assurance process performed by both the universities and our regulatory bodies.

We also want to play a leading role in tackling clinical issues such as antimicrobial resistance, a critical challenge for animal healthcare globally. We work with organisations embedded within the profession to promote responsible prescribing of antimicrobials.

We encourage our teams to fundraise for our annual charity of the year, which is chosen by our colleagues to maximise engagement. CVS also makes an annual donation to Vetlife matching the amount raised for the colleagues' chosen charity of the year. Vetlife provides an invaluable service to the veterinary community; therefore, our annual donation helps the charity to support the whole veterinary profession, including our clinical colleagues and their families.



MiniCVS workshops initiative

In February 2022, we launched our MiniCVS workshops initiative, which sees our colleagues visit local schools to help get children excited about science and animal care. Our colleagues cater their workshops to different ages, from roleplay and pet first aid for younger children, through to careers advice for older students.

“Whether these children grow up to have their own pets or work within our field, it’s never too soon to get them excited about the science and care involved in looking after animals. We design the sessions to be both fun and inspiring, and the colleagues who deliver them find them very rewarding too.”

Gemma Buck
MiniCVS Programme Coordinator



Our responsibility: putting care into practice continued

Reducing our environmental impact



Why we care:

Caring for animals goes hand-in-hand with caring for 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.

How we care:

We are investing in a range of interventions to increase efficiency and reduce our climate impact. As part of our adoption of 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.

We have invested in numerous initiatives to achieve this. We have moved to a renewable energy supply, we are supporting smarter heat and building management, and we are reducing electricity use in our day-to-day operations. We are working towards phasing out petrol and diesel vehicles by 2030; decommissioning air conditioning supplies that use 'R22' gas, which has a high ozone depletion potential; embedding an 'environmental net gain' principle for our new developments; and improving our waste management, including increasing recycling. In April 2022, we also added a range of ultra-low emissions vehicles ('ULEVs') to our company car list.

In tandem with this, we will conduct work to measure climate risk within our business in line with the recommendations set out by the Task Force on Climate Related Financial Disclosures ('TCFD'), and we intend to adopt the TCFD's recommendations in our 2022 Annual Report, for release in September 2022.



National Trust tree planting initiative

Our seven crematoria across the UK have been donating throughout 2021 and 2022 towards the National Trust tree planting initiative, which aims to establish 20 million native trees by 2030. For every pet received for individual cremation in 2021, a contribution was made to this initiative, leading to a £10,000 donation. This equates to almost three football pitches of new green space in loving memory of pets.

During a Volunteer Day in March 2022, crematoria team members contributed to the Duke's Orchard restoration project at an historic National Trust landscape, Clumber Park. The aim was to recreate an orchard that disappeared in the 1920s, and a total of 2,000 trees were planted including hedgerow, blackthorn, cherry and other edible fruit bushes.

“Our aim is to minimise our impact on the planet in a way that supports and develops our services and clinical expertise.”



Our responsibility: putting care into practice continued

Working with suppliers to drive positive change



Why we care:

We believe in driving sustainability at all stages of our supply chain, and creating and adopting sustainable practices and equipment to ensure we can effect positive change, together with our suppliers.

How we care:

Alongside our office supplies provider, WarrensOffice, we have undertaken various initiatives that reduce our environmental impact – see right for highlights.

Since November 2021, our printing has been more sustainable due to the launch of the CVS Print Hub, in partnership with environmental award-winning print supplier, SF Taylor. Fully accredited with ISO 14001, FSC and PFEC, it also holds awards for its

commitment to manufacturing with process-free printing plates; use of only vegetable-based inks; reduction of wastage by recycling solvents wherever possible; and use of an ink pumping system which both reduces volatile organic compounds ('VOCs') emitted to the atmosphere and minimises waste.

We use Veolia's Microsoft Power BI platform to analyse waste collection data and monitor waste bin utilisation across our practices, helping us to increase recycling and reduce waste collections.

We are working with Stericycle, our healthcare waste disposer, to trial reusable sharps and pharmaceutical bins.

Vet Direct, our veterinary equipment supplier, has vastly reduced its printing of catalogues, and is carbon balancing the use of paper through the World Land Trust. This has helped protect 4,999m² of critically threatened tropical forest so far.

Delivering through partnerships



WarrensOffice is helping CVS to reduce its environmental impact by rationalising delivery of their office supplies to our practices. They currently visit 44 of our sites on a weekly basis, with the aim of reaching 100 by the end of 2022. These deliveries are arranged so that other clients in the area receive their products at the same time, which significantly reduces the number of couriers on the road and our overall carbon footprint.

Two of WarrensOffice's vehicles are fully electric, charged by energy generated from solar roof panels, with more vans to be added to the fleet over time. Where possible, cardboard-alternative 'Notboxes' are used, which eliminate unnecessary delivery packaging.



We are proud that one of our key pharmaceutical suppliers, MSD, like us, realises that it's important to take action on priority areas including expanding access to healthcare, developing and rewarding a diverse, inclusive and healthy workforce, protecting the environment, and operating with the highest standards of ethics and values. For example, by 2025 their goal is to achieve carbon neutrality across their operations, and they are working to reduce their value chain emissions by 30 percent by 2030.

"Our climate action goals reflect our ongoing commitment to operating responsibly and will help us drive long-term sustainability for our business, society and for the patients and communities we serve."

Robert M Davis
Chief Executive Officer
and President of MSD



Spotlight on CVS's Waste Workstream

The Waste Workstream has three key objectives:

1



Segregating waste appropriately to recycle where possible, reducing the amount of waste entering landfill and the amount of hazardous waste incinerated

2



Where possible, replacing single use items with reusable ones, and using products made from more sustainable sources

3



Engaging with suppliers to understand their sustainability policies, and endeavouring to source products from companies with strong environmental credentials

Packaging

Annual reporting of packaging purchased across our warehouse and laboratories shows a 35% reduction in paper use relative to the previous year (calendar year 2021, compared to 2020). This has been achieved by consolidating the range of packaging used, adjusting the range of carton sizes available, and using more efficient filling methods in our packaged cartons. In addition, we have introduced paperless systems in the warehouse. We are also sending approximately 32,000kg of cardboard and 6,000kg of plastic for recycling.

Partnerships

As with most supply chain challenges, waste is best tackled in partnership, for example:

Collaborating with our office supplies provider, WarrensOffice, to implement a printer toner cartridge recycling scheme, available to all our sites. This scheme was implemented in November 2021 and to date 296 recycling boxes have been dispatched and 80 full boxes collected.





Partnering with our main veterinary wholesaler to offer a packaging return scheme, where unwanted packaging is collected for reuse and recycling, along with a battery recycling scheme.

Working with Boehringer Ingelheim, we have adopted their Aserveo® Equihaler® recycling programme, so that single-use equine inhaler devices can be returned for recycling via TerraCycle.



Spotlight on CVS's People Development Workstream

The People Development Workstream is prioritising the following:

1	2	3	4
			
<p>Delivering industry-leading training</p>	<p>Offering the best learning, education, and development in the profession</p>	<p>Having the best leaders in our business</p>	<p>Engaging with the veterinary profession and supporting its interests</p>

This Workstream has three key objectives:

- 1. Developing our people** to flourish in their current roles, including career pathway development and preparing them for future roles.
- 2. Building and strengthening our relationships with major partner stakeholders** to enhance our pipeline for future recruitment and help raise the standard of new colleagues who join CVS or the wider profession.
- 3. Supporting and engaging with broader society** with initiatives including community outreach, school engagement, and client education.

CVS apprentices

Between 2017 and 2022 we have funded our apprenticeship training through the apprenticeship levy, to the value of £4.1m, and committed a further £3.2m to these apprentices. We have over 400 currently active learners and over 800 colleagues have started an apprenticeship since 2017.

The majority of our apprentices are nursing students, with over 350 student veterinary nurses ('SVNs') currently enrolled. They train alongside a further 100 non-apprentice SVNs, some of whom had previously utilised the apprenticeship levy to become qualified Patient Care Assistants. The apprenticeship funding is available to all colleagues, and we are proud of those who have developed their career and qualifications through sequential apprenticeships. This demonstrates longevity within CVS and our commitment to lifelong learning.

One of our apprentices said:

"I joined CVS in 2018 working as an HR Administrator and starting a new career in Human Resources. At my interview I mentioned that I intended to study for an HR qualification (CIPD Level 5) which I would do outside of work and self-fund. Shortly after joining, however, I was offered the opportunity to study for the qualification with CVS via an apprenticeship, which could be funded through CVS's apprenticeship levy.

Getting my HR qualification through an apprenticeship has given me much more than if I had just studied for it separately. It gave me 'on-the-job' training and enabled me to gain not just the knowledge but also the skills and required behaviours of an HR professional, together with a great insight into CVS as an organisation and business."



Spotlight on CVS's Wellbeing Workstream

The Wellbeing Workstream focuses its efforts on three key areas:

1



Self: 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 and the CVS community – using our network of Wellbeing Champions and team wellbeing activities and events

“I volunteered to join the Wellbeing working group because I think good mental health should be championed and talked about, and I wanted the opportunity to facilitate this for my colleagues.”

Robyn Senior
Head Veterinary Surgeon at Forrest House Vets and one of the Wellbeing working group volunteers



Read more about Robyn on page 18



Spotlight on CVS's Wellbeing Workstream continued

Interacting with our colleagues

In July 2021, CVS introduced a Wellbeing Calendar. In its first year, it featured topics such as resilience, exercise, sleep, stress, financial wellbeing, and crisis awareness.

Since the launch of our wellbeing resources on the Knowledge Hub, the number of colleagues interacting with these resources has grown to 971 individuals.

The Wellbeing Workstream is already seeing good results in its three key focus areas, with:

971

individual users who have accessed wellbeing resources on the internal Knowledge Hub

374

leaders trained in supporting the wellbeing of their team, 102 of which were trained during 2021-22

143

colleagues trained in First Aid for Mental Health during 2021-22

Looking ahead, in 2022-23, a new regular wellbeing measure will be introduced. This will be survey-based, asking colleagues how their work affects their wellbeing.



Why I am a Wellbeing volunteer

"We work in a profession where stress and burnout is common, due to the emotional and physical burdens of the job. Dedication and high standards are admirable traits we all strive for, but this can lead to overworking and perfectionism. I am grateful to work for a company that not only sees the importance of our mental health and wellbeing, but is taking action to address it.

"The training of First Aiders for Mental Health and Wellbeing Champions across the Group has made a huge impact, and I am very proud of the Wellbeing Calendar and our CVS 'Going Home Checklist', which I personally use every day. We have one on the back of each practice door so it's the last thing you see before you leave, helping me and others switch off.

"In the future, I would like to see more opportunities for people across the Group to meet each other, so that we can feel like more of a community and understand some of the challenges that colleagues face in other roles. Buddying could be beneficial for us to build our resilience and expand our network, supporting our wellbeing while doing so."

Robyn Senior

Head Veterinary Surgeon at Forrest House Vets and one of the Wellbeing working group volunteers



Spotlight on CVS's One Health Workstream

The One Health Workstream has focused on investigating the future use of parasiticides at CVS

Our challenge

Imidacloprid and Fipronil, both of which are commonly used parasiticides in companion animal practice to treat and prevent flea and mite infestations, have been identified in traces in English Waterways (Perkins et al).¹

While there is currently no robust evidence to support the fact that parasiticide products used in companion animal care are adversely affecting the environment or endangering insect life, it is acknowledged that the possibility of impact exists. To date, there have been no studies undertaken to investigate and therefore prove or quantify what this may be.

Farm animal use of parasiticides has changed over the last 30 years due to concerns about resistance, but real behavioural change has been slow and blanket use is still commonplace. Change has been swifter with antibiotic prescriptions largely due to financial motivators attached to farm assurance schemes.

Topical parasiticides are thought likely to have a greater environmental impact due to their mode of application, product presentation and packaging. Environmental contamination from companion animals could occur through swimming after application, wastewater after washing, or poor product and packaging disposal. The impact of each of these modes is currently not understood.

“Farm animal use of parasiticides has changed over the last 30 years due to concerns about resistance, but real behavioural change has been slow and blanket use is still commonplace.”



Our aim

There is currently insufficient evidence available to make an effective risk-benefit analysis of the ongoing prophylactic use of parasiticides in companion animals. Therefore, a working group has been formed to further develop clinical strategies aimed at balancing the use of parasiticides in companion animals with environmental concerns regarding such products polluting the environment and endangering insect life.

The Parasiticides working group met in April 2022 for an initial exploratory discussion which provided short-, medium-, and long-term recommendations, as well as emphasising the critical need for practical research in this area, to help inform clinical decision-making in the future.

Future discussions and decision-making will include feedback from clinicians in practice, to ensure their voices are heard and a balanced approach is taken.

¹ Potential role of veterinary flea products in widespread pesticide contamination of English rivers. Perkins R., Whitehead M., Civil W. & Goulson D. Science of The Total Environment, <https://www.sciencedirect.com/journal/science-of-the-total-environment/vol/755/part/P1>, Volume 755, Part 1, 10 February 2021



Spotlight on CVS's One Health Workstream continued

Recommendations

Based on current information and knowledge, which may change with additional research, the working group's recommendations are:

1	2	3
<p>Short-term</p> <ul style="list-style-type: none"> > Review the products (and their mode of application) prescribed via the CVS Healthy Pet Club, to form recommendations for action. > Develop educational resources for clients, highlighting what they can do to help. 	<p>Medium-term</p> <ul style="list-style-type: none"> > Develop a validated lifestyle evaluation tool. > Understand client perceptions via feedback. > Contribute to the evidence base by conducting or supporting research in this area. 	<p>Long-term</p> <ul style="list-style-type: none"> > Patients are treated individually in relation to their risk based on life stage and lifestyle, which is simplified using technological advances to facilitate gathering and processing of information which provides detailed analysis of the patient's risks. > The products used are as narrow spectrum (single active ingredient) as possible to allow a targeted approach to treatment.

“We are focused on short-, medium-, and long-term recommendations, as well as emphasising the critical need for practical research in this area, to help inform clinical decision-making in the future.”



Spotlight on CVS's One Health Workstream continued

Promoting the responsible use of antimicrobials within CVS and beyond

The challenge

Antimicrobial resistance ('AMR') is one of the key health threats facing our planet. At CVS, we recognise that it is vital to embrace the responsible use of antimicrobials, both to safeguard human and animal health, and to preserve the right to prescribe certain antimicrobials that are important in human medicine.

The World Health Organization has identified 'highest priority critically important antimicrobials' ('HPCIA'). There are times when prescribing an HPCIA is appropriate, including when a patient truly cannot be medicated orally, or when a diagnostic tool guides its use. Providing HPCIA prescription data and noting a fair benchmark gives an opportunity for CVS teams to reflect on appropriateness, make clinical decisions, monitor trends, and measure progress, with the aim of working toward their own improvement goals.

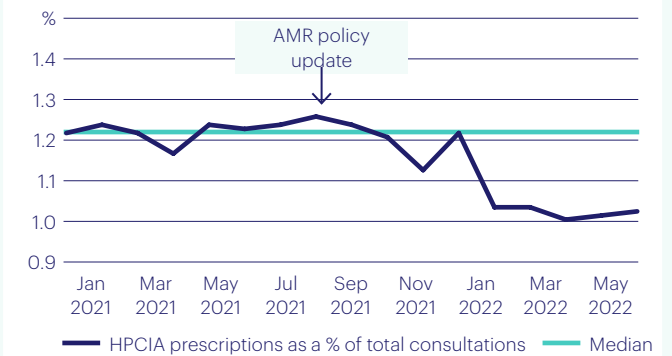
Our actions

So far, we have:

- > updated our AMR policy;
- > made HPCIA prescribing data available to companion animal first-opinion practices via a digital dashboard;
- > sent BSAVA "PROTECT ME" posters to all practices, so the teams could reflect on their approach to prescribing; and
- > shared practical advice on improving antimicrobial stewardship from CVS vets who took part in a Small Animal Veterinary Surveillance Network ('SAVSnet') AMR study (published in Nature Communications in 2021).

Number of HPCIA prescriptions as a percentage of total consultations

in companion animal first-opinion and referrals patients



Our impact

The above chart shows the number of HPCIA prescriptions in companion animals, expressed as a percentage of total consultations. The median line was calculated from results from the first six months of 2021 and is used as a benchmark for improvement. A run chart is used to determine whether improvement after an intervention is due to non-random or random variation and is useful when measuring progress in complex problems with multiple, iterative interventions. The results demonstrate considerable progress in a reduction of HPCIA prescriptions, due to our intervention (non-random variation).



Spotlight on CVS's Energy and Carbon Workstream

The Energy and Carbon Workstream has focused on energy management and conservation

The Workstream has renewed CVS's approach to reducing energy and carbon by targeting three specific areas:

1



Consumption management and user awareness

2



A programme of targeted capital expenditure

3



Enhancement of existing construction, maintenance and property leasing activities



Spotlight on CVS's Energy and Carbon Workstream continued



One of our new Veterinary Hospitals

1. Consumption management and awareness

We are launching new group-wide initiatives to help inform colleagues of our responsibilities to consume and conserve energy in the most efficient way possible, including:

- The creation of a new Working Group chaired by a senior colleague to work across the business, to determine and implement effective and pragmatic advice and methods to conserve and manage usage.
- The appointment of Energy Champions to promote and embed this approach across our business.
- The deployment of digital and physical information packs and communication plans to increase awareness of these methods and to provide advice.
- The creation of a specialist role to help co-ordinate and manage this work, and the use of selected partners to provide the appropriate tools to manage our consumption and conservation targets.

2. Targeted capital expenditure programme

We are working through an updated and detailed asset survey of the Group's property portfolio in terms of infrastructure and equipment. An output of this process will be a reclassification of our key investment priorities. Using this information, we intend to develop an investment programme to help improve our consumption and monitoring capabilities. This will focus on, but not be limited to:

- A programme of replacing our lighting infrastructure with LED or energy efficient products where necessary.
- Targeted deployment of smart meters, particularly in high-consuming locations.
- The development of an overall electric vehicle ('EV') policy and the installation of EV chargers at appropriate locations across our estate.
- Installing energy saving equipment, such as passive infrared sensor detectors.

3. Enhancement of construction, maintenance and portfolio leasing activities

We continue to embed appropriate energy management infrastructure into our construction activities for both refurbishments and new sites. This includes LED lights, building management systems and well sourced construction materials. To enhance this, we will:

- Define and produce a core project sustainability strategy that sets out a plan for moving away from reliance on fossil fuel systems on sites for future projects.
- Introduce and embed an 'environmental net gain' principle for our developments, so they remain compliant with emerging and expected Local Planning Authority requirements in 2023 and beyond.
- Standardise the specification and selection of mechanical and electrical systems across all projects to centralise planned energy management and consumption monitoring.

We also plan to enhance our Facilities Management provision during the year ahead and will engage with suppliers who specifically promote energy management and sustainability across their service provision to us.

As part of our forward acquisition and lease renewal activity we will actively promote Green Leases with our landlords. This includes an obligation on both parties to share environmental performance data held on the building, for a landlord not to carry out alterations or maintenance which adversely impacts the building's environmental performance, and for a landlord to endeavour to procure utilities from renewable sources.



Spotlight on CVS's EDI Workstream

The Equality, Diversity and Inclusion Workstream is building awareness and understanding

The EDI Workstream's overarching objective is for CVS to be **the veterinary company people most want to work for**, regardless of who they are, how they identify, or their background.

There is a six-point strategy to achieve this:

1.

Establish a demographic understanding of our workforce and regular measures for Equality, Diversity & Inclusion ('EDI') goals.

2.

Foster an inclusive culture with behaviours that support EDI.

3.

Ensure leaders understand, role-model, and promote EDI within their teams.

4.

Promote attraction, recruitment, selection and succession practices that are equitable and inclusive.

5.

Deliver targeted development and support of diverse talent.

6.

Improve engagement and retention of diverse workforce through addressing inequities, improving experiences, and meeting needs.



Spotlight on CVS's EDI Workstream continued

Nurturing an inclusive culture takes conscious effort over time. To ensure we are moving in the right direction, at a good pace, we have set out the following ten-year plan:

Inclusive culture

	2020-2021 (completed)	2022-2023	2023-2026	2026-2031
Journey to Inclusion Fluency (all Leaders & Colleagues):	Year 1 Awareness	Year 2 Foundational Understanding	Years 3-5 Growing Competence	Years 5-10 Inclusion Fluency
Key focuses:	<ul style="list-style-type: none"> > Gather workforce data; > perform a Culture Survey; and > establish colleague EDI working groups. 	<ul style="list-style-type: none"> > Review and refresh policies and frameworks; > establish new policies where necessary; and > create additional learning and educational resources. 	<ul style="list-style-type: none"> > Targeted coaching and mentoring; and > embed accountability for inclusive practices. 	<ul style="list-style-type: none"> > Review and refine; and > refresh strategy and initiatives.

Progress so far

We are already making good progress. During 2021-22, we have run training for our HR team on recognising and minimising bias within performance and reward management, and we have established five CVS Colleague EDI Groups, comprised of over 60 colleagues from across the group. They focus on ability and neurodiversity, ethnicity, gender, LGBTQ+ matters and social mobility. These groups are already having a positive impact. For example, the LGBTQ+ Group has championed the sharing of pronouns, in recognition of trans and non-binary gender identities.

We joined together to celebrate Pride month for the first time, sharing colleague stories and arranging team activities.

To understand more about how our people identify, we now confidentially capture all protected characteristics information for new starters, and have a process for gathering this information from the wider workforce too. An independently-run survey of our colleagues provides us with a crucial snapshot of eight key cultural factors, which inform our EDI approach.

Looking ahead

In 2022-23, our focus is on building foundational understanding across the organisation around EDI and includes:

- > EDI zones within our learning and development platform, so that all colleagues and leaders can access external and internally-created resources.
- > Psychological safety training, bespoke to us at CVS in recognition of the support needed within our sector.
- > New company policies on: EDI; Bullying, Harassment and Incivility; and Menopause.
- > Exploring the connection between domestic abuse and animal abuse, and increasing our ability to provide support to victims, working alongside the Links Group organisation.



Spotlight on CVS's Community Activity

Providing care in our communities is at the heart of what we do

The very nature of CVS's work is to care for animals and their owners, and through doing so we make a positive impact on our communities. Beyond this, our colleagues often go out of their way to contribute to their local areas, and as a group we support charities and organisations that, in a relevant way, benefit society. Much of what we do in this area has more than one ESG touchpoint. For example, funding time for colleagues to volunteer to plant trees not only enhances biodiversity for the good of local wildlife, it also helps our team's wellbeing and sense of togetherness, which in turn is helpful for morale and team spirit.

In the year ahead, our Community Workstream will develop and start to deliver a CVS Community Strategy in order to bring additional rigour and resource to our community activities. Thus far, our activities have centred on three key areas:

1

Working with charities

We encourage our teams to fundraise for our annual charity of the year, which is chosen by our colleagues to maximise engagement.

Dogs Trust, Street Vet, and the Cinnamon Trust have previously been our charities of the year, and in 2021 we donated £10,000 to British Divers' Marine Life Rescue. In 2022, our charity of the year is the Pet Blood Bank.

We also make an annual donation to Vetlife, matching the amount raised for our colleagues' chosen charity of the year. Vetlife provides free and confidential support to anyone in the UK veterinary community who has emotional, health or financial problems.

In 2022, we started working with Links Group, who explore the connection between domestic abuse and animal abuse. Our aim is to increase our ability to provide support to victims, with this work being led by our EDI Workstream.



2

Giving our time

Our teams are encouraged to spend time on initiatives and causes that matter to them and their local communities. During a recent visit to Scotland, one of our patient care assistants took the time to inspire the next generation by giving workshops in eight different deaf schools, to share her story and teach the pupils how they could become vets. Feedback from one of the schools was, "The pupils had a wonderful time dressing in the surgical clothing and pretending they were operating on some animals. Deaf pupils learn best using visual and practical resources. This was the perfect workshop for them."



3

Sharing our expertise

We play an active part in the education of those who plan on joining our profession, engaging with all UK veterinary schools and provide clinical rotations for the Universities of Surrey, Nottingham, and Bristol, and the Royal Veterinary College. Beyond this, we have also started sharing our enthusiasm and expertise for animal care with children and young people through our Mini CVS workshops.





Reporting frameworks

Following consideration of various disclosure frameworks and standards, we have 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, the Netherlands and the Republic of Ireland.

This is the first 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.





Reporting frameworks continued

Health Care Delivery

Metric	Available data points
Energy Management	
1. Total energy consumed	140,147 GJ in the financial year ended 30 June 2021.
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	513 tonnes of medical waste were produced in the 12 months to April 2022; of this: <ul style="list-style-type: none"> > 21% – incinerated > 38% – landfill > 41% – treated and used for refuse derived fuel
2. Total amount of hazardous and non-hazardous pharmaceutical waste, percentage incinerated, recycled or treated or landfilled	7.7 tonnes of hazardous and 85 tonnes of non-hazardous pharmaceutical waste were generated in the 12 months to April 2022. <ul style="list-style-type: none"> > 100% incinerated
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 2.9m 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 80% have been resolved.
3. The number of data breaches	None of significance to be reported to the Data Protection Officer
4. The percentage of data breaches involving personally identifiable information (PII) only and protected health information (PHI)	Non-applicable, as no data breaches



Reporting frameworks continued

Health Care Delivery continued

Metric Available data points

Patient Privacy & Electronic Health Records continued

5. The number of customers affected in each category, PII only and PHI Non-applicable, as no data breaches

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

Non-routine veterinary costs can often be an unpleasant surprise to clients.

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.

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.

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.

2. Amount of Medicare Disproportionate Share Hospital adjustment payments received Non-applicable

1 PDSA 2022 PAW Report.

2 <https://www.abi.org.uk/news/news-articles/2022/05/pet-insurers-processed-a-record-2.4-million-a-day-in-2021/>



Reporting frameworks continued

Health Care Delivery continued

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 617 significant events recorded on VetSafe in the financial year ended 30 June 2022 (2021: 544).
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 2021 QI report, which is published on our website: www.cvsukltd.co.uk This initiative will be introduced to all referral hospitals in 2022, and we hope to report patient outcome data in future reports.</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

1 Adverse events associated with veterinary medicinal products are recorded and reported by the Marketing Authorisation Holder, which is usually the pharmaceutical supplier. Adverse events as they happen through the UK Pharmacovigilance ('Yellow Card') scheme are recorded and reported on an individual veterinary surgeon basis.



Reporting frameworks continued

Health Care Delivery continued

Metric

Available data points

Management of Controlled Substances

1. Description of policies and practices to manage the number of prescriptions issued for controlled substances

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, MSDSs 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.

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'). Between 2019 and 2021, HPCIA product sales decreased by 30%.

2. Percentage of controlled substance prescriptions for which a prescription drug monitoring program (PDMP) database was queried

Non-applicable



Reporting frameworks continued

Health Care Delivery continued

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>There is a list of 69 standard known-value 'shoppable' items that are available to our practices. Routine, consultation and emergency out-of-hours consultation price information, along with prices for vaccinations and neutering procedures, are published on practice websites or in their new client information leaflets.</p> <p>Not all procedures have pricing information that is fully published, and it is not possible to know the exact price of veterinary intervention in all cases, as there can be unforeseen complications in any procedure. However, 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>
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)	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'). The total number of incidents reported under RIDDOR regarding employees in the financial year ended 30 June 2022 was 25. Going forwards, we intend to align our HR and Health & Safety systems to enable us to calculate a frequency rate for RIDDOR incidents.
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. Going forwards, we intend to align our HR and Health & Safety systems to enable us to calculate a comparable rate based on days off work as a result of an incident reported under RIDDOR. This data is unavailable for the financial year ended 30 June 2022.



Reporting frameworks continued

Health Care Delivery continued

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

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.

In the financial year to 30 June 2022 our vet vacancy rate averaged 10.4% (2021: 8.3%). We continue to create new roles to support the growth of our business.

2. Description of talent recruitment and retention efforts for health care practitioners

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.

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.

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, and we have run holiday prize draws worth £10,000 each for anyone that successfully refers a friend to work for CVS.

We have appointed a dedicated international recruiter, who started in 2022.

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.

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.

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.



Reporting frameworks continued

Health Care Delivery continued

Metric

Available data points

Climate Change Impacts on Human Health & Infrastructure

<p>1. Description of policies and practices to address the physical risks due to an increased frequency and intensity of extreme weather events</p>	<p>The Group intends to adopt some of the recommendations of the Task Force on Climate-Related Financial Disclosures ('TCFD') in disclosures in the 2022 Annual Report, which will be released in September 2022. 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>
<p>2. Description of changes in the morbidity and mortality rates of illnesses and diseases, associated with climate change</p>	<p>As part of the Group's adoption of the recommendations of the TCFD in disclosures in the 2022 Annual Report, which will be released in September 2022, the Group has also 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>
<p>3. Percentage of health care facilities that comply with the Centres for Medicare and Medicaid Services (CMS) Emergency Preparedness Rule</p>	<p>Non-applicable</p>



Reporting frameworks continued

Multiline and Speciality Retailers & Distributors

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 c.500 veterinary practices, including eight specialist referral hospitals and 35 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	



Reporting frameworks continued

Multiline and Speciality Retailers & Distributors continued

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

Metric

Available data points

Data Security

<p>1. Description of approach to identifying and addressing data security risks</p>	<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. 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>
<p>2. Number of data breaches</p>	<p>None</p>
<p>3. Percentage involving personally identifiable information (PII)</p>	<p>Non-applicable, as no data breaches</p>
<p>4. Number of customers affected</p>	<p>Non-applicable, as no data breaches</p>



Reporting frameworks continued

Multiline and Speciality Retailers & Distributors continued

Metric	Available data points
Labor Practices	
1. Average hourly wage	Undisclosed as this is commercially sensitive.
2. Percentage of in-store employees earning minimum wage, by region	None. From 1 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 33 of this report in which we disclose vet and nurse 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 33 of this report in which we disclose vet and nurse vacancy rates.
5. Total amount of monetary losses as a result of legal proceedings associated with labor law violations	£Nil
Workforce Diversity & Inclusion	
1. Percentage of gender and racial/ethnic group representation for management	<p>At Board and Company Secretary level:</p> <p>Gender:</p> <ul style="list-style-type: none"> > Male – 75.0% > Female – 25.0% <p>Ethnic diversity:</p> <ul style="list-style-type: none"> > Ethnic minority – 12.5% > White – 87.5% <p>At Executive Committee level:</p> <p>Gender:</p> <ul style="list-style-type: none"> > Male – 57.8% > Female – 43.2% <p>Ethnic diversity:</p> <ul style="list-style-type: none"> > Ethnic minority – 14.3% > White – 85.7%

2 CVS enabled the capture of non-binary/other gender identities in 2022. This figure may be lower than the actual percentage.



Reporting frameworks continued

Multiline and Speciality Retailers & Distributors continued

Metric

Available data points

Workforce Diversity & Inclusion continued

2. Percentage of gender and racial/ethnic group representation for all other employees

Gender:

- > Female – 86.41%
- > Male – 13.52%
- > Non-binary/other – 0.07%²

Ethnic Diversity:

- > Asian/Asian British – 1.55%
- > Black/Black British – 0.17%
- > Mixed/Multiple – 1.94%
- > White – 94.09%
- > Other – 0.13%
- > Prefer not to say – 2.12%

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 2022 were £26,000 (2021: £15,500). Losses as a result of tribunal hearings in 2021 and 2022 were £Nil.



Reporting frameworks continued

Multiline and Speciality Retailers & Distributors continued

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 31 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 c.500 veterinary practices, including eight specialist referral hospitals and 35 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.



Looking ahead

We are fortunate at CVS to employ an outstanding and dedicated team of colleagues who are passionate about providing the best possible standards of care. I would like to take this opportunity to thank them all for their contribution in caring for our patients, their owners, our teams and the communities and environment that we are part of. Every small action adds up to a big impact over time.

This first 'Care at our Heart' report sets out our approach to ESG and provides insight into the considerable progress we have already made. We are committed to do more and we will continue to work collaboratively and creatively to ensure we are doing the right thing for all stakeholders. We have previously outlined our plans to invest across our business in our people, our practices and other facilities, clinical equipment, technology, and expansion through greenfield sites and further acquisitions. A fundamental part of this investment is to help us deliver our ESG plans. We have appointed an ESG lead to co-ordinate our efforts across

CVS with our seven dedicated ESG workstreams driving progress in each area.

In recognition of our corporate commitment to ESG, we have, for the first time, 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.

Our purpose at CVS is to give the best possible care to animals and our vision is to be the veterinary company people most want to work for. Our ESG focus is at the heart of this purpose and vision and I look forward to sharing further progress in due course. With the continued support of our colleagues, we will continue to grow CVS with care at our heart.

Richard Fairman
Chief Executive Officer



1	2	3	4	5
<p>Clinical waste</p> <p>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)</p>	<p>Attrition</p> <p>10% reduction in colleague attrition</p>	<p>eNPS</p> <p>50% improvement in employee net promoter score</p>	<p>Client NPS</p> <p>5% improvement in client net promoter score</p>	<p>Patient Care Index</p> <p>an increase of 1 percentage point</p>



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