About this Factsheet

This factsheet contains disclosure by Heska of environmental, social and governance (ESG) metrics and practices that Heska considers to be relevant to its business, as well as those included in the Sustainability Accounting Standards Board (SASB) standards for the Medical Equipment & Supplies industry. The disclosures in this report are also aligned with the United Nations Sustainable Development Goals (UN SDGs). This factsheet discloses ESG data for Heska for the period January 1, 2021 through December 31, 2021, unless otherwise noted.
**About Heska**

Heska Corporation (NASDAQ: HSKA; “Heska,” “Company,” or “we”), is a leading global provider of advanced veterinary diagnostics, informatics, and specialty products. The Company develops, manufactures, and sells its products and services through two business segments: North America and International. Both segments include Point of Care Lab testing instruments and consumables, digital imaging products, veterinary practice information management software solutions (“PIMS”); digital cytology services; data services, allergy testing and immunotherapy, and single-use offerings such as in-clinic diagnostic tests and heartworm preventive products. The North America segment also includes private label vaccine and pharmaceutical production under third-party agreements and channels, primarily for herd animal health.

North America consists of the United States, Canada and Mexico. International consists of geographies outside of North America, primarily our operations in Australia, France, Germany, Italy, Malaysia, Spain and Switzerland. For more information, please visit www.heska.com.

**Heska’s ESG Program**

In 2021, Heska created a formalized ESG Task Force which is responsible for the oversight and execution of the Company’s ESG initiatives. The team meets on a regular basis to identify and advance the Company’s ESG priorities. The Task Force consists of 13 individuals including management from key functional areas such as Legal, HR, Finance, Operations, IT, Product Support, Customer Relations, Corporate Communications, and Facility Management, and is chaired by the SVP, Investor Relations, Corporate Communications and ESG. Heska’s Governance Committee of the Board of Directors has oversight of ESG with the full board receiving quarterly ESG updates.

**Activity Metrics**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (SMM)</td>
<td>253.7</td>
<td>197.3</td>
<td>122.7</td>
</tr>
<tr>
<td>Employees</td>
<td>651</td>
<td>602</td>
<td>386</td>
</tr>
<tr>
<td>Number of units sold by product category HC-MS-000.A</td>
<td></td>
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</tr>
</tbody>
</table>

Given the breadth of Heska’s product portfolio, Heska does not disclose this data.
Environment

Heska recognizes the impact we have on the environment, and we actively evaluate ways we can promote sustainability in our operations and products.

We have two segments – North America and International – and therefore have a varied approach to managing our environmental footprint. In the sections below, we have broken out the actions we take to mitigate our environmental impact by location. Our North America segment locations consist of approximately 253,000 square feet while our International segment locations are approximately 98,000 square feet.

Our principal administrative and research and development activities are located in Loveland, Colorado. We lease approximately 60,000 square feet at a facility in Loveland, Colorado. Our principal production facility located in Des Moines, Iowa, consists of approximately 175,000 square feet of buildings on 34 acres of land, which we own. In Canada, we lease an office space. Our principal International administrative and research and development activities are located in Germany, France, Spain, Italy and Malaysia. In Germany, we own an office space that is approximately 45,000 square feet, and a warehouse that is approximately 15,000 square feet. In Italy, we own an office space, a warehouse, and a showroom. In France, Spain and Malaysia, we lease office spaces and warehouses.

Energy Management

We are committed to understanding and taking action to mitigate our emissions, a significant portion of which arise from energy use in our manufacturing facilities. We maintain energy management strategies for our North America and International operations to account for different energy sources in our various geographies.

For our North America operations, our most significant sources of energy use are lighting, HVAC systems, and manufacturing equipment. To reduce the energy used by lighting, we have installed occupancy sensors to automatically turn off lights in areas that are unoccupied, and installed LED lighting to replace incandescent and fluorescent light bulbs. We also upgraded to a more efficient HVAC system, which has the ability to operate in a low-power mode.

Our North America manufacturing facility is continuously upgrading outdated manufacturing equipment as necessary to newer, more efficient equipment that use less energy. Additionally, 83% of energy used at this site is from locally produced renewable sources, mostly wind. We are also currently budgeting for LED light upgrades, as the current facility is using about 65-70% LED.

One of our International offices and warehouses in Germany has full thermal insulation and is heated or cooled by geothermal energy. The energy to power this system, such as pumps or valves, is covered by self-generated solar power. In 2021, the office generated 30,598 kWh of renewable energy from solar panels.

Electricity Consumed (kWh)*

<table>
<thead>
<tr>
<th></th>
<th>kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>4,470,506</td>
</tr>
<tr>
<td>North America</td>
<td>4,200,000</td>
</tr>
<tr>
<td>International</td>
<td>207,506</td>
</tr>
</tbody>
</table>

*represents 67% of the company’s footprint
## Waste Management

When possible, Heska works to mitigate waste and reuse, reduce, and recycle the materials we use at our offices and in the manufacturing and distribution process. At our Germany office and warehouse, waste is sorted and where possible, sent for recycling. To avoid waste, employees have access to water in glass bottles, which are returned to the supplier and reused when empty to be cleaned and refilled again.

**Company-wide Focus on Waste Management and Recycling**

To encourage recycling, mixed-product recycling bins are placed in high-traffic areas of all our buildings globally.

Our North America manufacturing facility is working to reduce hazardous waste by eliminating chemicals and items no longer used in the current production process. Additionally, it examines waste streams and tries to reuse chemicals throughout the production process where possible by altering minor process stops. We also encourage the reuse of ice packs in our shipping materials. When applicable, our North America manufacturing facility donates ice packs to local businesses, who then re-use them for shipping purposes. Since 2020, we have donated approximately 6 semi-trailer loads of ice packs/Styrofoam coolers. In our International operations, we re-use all cooling packs which are in good condition to cool our shipments to customers, instead of buying new packs for each shipment. In 2021, at our North America headquarters, we recycled 28 metric tons of mixed products including glass, aluminum, cardboard and paper.

At our Germany office and warehouse, for over four years, we have replaced >90% of the Styrofoam cooling boxes with straw and hemp insulated cardboard boxes. This has allowed us to drastically reduce our waste and use sustainable materials in our packaging materials. Since incorporating this practice, we have recycled 4.536 tons of Styrofoam and reused cooling packs that were received from suppliers.

In our Australia office, we use an innovative insulation packaging solution made from 100% sheep's wool for our packaging, Woolcool®. This is an ecologically friendly alternative to polystyrene that is made from 100% biodegradable and compostable felted sheep's wool, sealed within a recyclable wrap. The wool used is considered waste from wool mills, which helps reduce the amount of waste sent to landfills.

### Water consumption

<table>
<thead>
<tr>
<th></th>
<th>Total cubic meters</th>
<th>North America (m³)</th>
<th>International (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption*</td>
<td>~23,952</td>
<td>~23,432</td>
<td>~510</td>
</tr>
</tbody>
</table>

*represents 84% of the company's footprint
Packaging

At our North America manufacturing facility, we have a program to send Styrofoam coolers to a Styrofoam recycling center. Throughout the product lifecycle, we reuse storage containers such as reusable boxes and plastic crates whenever possible. Additionally, we use reusable plastic pallets as they can be disinfected prior to going into production areas. Plastic pallets are reused in-house indefinitely, or until end-of-life cycle.

Internationally, the shipping of refrigerated goods for Germany and partially for France and Italy utilizes eco-friendly insulated boxes with straw, hemp, and wood in order for each shipping container to be completely without Styrofoam. Additionally, we exchange our wooden pallets with other suppliers so they can be used multiple times. In 2021, our Germany office recycled around 1,082 kg of paper and cardboard in addition to 902 kg of plastic.

Product Design and Lifecycle Management

<table>
<thead>
<tr>
<th>Topic</th>
<th>Process to assess and manage environmental and human health considerations associated with chemicals in products, and meet demand for sustainable products</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>We have a “Reset” lab analyzer lease program that allows us to reuse or recycle analyzers. Analyzers in need of repair are brought back to our service department for evaluation and repair. Analyzers that are repaired to a like-new-certification are sent out to the customer. This extends the useful service life of analyzers and reduces the amount of product recycling that is required.</td>
</tr>
<tr>
<td>HC-MS-410a.1</td>
<td>For our International operations, equipment that can no longer be repaired is recycled by a certified disposal company in accordance with the legal requirements.</td>
</tr>
<tr>
<td></td>
<td>Total amount of products accepted for take-back and reused, recycled, or donated, broken down by: (1) devices and equipment and (2) supplies</td>
</tr>
<tr>
<td></td>
<td>Our Reset lease program in North America requires all lab analyzers be returned to Heska for refurbishment or recycling, either during their course of service or at the end of the lease agreement. Any electronics or analyzers that are returned and cannot be reused are sent to an electronics recycling service.</td>
</tr>
<tr>
<td>HC-MS-410a.2</td>
<td>Internationally, in 2021, we took back approximately 87 instruments and approximately 350 reagent deliveries.</td>
</tr>
</tbody>
</table>

**Data only available for North America manufacturing facility, representing 17% of Heska’s footprint.**

<table>
<thead>
<tr>
<th>Hazardous Waste (metric tons)**</th>
<th>5.002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Hazardous Waste (metric tons)**</td>
<td>5.039</td>
</tr>
</tbody>
</table>
Employee Engagement

We believe that engaged employees are enthusiastic about their work; they find a greater sense of meaning and fulfillment in what they do, see a stronger connection between their strengths and their role, and expend discretionary effort in their performance. These positive behaviors make a difference to our business in terms of reputation, productivity, and profitability.

We launched our inaugural employee engagement initiative in 2021 for our North America employees with an annual survey. This survey was composed of 24 questions that help inform Heska's initiatives moving forward, in areas such as corporate communications, culture, diversity and inclusion, and others. Work-life balance and role fit with employee skills were highlighted as strengths in the survey. The entire Heska executive team reviews the survey results and incorporates the feedback by initiating action items by department for maximum impact.

Turnover

In 2021, we experienced an employee turnover rate of approximately 15% globally. The average U.S. employee tenure was 7.8 years.

Employee Benefits and Wellness

In North America, all employees working more than 20 hours per week can enjoy very competitive medical, dental, and vision plans, flexible spending accounts, paid time off, disability assistance, parental leave, 401(k) with matching contributions, and the ability to take advantage of the Heska Healthy Habits program. This wellness stipend encourages our employees to live a healthy lifestyle and can be used for gym memberships, at-home gym equipment or a range of other classes.

Employee Stock Purchase Plan

We offer an Employee Stock Purchase Plan with nearly 48% of active U.S. employees participating.
Diversity and Inclusion

We believe diverse teams lead to better innovation and improve our understanding of our global customer base. We are committed to hiring, developing, and retaining employees with differing backgrounds, beliefs, perspectives, and capabilities. We are committed to pay equity and regularly review our pay practices, as well as our employees’ pay, to ensure we are providing equal pay opportunities for equal work, regardless of gender or race.

Employee Health and Safety

Health and Safety Program

Heska recognizes the importance of safety and health in making life more rewarding and is committed to providing a safe workplace for all. Health and safety are integral components of our business. We have implemented a robust health and safety program with oversight from the Chief Operating Officer. This program is applicable to all employees, including those that are full-time, part-time and contracted employees, and our site visitors. This program encompasses the following:

- Provides employees with necessary safety training and the ability to recognize and avoid unsafe workplace practices or conditions
- Tracks and reports safety-related incidents or potential hazards
- Involves employees to develop, implement, and support safety initiatives

In our North America operations, our Environment Health and Safety specialist performs quarterly lab safety inspections and employees receive monthly safety trainings.

While training topics vary by facility, topics include:
- Radiation safety recertification
- Globally Harmonized System and hazardous chemical training
- First Aid recertification

Although Heska’s chemical lab work is minimal, safety is of the utmost importance to us. Our Loveland facility has a Hazardous Waste Operations and Emergency Response Standard (HAZWOPER) program along with HAZWOPER certification.

Safety Certifications

Our Loveland, Colorado headquarters is Premium Cost Containment Certified 2021-2024, for the 7th consecutive 3-year period. In order to achieve this certification, our leadership team must demonstrate a total commitment to safety, clearly define loss and safety rules that are general and job-specific, make all employees aware of the safety requirements of their jobs through training, and provide documentation of processes and procedures should a safety incident occur.
**Product Safety and Testing**

**Product Safety and Testing Program**

We perform quality assurance testing on all incoming products/equipment and product lines. Testing will either be 100% of the equipment or random/lot testing of consumable testing supplies. Random lifecycle testing for the lifetime of the lot is also performed. A statistically relevant percent of the product is kept for stability testing throughout the product lifecycle. Customer contact is tracked by product type, reason/issue for contact, and related monthly trends are also tracked.

At our North America manufacturing plant, FDA regulated products are tested in accordance with 21 CFR guidelines. Testing is conducted using methodology (where indicated) from current USP/NF test methods, and/or using methods validated in house per USP guidelines (where applicable). Some testing is contracted to approved laboratories which have been audited by Heska and are in good standing with the FDA.
Governance and Ethics

Business Ethics Program

Heska is an organization with strong values of responsibility and integrity. A positive reputation for the manner that we conduct business is vital to our growth and success and we expect all employees to conduct activities on the Company’s behalf with the highest possible business ethics and standards.

Our Code of Conduct and Ethics (the “Code”) sets forth the standards by which we conduct our operations. The Code applies to all directors, officers, employees, agents, and contractors of the Company. All employees are required to complete annual training on the Code. The Corporate Governance Committee of our Board of Directors provides oversight of our Code of Ethics with the full Board providing oversight of our legal and ethics compliance.

It is the corporate policy of Heska to encourage directors, officers, and employees to raise any concerns through our Ethics Line, which is provided by way of a confidential third-party reporting service. The Ethics Line information is posted around the building in addition to being available in our Code of Conduct. We have a strict non-retaliation policy for anyone who calls into the Ethics Line.

Oversight responsibility for investigations depends on the nature of the incident. Any complaint or allegation related to fraud or illegal acts that are accounting, internal controls or audit-related are overseen by the Audit Committee.

Business Ethics

<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery</td>
<td>For information on material monetary losses, please see our SEC filings such as the 10-K.</td>
</tr>
<tr>
<td>HC-MS-510a.1</td>
<td></td>
</tr>
<tr>
<td>Description of code of ethics governing interactions with health care professionals</td>
<td>Please see our Code of Conduct and Ethics page 6.</td>
</tr>
<tr>
<td>HC-MS-510a.2</td>
<td></td>
</tr>
</tbody>
</table>
## Supply Chain Management

<table>
<thead>
<tr>
<th>Topic</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of company’s facilities and Tier 1 suppliers’ facilities participating in 3rd party audit programs for manufacturing and product quality</td>
<td>HC-MS-430a.1</td>
<td>Tier 1 suppliers’ facilities participating in 3rd party audit programs for manufacturing and product quality is estimated to be between 65%-75%.</td>
</tr>
<tr>
<td>Efforts to maintain traceability within the distribution chain</td>
<td>HC-MS-430a.2</td>
<td>Our North America manufacturing facility has a range of systems and processes to maintain traceability of materials throughout the product supply and distribution chain. Traceability of materials from suppliers to the site and throughout the manufacturing process is maintained utilizing electronic systems. Enterprise resource planning (ERP) systems are used to manage traceability to the point of distribution. We utilize Salesforce to track the serial numbers of all equipment sold and in inventory throughout Heska. Additionally, we have lot number tracing for all consumables. Every sale is tracked by equipment serial number, including shipping tracking numbers during transit. The system is designed to allow for easy tracing of lots or specific equipment should a recall dictate a need to contact customers.</td>
</tr>
<tr>
<td>Management of risks associated with the use of critical materials</td>
<td>HC-MS-430a.3</td>
<td>For information on risks, please see our 10-K.</td>
</tr>
</tbody>
</table>

## Ethical Marketing

<table>
<thead>
<tr>
<th>Topic</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total amount of monetary losses as a result of legal proceedings associated with false marketing claims</td>
<td>HC-MS-270a.1</td>
<td>$0</td>
</tr>
<tr>
<td>Code of ethics governing promotion of off-label use of products</td>
<td>HC-MS-270a.2</td>
<td>Off-label use of products is not relevant to Heska’s veterinary solutions.</td>
</tr>
</tbody>
</table>

## Data Security and Privacy

At Heska, data protection and privacy are of high importance for all our stakeholders. As outlined in our Privacy and Data Security Playbook, our IT Director, CFO/Controller, Director of Legal, Director of HR, and VP of Marketing all have roles and responsibilities in upholding and enforcing our data privacy program. In addition, Heska conducts annual training on data privacy for all employees to ensure that our workforce is up to date on the latest information. Our vendors, customers, and employees each have privacy policies that identify how their data and personal information is used and protected. We also have a separate security policy that addresses all Payment Card Industry Data Security Standards requirements. Additionally, Heska maintains continuous environment monitoring and our data security policies are modeled after ISO/IEC 27002:2013 framework. We maintain administrative, technical, and physical safeguards designed to protect the personal information our employees, customers, and suppliers provide against accidental, unlawful or unauthorized access, destruction, loss, alteration, disclosure or use. Heska has an incident response plan to notify all impacted parties in a timely manner. All employees participate in annual IT and code-of-conduct trainings which also include safely handling sensitive data and fraud awareness. Additionally, we conduct annual cyber security risk assessments.

Additional information can be found in our Privacy Policy.
Audit Committee members cannot serve on the audit committee of more than two additional public company boards.

Stock ownership guidelines for executive officers and directors.

Shareholder engagement program.

Board oversight of ESG through Corporate Governance Committee.

Annual election of all directors.

Annual evaluation of CEO by independent directors.

Clawback policy.

Shareholder right to act by written consent.

One-share, one-vote.

Majority vote standard for bylaws and charter.

Separate CEO and Board Chair.

“Wilson Rule” implemented in 2022 to seek qualified and diverse candidates as new Board of Director openings become available.

Effective board refreshment.

Corporate Governance

Average Tenure

4.75

Average Director Age

61

Female

13%

Ethnic/Racial Diversity

13%

Standing board committee independence

100%