

# Corporate Social Responsibility

## Making a difference through the sustainable improvement in global animal health and welfare

### Our ESG Strategy

Our ESG strategy is based around four pillars: Business; Community; Environment; and People. During the 2021 financial year we have set targets for each of the pillars. We have committed to a long term target to reach net zero emissions by no later than 2050, backed by science based targets across the entire value chain. We will:

- continue the effort to understand and disclose the climate change risks and opportunities by transforming to a low carbon economy; and
- refine our environmental targets by setting verifiable science based targets through the Science Based Targets initiative (SBTi).



**Our People**

**Our Strategic Priority:**  
A great and safe place to work.



**Our Environment**

**Our Strategic Priority:**  
We are committed to minimising the impact of our operations on the environment by adopting responsible environmental practices and complying with applicable environmental legislations, by achieving zero to landfill by 2025 and net zero emissions by 2050.



**Our Community**

**Our Strategic Priority:**  
To contribute to the social and economic welfare of the local communities in which we operate through the donation of our time, products and cash donations.



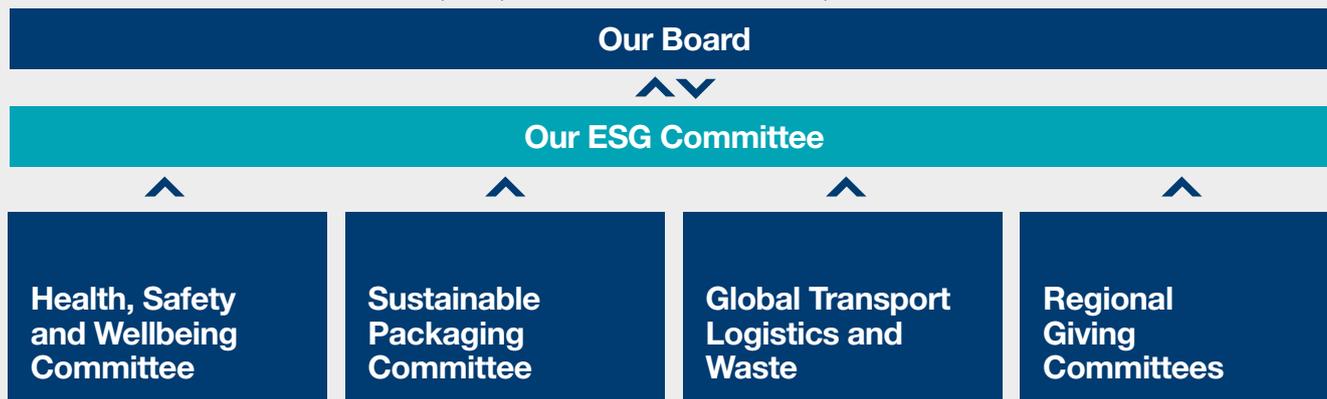
**Our Business**

**Our Strategic Priority:**  
To provide sustainable innovative products, technical and educational support and to act responsibly and with integrity with all stakeholders.



### Our Leadership Structure

The Board takes ultimate responsibility for Corporate Social Responsibility and is committed to developing and implementing appropriate policies that create and maintain long term value for shareholders. During the year Paul Sandland, was nominated as the Executive Director responsible for ESG, and he took over the chairmanship of the ESG committee from the Company Secretary. A Group Sustainability Director was appointed in March 2021. The ESG Committee is made up of representatives from across the Group.



### Science Based Targets

#### Responsible climate action – preparing for net zero emission 2050

Dechra has committed to set science-based emissions reduction targets across the entire value chain that are consistent with keeping global warming to 1.5°C above pre-industrial levels. Dechra has also committed to a long term target to reach net zero emissions by no later than 2050.

The Board is responding to an urgent call-to-action for companies to set emissions reduction targets in line with a 1.5°C future, backed by a global network of UN agencies, business and industry leaders.

Dechra will set verifiable science-based targets by June 2022 through the Science Based Targets initiative (SBTi), which independently assesses corporate emissions reduction targets in line with what climate scientists say is needed to meet the goals of the Paris Agreement.

Real progress requires real transparency, we will continue the effort to understand and disclose the risks posed to our business by climate change as well as the opportunities presented by transforming to a low carbon economy. We will also engage with our stakeholders, working with them to minimise our combined climate footprint.

During this important period of change, resources and effort will be invested in order to advocate and embed sustainability within the group at all levels. These are ambitious but achievable commitments and we believe it is an opportunity for every member of our business to contribute in the quest to reach net zero emissions by 2050.

# Corporate Social Responsibility continued



## Our People

Read more about **Our People** on pages 58 to 64.

Stakeholder	SDG	Focus Area
<ul style="list-style-type: none"> <li>Employees</li> </ul>		Culture and Values
	 	Talent Management and Engagement
		Fair Employment Practices
		Diversity and Inclusion
		Safe Working Practices



## Our Environment

Read more about **Our Environment** on pages 65 to 68.

Stakeholder	SDG	Focus Area
<ul style="list-style-type: none"> <li>Employees</li> <li>Local community</li> </ul>	 	Waste
		Energy

Policy	Objectives	Target	Status/Progress
A great and safe place to work	<ul style="list-style-type: none"> <li>strengthen and communicate the Dechra culture and strive to ensure our Values encompass our business ethics and standards;</li> </ul>	<ul style="list-style-type: none"> <li>trust Index target of 85%</li> </ul>	<ul style="list-style-type: none"> <li>trust Index of 77%</li> </ul>
	<ul style="list-style-type: none"> <li>attract, retain and develop talent to build and maintain a top quality team;</li> </ul>	<ul style="list-style-type: none"> <li>one day of training per employee per annum</li> </ul>	<ul style="list-style-type: none"> <li>system in place to capture data</li> </ul>
	<ul style="list-style-type: none"> <li>comply with national legal requirements regarding wages and working hours;</li> </ul>	<ul style="list-style-type: none"> <li>Living Wage Employer or equivalent by 2022</li> </ul>	<ul style="list-style-type: none"> <li>achieved in January 2021</li> </ul>
	<ul style="list-style-type: none"> <li>value the difference and diversity of people, recognise that their skills and abilities are strengths that can help us to achieve our best; and</li> </ul>	<ul style="list-style-type: none"> <li>reflect the markets and communities in which we operate</li> </ul>	<ul style="list-style-type: none"> <li>applicant tracking system implemented</li> </ul>
	<ul style="list-style-type: none"> <li>reinforce a culture of health and safety, with a culture of zero harm.</li> </ul>	<ul style="list-style-type: none"> <li>zero lost time accidents</li> </ul>	<ul style="list-style-type: none"> <li>three lost time accidents (a reduction from six)</li> </ul>

Policy	Objectives	Target	Status/Progress
We are committed to minimising the impact of our operations on the environment by adopting responsible environmental practices and complying with applicable environmental legislations	<ul style="list-style-type: none"> <li>prudent use of all natural resources, the minimisation of waste in all activities, and the appropriate disposal of waste; and</li> </ul>	<ul style="list-style-type: none"> <li>zero to landfill by 30 June 2025</li> </ul>	<ul style="list-style-type: none"> <li>proportion of waste to landfill or incinerated with no energy recovery reduced from 17% to 14%</li> </ul>
	<ul style="list-style-type: none"> <li>optimise the energy we use, improve energy effectiveness through initiatives on transport and reduce our greenhouse gas emissions.</li> </ul>	<ul style="list-style-type: none"> <li>reach net zero emissions by no later than 2050. Initial target is 25% reduction by 30 June 2025. This will be refined through the collaboration and verification with Science Based Targets</li> </ul>	<ul style="list-style-type: none"> <li>started to execute the Making Difference plan and committed to the Science Based Target initiative</li> </ul>

# Corporate Social Responsibility continued



## Our Business

Read more about **Our Business** on pages 69 to 73.

Stakeholder	SDG	Focus Area
<ul style="list-style-type: none"> <li>Employees</li> <li>Veterinary Professionals</li> <li>Suppliers and Distributors</li> <li>Universities and Key Opinion Leaders</li> <li>Shareholders</li> </ul>	   	Ethical and Sustainable Products
		Veterinary Professionals
		Ethics



## Our Community

Read more about **Our Community** on pages 74 to 75.

Stakeholder	SDG	Focus Area
<ul style="list-style-type: none"> <li>Local Community</li> <li>Charities and non-profit organisations</li> <li>Employees</li> </ul>	 	Community Activities
	 	Community Donations

Policy	Objectives	Target	Status/Progress
<ul style="list-style-type: none"> <li>To provide sustainable innovative products that improve animal health and welfare</li> </ul>	<ul style="list-style-type: none"> <li>develop and promote products to improve animal health and welfare ethically and sustainably;</li> </ul>	<ul style="list-style-type: none"> <li>fund 5% to 6% of revenue on product development per annum</li> <li>all paper material to be FSC by June 2023</li> <li>Product Development process to include sustainability review by 2023</li> <li>sustainability review of existing products by June 2025</li> </ul>	<ul style="list-style-type: none"> <li>Product Development spend 5.3% of revenue</li> <li>review of all products and sites ongoing</li> <li>project with Product Development initiated</li> <li>to be initiated in the 2022 financial year</li> </ul>
<ul style="list-style-type: none"> <li>Provision of technical and educational support to veterinarians</li> </ul>	<ul style="list-style-type: none"> <li>maintain and improve the knowledge and skills of veterinarians who prescribe and use our products; and</li> </ul>	<ul style="list-style-type: none"> <li>provide 100,000 CPD hours per annum</li> </ul>	<ul style="list-style-type: none"> <li>77,206 CPD hours</li> </ul>
<ul style="list-style-type: none"> <li>We are committed to acting responsibly and with integrity</li> </ul>	<ul style="list-style-type: none"> <li>act with honesty and with integrity.</li> </ul>	<ul style="list-style-type: none"> <li>supply chain assessment of all suppliers' sustainability by June 2030</li> </ul>	<ul style="list-style-type: none"> <li>project initiated</li> </ul>

Policy	Objectives	Target	Status/Progress
<ul style="list-style-type: none"> <li>To contribute to the social and economic welfare of the local communities in which we operate</li> </ul>	<ul style="list-style-type: none"> <li>contribute towards local charitable causes through the donation of time, products and skills; and</li> <li>establish Regional Giving Committee to allow our employees to make a difference in their local communities.</li> </ul>	<ul style="list-style-type: none"> <li>100,000 community hours between 1 July 2021 and 30 June 2030; and</li> <li>£5 million donated in cash or products between 1 July 2021 and 30 June 2030</li> </ul>	<ul style="list-style-type: none"> <li>re-initiated in the 2022 financial year</li> <li>£381,524 in the 2021 financial year</li> </ul>

# Corporate Social Responsibility continued



## Our People

### Linkage to UN SDGs



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH

## 13.5%

Employee Turnover

## 52%

Females in workforce

## 0.09

Lost Time Accident Frequency Rate

We employ 1,975 employees in 25 countries in a wide range of working environments including manufacturing, logistics, laboratories, offices and mobile working. At Dechra, we acknowledge that our people are our greatest asset and know that an inclusive culture is beneficial for our business performance. Our ongoing objective is to continue to be a purpose focused business driven by high performing and committed teams.

We are committed to the following focus areas:

- Culture and Values: strengthening and communicating the Dechra Culture and striving to ensure our Values encompass our business ethics and standards;
- Talent Management and Engagement: attracting, retaining and developing talent to build and maintain a top quality team;
- Fair Employment Practices: complying with national legal requirements regarding wages and working hours;
- Diversity and Inclusion: valuing the difference and diversity of people, recognising that their skills and abilities are strengths that can help us to achieve our best; and
- Safe working practices: reinforcing a strong culture of health and safety, within a zero harm environment.

### Our People Plan



**1 Accelerate Performance:**  
Align employee efforts and drive productivity through effective goal setting, feedback and focus on development.

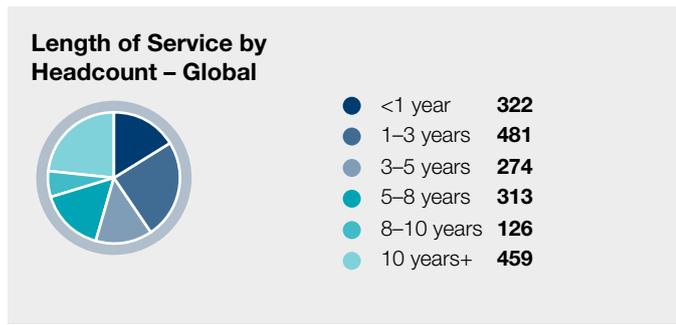
**2 Grow Our Own Talent:**  
Attract, retain and develop the right talent in the right place at the right time.

**3 Strong Culture and Values:**  
How we do things around here.

**4 Engaged and Committed Workforce:**  
A great place to work.

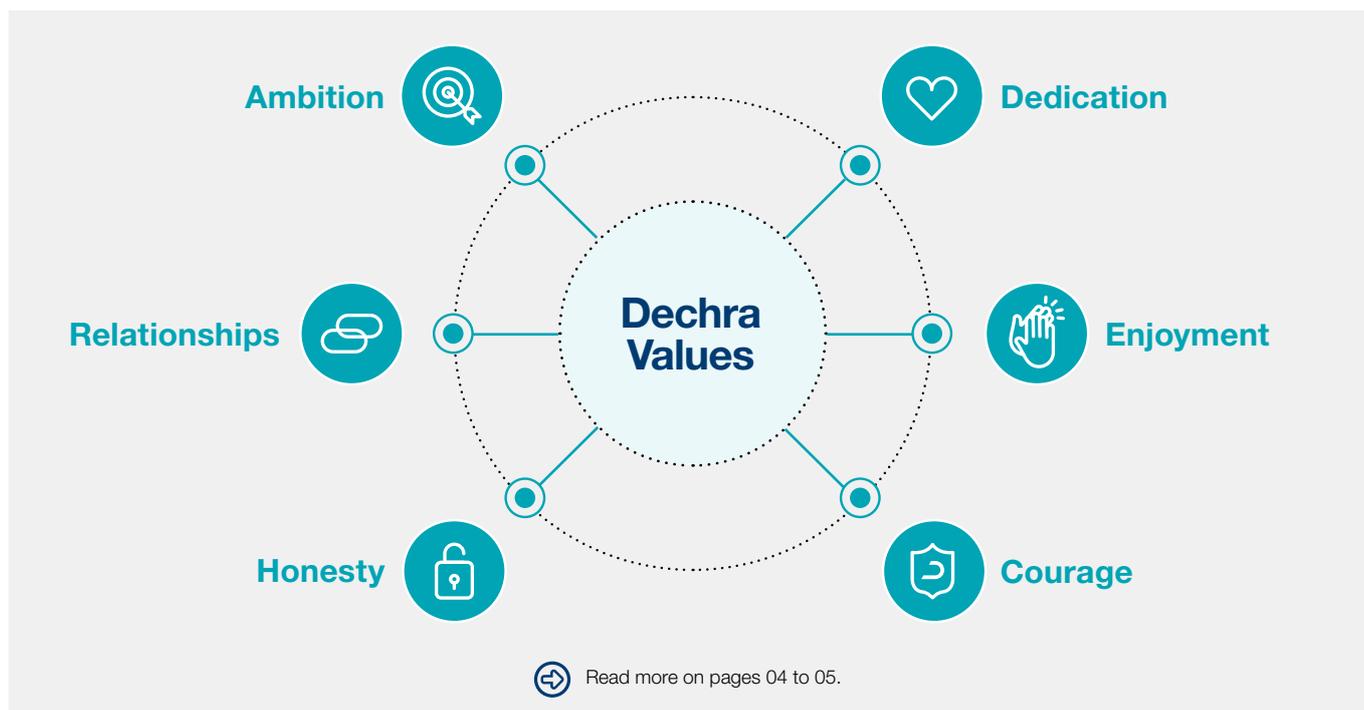
**5 Healthy Safe Workplace:**  
Improving the working lives of our people in every location.

**6 Common Platforms and Ways of Working:**  
Efficient infrastructure supporting business operations and alignment over policy and practices.



## Culture and Values

Our Values, entrepreneurial attitude and agile approach to the way we do things are the backbone of our Culture. We expect our people to make a difference by working together and we support them by providing clear guidance on expectations. We believe that our Values encapsulate our business ethics and set the standards that we wish to achieve and ultimately exceed. They outline the type of people we are, the services we provide and the way we aim to do business.



During the financial year we have found a number of ways to embed our Values into the daily life of our employees. We have:

- updated the look and feel of the Values with icons that help to signpost the Values on the new One Dechra intranet;
- significantly upgraded our approach to recruiting talent and partnering with leading external organisations to use contemporary instruments and interventions to allow recruiting managers to gain a greater understanding of the candidates potential during the recruitment process; and
- created a mandatory module, One Dechra, which facilitates a deep dive into the Company Culture and Values and encourages employees to consider what the Dechra Values mean to them in the context of their function.

Our Values are supported by our Code of Conduct, which has been translated into eight languages and is available in English at [www.dechra.com](http://www.dechra.com).

We encourage all employees if they see or suspect something which they believe to be a breach of Dechra's standards of conduct, to report their concerns via our How to Raise a Concern procedure. We currently offer four reporting channels for concerns to be raised: Line Manager; the Senior Management Team; Group Management Team; and a mailbox accessed only by the Company Secretary. Every effort will be made to protect confidentiality to encourage reporting. The How to Raise a Concern procedure has been translated into eight languages. During the

- 2021 financial year we provided training to 12 employees across the Group on investigation training; and
- 2022 financial year we are planning to implement a confidential third party hot line and provide investigation training to a further group of employees.

We will fully investigate reports and take appropriate actions to address these. The actions taken will depend on the circumstances and the severity of the issues identified. These actions may include process improvements, training and coaching, or formal disciplinary actions up to and including termination of employment for the most severe issues. The Board receives a summary of the investigation reports.

# Corporate Social Responsibility continued

## Talent Management and Engagement



# 15

Interns

# 266

Delta courses

Dechra is committed to enhancing the skills of our workforce, planning for a successful future and creating a sustainable talent pipeline.

### Training

Implemented in 2016, Delta is our internal e-learning management system, hosting all of our internal interactive and digital training courses.

The COVID-19 pandemic has been a significant driving force behind our Delta efforts over the past 12 months, not only in increased demand and reliance upon the site itself, but also the need for new educational and informative content, including health and wellbeing support.

We launched 70 new courses over the last year and have expanded our team to increase the support that we can provide to the business. New training processes and increased reporting functionality are empowering our employees to take ownership of their own learning needs. This year has also seen significant steps forward in digitalisation and consolidating our training efforts.

Our Digital Learning team are being recognised for their efforts in the education sector too and have been asked to speak at a number of learning and development events on the best practice use of a Learning Management System. Additionally the team have all been individually accredited by the Learning and Performance Institute.

This is only one element of the training that we provide, and although we do not currently collate training hours across the Group, we provide other forms of training to our employees, placement students and graduates. The next step in our continued investment in training will be to record and collate the hours each of our employees spends in training, enabling us to have a consistent process of development and provide a basis for employee self certification in development.

## Case Study: Global Applicant Tracking System



As part of the Global HR Shared Services and Systems Strategy, we have recently invested in a global applicant tracking system. The chosen solution, TribePad (known internally as DASH), will allow for global alignment across our talent acquisition processes, as well as supporting the increasing obligations on reporting against our global recruitment practices.

DASH will allow us to track, report on and monitor key recruitment metrics, including time to hire, source of hire, number of open positions and in some countries (depending on local laws) the diversity of our applicants. It provides a platform in which we can build on our global talent brand so that we can continue to attract and retain the best talent into the organisation.

DASH gives us the ability seamlessly to control and select where our job advertisements are placed, retaining all applications in one single dashboard, streamlining the time taken to recruit. DASH also provides prospective applicants a platform to register their interest in future vacancies with Dechra and the option to 'opt-in' to job alerts, creating an active talent pool.

To support the Group's diversity and inclusion policy further and to enable our core recruitment messaging to be as inclusive as possible, the system features a 'gender bias decode' tool which is capable of analysing the text within our job adverts to help us understand any hidden implications within the language that is used. Research shows that many words can be associated with masculine or feminine stereotypes. Having visibility of this data and information will help inform future recruitment spend, track cost savings and maximise the potential reach of our talent attraction campaigns, globally.

The global DASH roll out project is being led by our Group Talent Partner in conjunction with our third party implementation partner, PeopleHub. DASH has been live across our UK business since February 2021 and since June 2021 for our Australia, USA and Canada, The Netherlands, Croatia and Denmark businesses. France, Mexico, Brazil and Germany are scheduled to go live later this calendar year.

### Leadership Programme

Following the successful roll out of the Leadership Programme to Dechra Pharmaceuticals Manufacturing & Supply (DPM&S), we have launched this programme to our Dechra Veterinary Products International and Corporate Leadership teams during the 2021 financial year. The development programme's strategic intent is:

- to develop fit for purpose senior leadership by improving readiness and capabilities that deliver success; and
- building confidence for internal and external stakeholders that the business has access to talented, ready now and emerging leaders.

The key learning objectives of the programme for the team are to build on executional excellence, develop the capacity to build and establish value creating teams, have an agile and future facing leadership, and continue to focus on having an inclusive approach and being culturally aware.

As with DPM&S, the programme has been run via the virtual realm, for 12 people, across two time zones and six European locations. The launch of the programme took place at the start of May, commencing with psychometric and cognitive assessments of the team, and has been followed by online team business simulations, team and peer coaching and virtual content which will continue to be delivered during the rest of 2021.

### Apprenticeships and Internships

We believe that offering internships and apprenticeships is a great way to attract new employees to Dechra. We offer a small number of internship opportunities each year. We have been delighted with the quality of young people who have worked with us and we hope that the experiences of working with Dechra will support them in their future careers. We currently have 15 interns in Europe, one in Australia and 11 in Brazil.

### Engagement

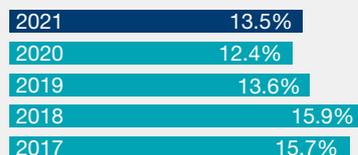
Informing and engaging our employees through internal channels of communication is of utmost importance to the Group. We have multiple channels of communication to provide both formal and informal updates including a Group newsletter that is issued twice a year (following the half-yearly and year end results), intranet, management and team meetings at the business units. These keep our employees informed of the financial performance of the Group, as well as the sharing of updates which are relevant to all Group employees such as management and team changes, progress in relation to strategic objectives and updates on corporate social responsibility objectives. Wherever possible, we seek to engage our employees in change projects. We also have a small number of Works Councils we regularly meet with.

In July 2021, we will launch our new intranet OneDechra which includes improved two way communication encouraging comments, sharing and community participation.

In order to continue to retain our qualified and skilled employees, and to attract new employees, we conducted our second Employee Engagement Survey in April 2021 using the Great Place to Work (GPTW) survey. Further details are detailed below.

During the year, Lisa Bright, in her role as the Employee Engagement Designated Non-Executive Director, met with a number of employees across the business via virtual coffee mornings. Further information on this can be found on page 97.

### Global Moving Annual Turnover (Employee Turnover)



It is three years since we last ran an all employee engagement survey, we had been due to run the survey in March 2020 but postponed it due to the outbreak of the pandemic. We had 1,720 respondents to the Great Place to Work (GPTW) survey, this equated to 90% of the organisation which is positive when compared to the average response rate for an organisation of our size (78%). Our high response rate provides us with a strong mandate for action based on the survey results. The survey asked about key areas that if done well can lead to a high trust and highly engaged workplace where people are treated well and work effectively together to drive up the bottom line.

There were some real highlights in the results. Across the Company, employee perceptions improved on all 75 survey statements. For example, 92% feel that Dechra is a physical safe place to work and 88% are 'proud to tell others you work at Dechra', which are eight percentage points above the average of the best organisations in the UK as awarded by GPTW.

Perceptions improved most of all about Reward, with a 20% increase in employees agreeing with the statements than over 2018. The improvement in employee experiences has extended across almost all of the Company. We are particularly pleased that:

- in our Group Manufacturing and Supply Chain division the Trust Index has risen by 12 percentage points, this team has worked on their sites throughout the pandemic and this is a measure of the dedication of staff and managers in DPM&S;
- our scores on the three statements on diversity put us on an equal footing with the Top 25 World's best workplaces; and
- our overall level of engagement measured in the survey by the Trust Index had risen by ten percentage points since the last survey to 77%. We will now receive recognition as a Best Extra-Large Workplace, 2021.

The results in Strategy & Direction, Career & Development and Recognition really stood out for us as strengths against best-in-class organisations as measured by GPTW. However, there were some areas that we identified as areas of focus for the year ahead. These were Collaboration, Communication and Wellbeing; we will be leading streams of work across the Group on each of these areas, in addition to this, each division will be invited to focus on one area of opportunity that is specific to them when compared with the organisation overall and the external benchmarks. Local HR teams will support managers to work with their teams over the coming months to understand the reasons behind the issues raised by the survey and to generate and implement action plans where progress can be tracked and communicated.

# Corporate Social Responsibility continued

## Diversity and Inclusion



It is the Group's policy to recruit and promote people on the basis of their personal ability, contribution and potential, regardless of age, gender, sexual orientation, marital status, race, colour, ethnicity, disability, religion, political affiliation or union membership. We are committed to seeing that everywhere across our Group we promote, support and maintain a culture of fairness, respect and equal opportunity for all.

The Group gives full consideration to applications from disabled people, where they adequately fulfil the requirements of the role. Where existing employees become disabled, it is the Group's policy, whenever practicable, to provide continuing employment under the Group's terms and conditions and to provide training and career development whenever appropriate.

Genera d.d., our Croatian Company, was selected as the best large employer for people with disabilities for 2020 in the Republic of Croatia by the Institute for Expertise, Professional Rehabilitation and Employment of Persons with Disabilities. The Institute awards recognition to employers who have recognised their role in achieving a more positive attitude towards the employment of persons with disabilities.

The Group does not tolerate bullying or harassment.

84% of our employees responded positively to the statement regarding diversity in the workplace in our employee engagement survey (2021 Engagement Survey). We firmly believe that our Dechra Values support the culturally diverse business that we have become, and although we are separated by time zones, geographically and by language, we share common goals and ways of working that are underpinned by our Values.

The Board, via the Nomination Committee, reviews the Diversity Policy and its implementation on an annual basis. Further details can be found in the Nomination Committee Report on pages 107 and 108.

## Fair Employment Practices

We are committed to fair employment practices and comply with national legal requirements regarding wages and working hours. In the

UK, only one of our subsidiaries is required to report under Gender Pay Gap regulations, and we are pleased to report that our gender pay median gap has reduced in year from 17.7% in 2017 to 5.5% in 2020. This reduction is largely driven by an increase in the number of women in senior and technical roles.

Following a business wide review of remuneration, we have increased the pay of our lowest paid workers globally with effect from 1 January 2021 to the Living Wage or where there is no equivalent we have used the OECD formulation, or pay at least twice the local/federal minimum wage. In addition to implementing our Living Wage Employer changes a year earlier than originally planned in the UK, and even earlier in the rest of the world, we paid all of our site based employees (all of our lowest paid staff work in manufacturing or logistics) a bonus to reward their commitment during the COVID-19 period. We successfully achieved the UK Living Wage accreditation in March 2021.

Furthermore, we have increased our employer pension contribution from 4% to 6% with effect from July 2021 in the UK and intend to increase the employer pension contribution again to 8% during the 2022 financial year.

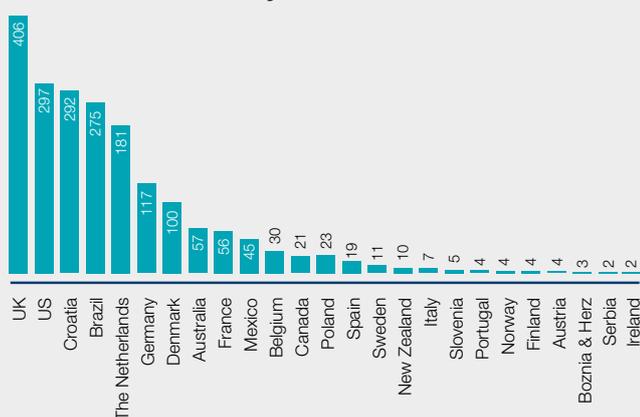
## Dignity at Work

Our Dignity at Work Policy was drafted and launched within the UK in January 2020, and is now incorporated into the Code of Conduct. In accordance with the Dechra Values, we believe that our position on diversity and inclusion is key to providing a place of work that is free from bullying and harassment, and which is characterised by respect, collaboration, openness, safety and equality. One of our aims is to promote a climate in which employees feel able to raise complaints of harassment, bullying or discrimination without fear of victimisation.

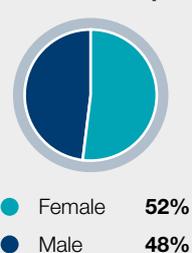
After initially launching training to our UK managers in the 2020 financial year, we now provide online training to a wider audience using an externally hosted online training portal where licensed Dechra managers can deliver professionally developed training programmes globally using virtual classrooms.

In addition to this, we have developed a Diversity and Inclusion module which also covers unconscious bias which is one of three core modules that will be included initially in all Leadership and Management development programmes, but will later be rolled out more widely across our employee base.

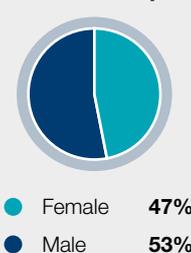
## Headcount Per Country



## Gender Split Across Group



## Senior Leaders Gender % Split



## Safe Working Practices



We believe that work related injuries and ill health are preventable and that all employees have the right to work in safe and healthy conditions. Achieving a mature culture of Health and Safety across our business requires strong leadership, therefore in January 2021 we established our new Group Health Safety and Wellbeing Committee (HSW Committee). This new committee meets quarterly and is chaired by Paul Sandland, the nominated Director responsible for health, safety and environmental matters who is supported by the Group HSE Director. Committee members include members of our Senior Executive Team and other Senior Leaders from across the whole organisation who together see that risks are identified and controlled, so that all workers are protected to the same safe standard regardless of their role or geographical location.

The core responsibility of the HSW Committee is to promote a strong culture of Health and Safety through the development of Health, Safety and Wellbeing strategies. Key achievements of the HSW Committee this year include updating the Group Health and Safety Policy, which extends our Safety Principles to the whole organisation. Our Health and Safety Principles are aligned to the Dechra Values. Each principle sets out our clear expectations in relation to protection of the health and safety of people and property at Dechra.

**Dedication:** We will never look away and always step in if we see someone in danger.

**Enjoyment:** Everyone has the right to work in safe and healthy conditions.

**Courage:** Everyone is empowered to stop any process or work that they feel is unsafe.

**Honesty:** No activity is so urgent or important that it cannot be done safely.

**Relationships:** Health and Safety is everyone's responsibility.

**Ambition:** We believe that work related injuries and ill health are preventable.

The extended H&S Policy applies to all employees, contractors and visitors to Dechra premises globally, as well as field-based and home based employees.

In addition to monitoring the activities within our existing Health and Safety Strategy, the HSW Committee has also overseen the development of our THRIVE Wellbeing Strategy, in order to keep our employees physically and mentally well.

### Safety Alerts

The HSW Committee reviews the health and safety performance across the business, to identify trends and take remedial action to reduce any Health and Safety risks. Where learnings are identified from any incident, Safety Alerts are issued across the Group to promote organisational learning. Last year 25 Safety Alerts were issued, many of these relating to COVID-19 safety learnings.

## Engagement

This financial year we have launched our new online Health and Safety reporting system, Dechra Assure, to further open up the ways in which our employees can engage in our safety programme. The App based system has initially been launched across our Manufacturing sites, with roll out to Logistics and the wider business next year.

We encourage our employees to be vigilant at all times and to report anything they feel is unsafe, however minor, whether this be unsafe conditions (hazards) or working practices. We also empower our employees to take action immediately to make situations safe for themselves and their colleagues. In our Manufacturing Division, to understand how proactively our teams are involved in our safety programme, we monitor how many hazard reports are raised and also how effectively these are made safe and closed out, to ensure our workplaces remain safe at all times. Since 2019 we have more than tripled the number of hazards raised, which is an indicator of the ongoing strengthening of our culture. Through our communication campaign, employees have also developed a greater awareness of hazards and the number of near miss reports which have been raised, where accidents could have happened if circumstances were slightly different, have increased from 9 to 37. Next year we will continue to focus on proactive safety measures, including launching our behavioural safety programme for Manufacturing Leaders.



## High Level Risk Assessments

The HSW Committee is also responsible for maintenance of the high level risk assessment which determines our priorities in the safety programme. Many high risk activities reside in Manufacturing and include Safety Critical Tasks such as Working at Height, Working with Electricity and Working and Confined Space Entry. However, through the work of the HSW Committee, other high risks such as business driving have also been identified. COVID-19 remains a high risk across the business; however, our COVID-secure Life Saving Rules have been effective in minimising any work related transmission.

## Safe Working Practices

The Group HSE team have established Communities of Practice, drawing together subject matter experts from across the Group to develop Group HSE Standards. This year the standards prioritised for development focussed on safety critical tasks, including permit controls and the control of non-routine and high risk engineering and maintenance work. In addition to protecting our employees, these standards are also applicable to any contractors who work on Dechra sites such that they adhere to our high standards of Health and Safety. At the current time Dechra locations conduct Health and Safety audits according to their local internal audit plan, which is in addition to any regulatory inspections and audits which may be conducted by external bodies. A Group Audit schedule is now being established.

# Corporate Social Responsibility continued

## LTA

For a number of years the Group has reported Lost Time Accident Frequency Rate (LTAFR) as a non-financial key performance indicator (see page 37). In previous years, we reported any LTA where the employee was absent or unable to conduct their full range of normal working activities for a period of more than three working days after the day when the incident occurred. Using this definition over the course of the last 12 months, the LTAFR has reduced from 0.17 to 0.09. The number of incidents has reduced from six to three. Two incidents occurred in our manufacturing facilities and one in the sales and marketing organisations. There were no fatalities (employees or contractors). Two of the manufacturing facilities, Bladel and Melbourne, have now had over 36 months without an LTA and one of the manufacturing facilities, Zagreb, has had over 24 months without an LTA.

However, in order to improve transparency and increase learnings related to injuries across the business, we are now reporting all lost time

accidents which resulted in any absence or inability to conduct the full range of normal working activities (not including the day of the accident). Using this new more rigorous reporting standard we have experienced 11 LTAs. Six of these accidents were caused by unsafe behaviours and this will be addressed throughout the coming year through the delivery of a Leadership Development module focusing on safe and unsafe behaviours and positive safety conversations. This will be initially launched across Manufacturing.

Any material health and safety issues or incidents that occur are discussed in detail by our Health, Safety and Wellbeing Committee and escalated to PLC Board meetings as required. Discussions include details of incidents and any remedial action taken to mitigate or prevent recurrence. Twice a year a comprehensive health and safety report is presented to the PLC Board meeting by the Group HSE Director for discussion and review by the Directors.

## Case Study: THRIVE



THRIVE aims to provide a global programme for Dechra employees which supports positive physical, mental, emotional and financial wellbeing, enabling employees to THRIVE at work by increasing employee energy, creativity and collaboration to drive personal and business success.

Wellbeing has never been so important and throughout the pandemic Dechra has supported the Wellbeing of all colleagues at both a local and global level. Supporting employees to be physically and mentally well brings benefits to individuals and the business therefore the Health, Safety and Wellbeing Committee has developed our THRIVE wellbeing strategy.

Our THRIVE strategy has four pillars Physical, Emotional, Financial or Social:

Pillar	Purpose
<b>Physical</b>	Providing education, information and support for employees to make healthy lifestyle choices and remain fit and healthy.
<b>Emotional</b>	Building resilience in our employees and supporting them in good times and bad.
<b>Social</b>	Encouraging good connections between colleagues and with the communities in which we operate.
<b>Financial</b>	Supporting long term stability and achievement of life goals.

Each pillar has three levels to reflect that although making healthy choices is up to each employee, there is some support that Dechra as an employer can provide that we believe is essential to employee Wellbeing.

- **Foundation:** providing consistent support across the business for issues that are fundamental to wellbeing at work. Many of these fundamental controls are contained in our HR Policies where we have established the expected standards across the business to achieve a consistently high level of support. In order to provide information, advice and support to employees through any life event we have established Employee Assistance Programmes (or local country equivalent) in all regions.
- **Employee Choice:** providing elements that are specific to regions or teams and for the forthcoming year will be developed from our employee feedback from the Great Place to Work Survey.
- **Optional Elements:** employee driven and include events that are organised locally, such as social events or local health promotions. Although potentially light in impact, these optional elements raise local awareness and can engage employees in the broader programme.

Our strategy recognises that achieving overall wellbeing is a shared responsibility where both Dechra and employees must work together. Dechra commits to providing foundation support and encouraging employees to take personal responsibility for their own wellbeing by making use of all wellbeing information and interventions provided.

Our strategy will evolve throughout the 2022 financial year, with a focus on employee engagement to help rebuild employee confidence, health and wellbeing in the post pandemic work environment.

## Our Environment

### Linkage to UN SDGs



**31%**  
of waste recycled or reused

**27.8%**  
Electricity used by Zagreb by solar

We recognise the importance of good environmental practices. We are committed to minimising the impact of our operations on the environment by adopting responsible and sustainable environmental practices and complying with applicable environmental legislation. Our key focus areas are:

- Waste: prudent use of all natural resources, minimising waste in all activities, and the appropriate disposal of waste; and
- Energy: optimising the energy we use; and improving energy effectiveness through initiatives on transport and reducing our greenhouse gas emissions.

Our carbon emission software, in addition to energy usage, captures the impacts from waste generation, water use, effluent disposal and refrigerant gas losses from locations where this is likely to be material. The sites that have a material impact are our manufacturing and logistics facilities.

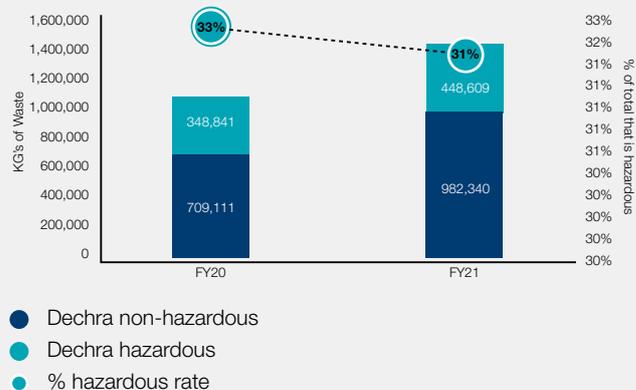
### Waste



We are committed to the prudent use of all natural resources and the minimisation of waste in all activities from the specification of incoming raw materials, the use of materials in production activities and packaging, and the distribution of products into the supply chain. Where waste is unavoidably created we will manage its disposal in the most appropriate manner giving full consideration to environmental issues.

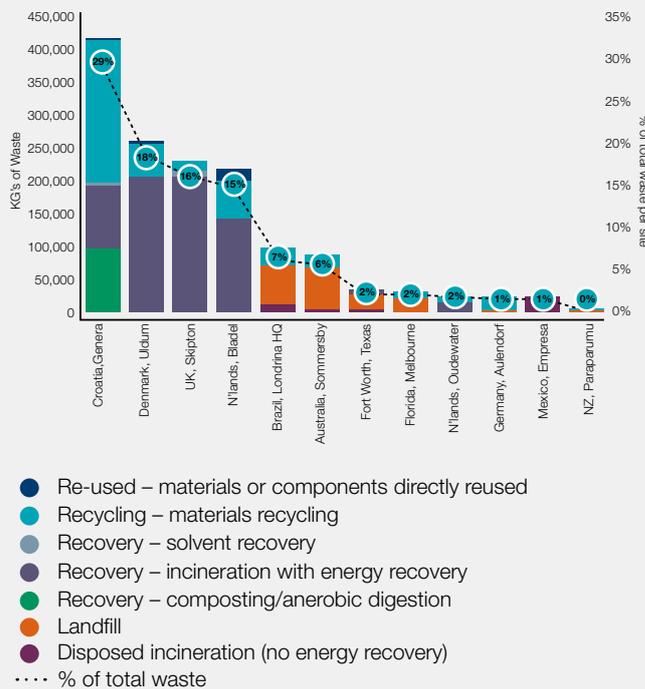
One of the most important impact areas for Manufacturing and Supply is waste generation, the management of which must be carefully controlled so that any hazardous substances or contaminated materials are disposed of correctly. Hazardous waste volumes increased by 29% mainly due to one-off finished goods disposals and raw material disposals. Despite this increase, the percentage of hazardous waste verses non-hazardous waste reduced to 31% (2020: 33%).

### Total Waste – Fate of Waste



Our ultimate aim is to be zero to landfill and to achieve this target all of our sites are encouraged to increase reuse, recovery, or recycling of waste (where locally available).

### Total Waste – Waste Disposal Method



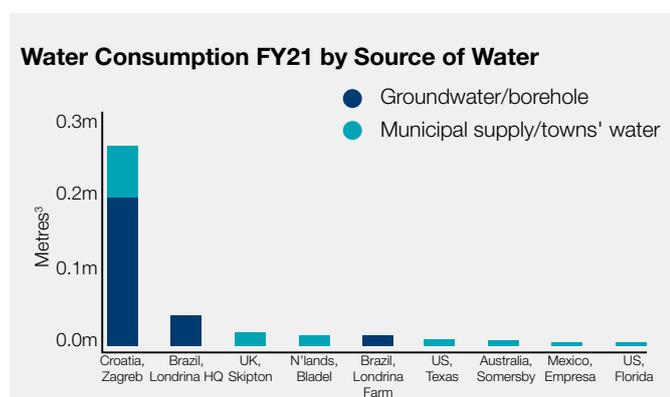
During the financial year a Community of Practice was formed and a Group standard was developed. This standard implements the hierarchy for waste principles and encourages sites to select waste options which are higher on the waste hierarchy (not landfill or incineration with no energy recovery) and to monitor waste volumes regularly. For waste which cannot be eliminated we classify it according to the European Waste Classification codes. The gap assessment for this standard has now been completed by the sites and a focused improvement team has started to focus on sites who are disposing waste to landfill and incinerating waste with no energy recovery.

# Corporate Social Responsibility continued

In the 2021 financial year the total volume of waste was 35% higher than 2020 financial year, however waste recovery, recycling and reuse rates improved from 83% to 86%. 14% (2020: 16%) of Manufacturing and Supply waste was landfilled or incinerated with no energy recovery.

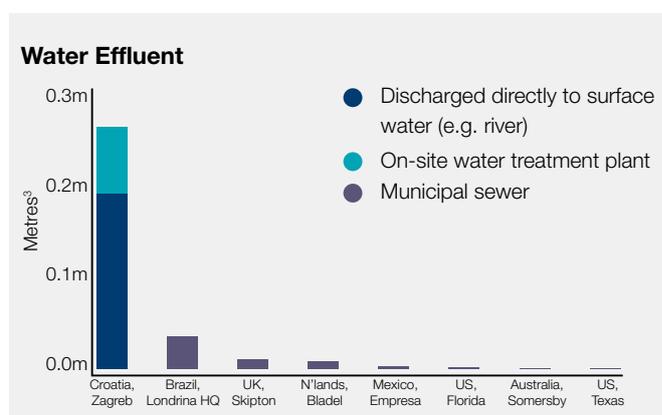
## Water

Our manufacturing sites aim to use water responsibly so that usage does not negatively affect the communities where they operate, by diminishing the supplies of clean water or degrading the quality of that water. Water consumption is low in comparison with other manufacturing sectors. Water is used from two sources as per below:



Water withdrawal compared to the previous year was lower, this was mainly due to the lower production volumes of Mepron at Zagreb. Where water usage has increased this has been largely linked to increased production volumes. Water is used as an ingredient in products, for cleaning and general production, and for cooling equipment and in processes. Any contaminated water generated throughout the production process is

disposed of as process effluent. Any waste water with the potential to adversely impact the environment is appropriately managed, controlled and treated prior to release. For Dechra Manufacturing sites, this includes all water used for cleaning purposes. In accordance with GMP requirements, to prevent cross contamination and to enable product reconciliation, used process equipment is generally drained, vacuumed or wiped clean prior to being washed. This reduces contamination washed to the effluent stream. During the 2021 financial year our Brazilian facility has started using water from a rain water collection system for cleaning open areas. Effluent is disposed of in a number of ways as shown below:



At Zagreb there is an on-site effluent treatment plant where settlement and pH correction occurs prior to discharge. They also discharge cooling water directly back to the river. The most frequent route of disposal for waste water at the other sites is to the public sewer. In most countries a licence to discharge is required and Manufacturing sites must monitor the effluent quality and quantity to monitor that they are compliant with the requirements.

## Energy



## Greenhouse Gas Emissions

In order to determine our carbon emissions, we use the GHG Protocol Corporate Accounting and Reporting Standard and we report on emissions arising from those sources over which we have operational control. Any acquisitions during the year are included from the first full month that they become part of the Dechra Group. The disclosures below encompass:

**Scope 1:** includes emissions from combustion of fuel and operation of facilities;

**Scope 2:** includes emissions from purchased electricity, heat, steam and cooling; and

**Scope 3:** includes emissions from vehicles and from purchased electricity (which are not included in Scope 2) and, in the case of the 2020 and 2021 financial years, water.

	1 July 2020 to 30 June 2021	% relates to UK	1 July 2019 to 30 June 2020	% relates to UK	1 July 2018 to 30 June 2019
Scope 1 (tonnes)	7,027	6.5%	6,747	6.0%	5,521
Scope 2 (tonnes)	5,261	12.4%	4,969	10.1%	3,712
Scope 3 (tonnes)	1,934	4.2%	2,347	7.4%	2,420
Total Carbon Footprint (tonnes of CO <sub>2</sub> e)	14,222		14,063		11,653
Intensity Ratio (tonnes of CO <sub>2</sub> e per £m)	23.3		27.3		24.2

## Manufacturing

Our Manufacturing is the main contributor to our carbon footprint representing 89.6% of our total carbon footprint, and in particular the main contributors to Scope 1 are:

- Zagreb, due to the production of the nutrition supplement that is manufactured at Genera. The coating spray solution is ethanol based, and on completion of the coating, the ethanol vapour is extracted into a recovery plant which recycles 95% of the ethanol back into the production process. To meet environmental legislation, the site has an ethanol recycling unit which alone consumes approximately 60% of the energy utilised in this production area.
- Refrigerant gas losses contributed 21% of all Scope 1 emissions (1,477 tonnes) in the 2021 financial year, with our Londrina site in Brazil accounting for 86% of this total. This site produces vaccines, and equipment containing refrigerant gases is used to control the temperature of the working environment and is also necessary for freeze drying and general process cooling applications. The site is continually reviewing their strategy to manage equipment containing refrigerant gases, including equipment management to prevent leakages, renewal of older equipment and switching to refrigeration processes that have a reduced environmental impact. This year the site has installed a new boiler for industrial steam fuelled by liquid petroleum gas, reducing the use of diesel.

## Offices

Offices include our sales representatives and Scope 3 (which includes vehicle emissions) account for 790 tonnes (2020: 1,159 tonnes) of the 827 tonnes total. The number of electric vehicles within our fleet is increasing year on year.

## Warehousing

Our warehousing facilities contribute 618 tonnes of carbon (2020: 650 tonnes) and 67% of this is in relation to the fuel used in the buildings. Our main facility in Uldum, Denmark (Dechra Service Center) is looking at alternatives to fossil fuel, which have a lower environmental impact and other energy improvements. During the 2021 financial year, the Uldum warehouse handled 51,569 orders, an increase of 32% from 2020. The increased activity was mainly due to a large number of new products and incoming orders. The increased number of products has meant that the storing capacity at Uldum had reached its maximum leading to the use of external storage involving extra transportation and CO<sub>2</sub> emissions. Therefore, a 6,000 m<sup>2</sup> warehouse extension was commenced during the financial year. The warehouse will have a 2,000 m<sup>2</sup> basement floor, which will hold all cold store products at a constant temperature of two to eight degrees centigrade. The advantage of building the cold store below ground is the fact that the cooling process will be aided by the ground temperature of eight degrees centigrade which will significantly reduce the energy use of room cooling.

## Kilowatt-Hour (kWh)

The kWh figures in the table below are the quantities of energy from activities for which the Group is responsible worldwide and the annual quantity of energy consumed resulting from the purchase of electricity, heat, steam or cooling and vehicle fuel by the Group for its own use and arising from those sources over which we have operational control.

	1 July 2020 to 30 June 2021	% relates to energy consumed in UK	1 July 2019 to 30 June 2020	% relates to energy consumed in UK
Scope 1	31,522,041	6.3%	33,509,013	6.3%
Scope 2	17,185,952	16.2%	16,647,278	11.7%
Scope 3	6,610,981	0.9%	8,444,662	6.1%
<b>Total kWh</b>	<b>55,318,974</b>	<b>8.7%</b>	<b>58,600,953</b>	<b>7.8%</b>

## Sustainable Energy

### Solar Panels

Dechra has one of the largest solar panel installations of its type in Croatia, and it has been operational since 28 June 2019. The solar panels have generated 27.8% (2020: 29.6%) of the electricity used at the site.

	2021 Total	2020 Total
HEP (kWh)	5,021,820	5,366,447
Solar power plant (kWh)	1,933,695	2,254,633
<b>Total</b>	<b>6,955,515</b>	<b>7,621,080</b>
% of solar	27.80%	29.58%

The management team at Zagreb have now taken a further significant step towards improving the energy efficiency at the site by successfully gaining accreditation to ISO 50001, the international standard for Energy Management.

### Improve energy effectiveness through transport initiatives

The Dechra Service Center (DSC) distributes goods to customers worldwide. The majority of the pharmaceutical products received by DSC are supplied from our manufacturing sites in Bladel, the Netherlands and Skipton, the UK. The products from Bladel are transported by road, whereas, the products from the UK are shipped by sea and road. All road transport is only to be made with companies who can guarantee that the vehicles used conform to the Euro6 standard or higher. All sea transport agreements are with Shipping Conference companies, which requires high standards for shipping.

The Global Transport team have identified the transatlantic shipments from Europe to North America, Mexico and South America, as an opportunity for significant reduction in CO<sub>2</sub> emissions by making DSC the central hub for all shipments in order to ship full container loads by sea rather than shipping single pallet orders by air. For future planning of transportation, the Global Transport team are working on a tool which can calculate the CO<sub>2</sub> emission on single order level, the new tool is expected to be ready in the new financial year and will be accompanied with a guidance for sustainable distribution planning and execution.

The increase in CO<sub>2</sub> per kg is due to the increase in pharmaceutical product shipments which are lighter in comparison to Nutrition products, and the majority of pharmaceutical products require shipments to be temperature controlled.

	2021	2020	2019
Shipments	51,569	39,067	36,905
<b>Total Weight (GRT)</b>	<b>29,843,353</b>	<b>19,304,216</b>	<b>19,399,930</b>
CO <sub>2</sub> Outlet (kg)	2,130,262	1,684,872	1,670,037
CO <sub>2</sub> per kg	14.0	11.5	11.6

# Corporate Social Responsibility continued

## Taskforce for Climate-related Financial Disclosure (TCFD)

The TCFD was established to help identify the information needed by investors, lenders, and insurance underwriters to assess and price climate-related risks and opportunities appropriately. The Taskforce structured its recommendations around four thematic areas that represent core elements of how organisations operate: governance; strategy; risk management; and metrics and targets.

Recommendation	Dechra Approach	Further Information
<b>Governance</b> Disclose the organisation's governance around climate-related risks and opportunities.	<p>The Board is accountable for approving our ESG strategy and overseeing the delivery of our climate-related objectives. Our Senior Executive Team (SET) are responsible for delivering on these objectives within their functional areas and business units. Each SET member will have an ESG objective as part of their personal objectives within the 2022 financial year annual bonus plan.</p> <p>The Board and the SET are supported by a cross-functional ESG Committee who work with them to define our ESG strategy, and set objectives and targets which are aligned with the United Nations Sustainable Development Goals. To enhance our commitment towards TCFD reporting further, a dedicated TCFD team has been appointed.</p>	
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	<p>Our environment strategy and objectives are described in our Corporate Social Responsibility Report.</p> <p>Our policy is that we are committed to minimising the impact of our operations on the environment by adopting responsible environmental practices and complying with applicable environmental legislation.</p> <p>We are committed to setting ambitious Science Based Targets and help limit global warming to 1.5°C. We recognise the potential business opportunities of:</p> <ul style="list-style-type: none"> <li>• more efficient modes of transport and use of materials;</li> <li>• further improvements in packaging; and</li> <li>• exploring increased opportunities on sites with production of renewable energy (e.g. solar panels etc.).</li> </ul>	Corporate Social Responsibility (pages 52 to 75)
<b>Risk Management</b> Disclose how the organisation identifies, assesses, and manages climate-related risks.	<p>We have identified the importance to acknowledge climate risks as part of our normal risk management process. During the 2021 financial year climate risk has been identified as a principal risk and has been discussed with each SET member. Currently our actions are focused on physical climate risks. We have created a risk assessment for completion by every internal site. The sites were asked to identify climate and natural disaster risks specific to their businesses now and over a 15 year period. The assessment was circulated in July 2021. The next step is for our dedicated TCFD team to assess the data and discuss scenario planning with key management looking at both physical and transitions risks.</p>	How the Business Manages Risk (pages 76 to 78)  Emerging Risks (page 77)
<b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<p>Our environmental metrics and targets are described in our Corporate Social Responsibility Report. The key targets are:</p> <ul style="list-style-type: none"> <li>• zero to landfill by 30 June 2025; and</li> <li>• commitment to set a science-based target through the Science Based Targets initiative, Ambitious Business Targets of 1.5 degree, reaching net-zero emissions by 2050.</li> </ul>	Corporate Social Responsibility (pages 54 and 55)



## Our Business

### Linkage to UN SDGs



# 33

Product Development  
Projects

# 83,000

Academy  
Users

Our key focus areas are:

- Ethical and Sustainable Products: the development and promotion of products to improve animal health and welfare ethically and sustainably;
- Veterinary Professionals: maintaining and improving the knowledge and skills of veterinarians who prescribe and use our products; and
- Ethics: acting honestly and with integrity.

### Ethical and Sustainable Products



### Product Development

It is our mission to develop products to improve animal welfare. In line with that commitment, we carefully consider the responsible use and humane treatment of animals in all of our required studies. When we are required to conduct studies to achieve product registrations, we minimise the number of animals to achieve the necessary outcomes. Whenever possible, we will use information that can be derived from existing publications in an effort to limit the number of studies needed.

The scientific purpose of involving animals in the development of our products is reviewed and approved by Regulatory Agencies. For each individual study, an Animal Welfare Committee approves the protocol.

We are committed to the following principles:

- animals must be treated humanely with greatest consideration given to their health and welfare and consistent with meeting the necessary scientific objectives; and
- all animal studies should only be performed after considering whether the numbers of animals can be reduced, replaced by *in vitro* methods, or the procedures refined to minimise distress.

The Animal Welfare Committee aims to use a minimal number of animals and that their treatment is humane, and Dechra inspects all facilities which perform testing to confirm proper care and treatment of animals is evident. Additionally, a full review of the study design will be approved by the Animal Welfare Committee for clinical studies. In all instances only animals with the disease the product is intended to treat will be used and for clinical field trials, owner consent for the trial is obtained.

### Pharmacovigilance

All employees, except production and logistics operatives, receive pharmacovigilance training within one month of joining Dechra. This is then verified by the pharmacovigilance e-learning module on Delta. These employees undertake an annual pharmacovigilance refresher training. The pharmacovigilance training outlines the procedure that should be followed by all Dechra personnel if they are informed of a product complaint.

Any time that Dechra receives a report of an adverse event occurring after the administration of one of its products, the Company treats the report seriously and it is Dechra's obligation to review the case to determine whether its product may have caused or contributed to the adverse event. All suspect adverse reactions are reported to the appropriate regulatory authorities.

### Sustainable Packaging

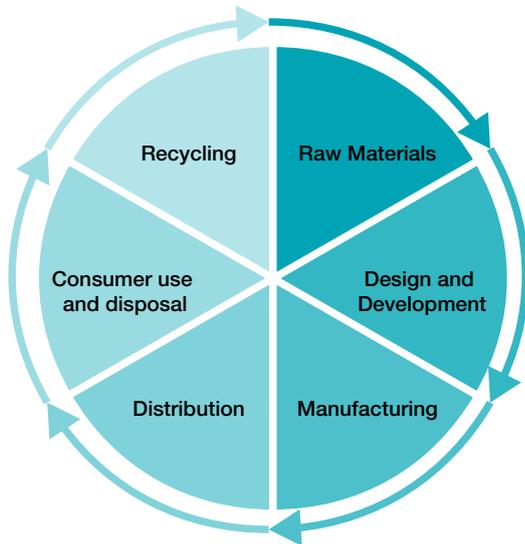
We have previously reported on the steps our logistics operations have taken to be more environmentally friendly. These steps have included using:

- 100% recycled paper for stuffing in shippers;
- cardboard packing made from 70% to 90% recycled material; and
- old newspapers as fillers in packaging.

In 2018 we changed the packaging of our cat food, reducing bag height, using thinner bags and introducing a flat bottom, and in 2020 we made the same changes to our range of dog food. In total these changes have saved 18,000 kg of plastic per year. All of our cardboard cartons for our dry diets are now FSC certified. In 2020, we launched a new range of organic diets including dry foods in recyclable bags. Our new organic dry food bags are made from layers of the same type of plastic but with a gas barrier between the layers. This gives packaging that is both lighter and stronger than conventional bags but because it is a single type of plastic, it can be recycled where collection systems allow. The organic diets are the start and we are committed to having all of our Specific diets in recyclable packaging by 2023.

During the 2021 financial year, Dechra has progressed the development of our sustainable packaging strategy and established a packaging committee, with representatives from research and development, HS&E, manufacturing, supply management, sales and marketing. The packaging strategy looks at each stage of the packing life cycle with the aim of understanding how Dechra can reduce its environmental impact when sourcing packaging materials through to the post consumer choices during disposal/recycling.

# Corporate Social Responsibility continued



During the 2022 financial year, we will focus on safeguarding biodiversity and responsible forestry by implementing a framework to source FSC certified fibre/paper, which will help achieve sustainable forest management in the world, one of the targets of SDG 15 (Life on Land).

As a pharmaceutical company with a broad portfolio, our packaging decisions are more complex due to the necessity of regulation in securing product and administration safety as well as legal compliance. However, we will endeavour to reduce packaging, and reduce the use of more than one material in a dispensing carrier to improve recyclability and where possible, use recycled materials in our packaging. We will work together with our customers, veterinarians, as well as pet owners in order to advocate awareness of the importance to recycle all material correctly in order for it to be used again.

## Sustainable Ingredients

All of the krill, fish oil and fish meal used in the dry Specific diets are certified by either Marine Stewardship Council (MSC), IFFO RS Standard or Friends of the Sea. We regularly review our top ten ingredients, assessing the risk of scarcity and putting in place plans if we feel there is a growing risk. We have recently started to use algae, in our new sardine cat food, this ingredient is a rich source of omega-3 and has a number of benefits:

- commercial algae production takes place onshore, so has no impact on the marine environment;
- it uses a highly controlled process that takes very little land and does not use valuable drinking water or arable soil; and
- directly using algae as an ingredient helps preserve fish stocks.

As well as monitoring the provenance of our ingredients we are also interested in how these ingredients are produced. The sardine used in our new cat food are caught, in MSC certified fisheries, using a low impact ring netting system. With trawl netting the nets are towed through the water, whereas with ring netting, a net is used to encircle a shoal of fish forming a deep curtain of netting suspended vertically through the water, with the net then being drawn in.

There are a number of advantages to ring netting, and they are:

- by-catch is reduced because if the wrong species are in the net, the whole catch can be released unharmed;
- less seabed impact as the net does not come into contact with the seabed; and
- lower fuel consumption as the ring net is not towed through the water and the vessels used are small inshore vessels.

## Promotion of Products

To maintain the trust of veterinarians and the public, it is important that we provide accurate, fair and objective information on our products and medicines to support their safe and effective use. We do not make false or misleading claims about our products.

We advertise and promote our products fairly using promotional materials which contain balanced, accurate and truthful information. We only promote based on the information included on the Summary of Product Characteristics (SPC)/Product Insert which is a document that is approved by the regulators as part of the marketing authorisation of each medicine. We are members of the industry associations in the majority of countries where we have our own sales teams, and follow the industry association's marketing and promotional guidelines in these countries. All our promotional material is approved internally by an appropriately qualified regulatory manager, technical product manager or veterinarian. In addition, we train all customer-facing employees so that they have sufficient product and disease knowledge to enable them to present information on our products accurately and responsibly. We promote our products to veterinary professionals and professional farming units, using promotional materials approved by authorised persons independent of the sales force.

Promotional compliance is monitored by our country managers and regional sales managers and the internal audit team also conduct a regular review of compliance processes, and corrective actions are taken to address any issues identified.

The volume and value of payments to animal health professionals is very modest compared to payments to healthcare professionals by the human pharmaceutical industry. We only make modest fee-for-service payments to key opinion leaders who help us develop and deliver educational materials events and to veterinarians who we use to conduct clinical trials. There are currently no regulatory or industry requirements to publicly disclose promotional violations or payments to healthcare professionals.

## Our Products

Our products are all targeted at providing veterinary professionals with solutions for their customer needs. Our products can be divided into four categories: Companion Animal Products (CAP), Food producing Animal Products (FAP), Equine, and Nutrition.

We have developed a strong position in providing specialist and clinically necessary novel CAP products, especially in internal medicine and critical care products such as anaesthesia and analgesia, where we have a wide range providing the veterinarian with an optimal solution for most cases.

Our FAP products are positioned to match current best practice prescribing habits and to meet the growing awareness for the need for better animal welfare standards.

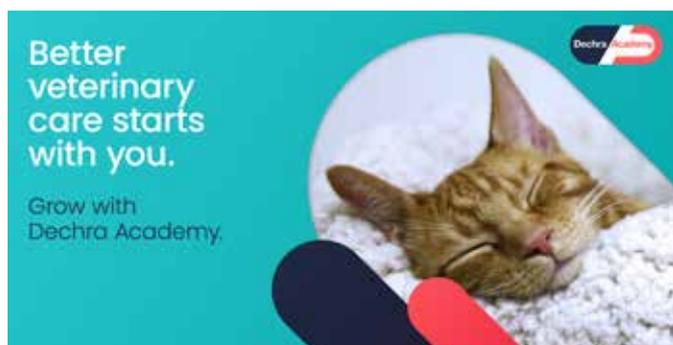
### Veterinary Professionals



Our relationship with veterinarians is key to our business and therefore, we provided added value services in the form of educational programmes and technical support to maintain and improve the knowledge and skills of veterinarians who prescribe and use our products. In addition, we provide scholarships to the next generation of veterinarians.

### Education

We deliver education through many channels, including conferences and our online digital e-learning environment, the Dechra Academy.



During the year, the Dechra Academy undertook a rebrand. By listening to our customers' changing requirements we have developed a new brand identity that is now in line with what they need. This also enables our marketing and educational offering to be recognisable and consistent across the globe. We were awarded "Best in Class" for CPD that the veterinary community value by the UK CM research report. Together with our new platform and modern learning design principles we are consolidating our position as one of the best educational resources for veterinary professionals. The Dechra Academy remains a key differentiator for Dechra and our most important digital asset.

Noticeable achievements over the last 12 months are:

- courses available in 19 languages (2020: 18 languages);
- 83,000 registered users (2020: 68,000 registered users);
- 549 courses (2020: 334 courses);
- 2,400 average users per month (2020: 2,200 average users); and
- 19 local market domains (2020: four local market domains)

Our focus for the next 12 months will be the continued roll out of the local domains, celebration of our 10 year UK Academy anniversary and further integration with our other digital platforms. We are placing a greater emphasis on the educational aspect of the Academy, empowering our users and distinguishing ourselves from our competitors.

## Case Study

### Use of digital training during COVID-19

Due to the restrictions imposed by COVID-19, our DVP International business has been unable to visit and provide face to face training with its distributors, and has had to switch to virtual events. It has distributors in 68 countries, which has meant that the planning and preparation of these events is vital as it has the added complexity of offering training in different time zones, sometimes with language barriers.

The multitude of customers that have been supported and trained has varied from poultry veterinarians in South Africa, pig farmers in Indonesia to companion animal vets in South Korea to name a few. On top of this DVP International had to move its annual distributor meeting online.

Over the past year, DVP International's CAP team has conducted five external webinars, three internal webinars and 28 internal product trainings for its distributor partners. These sessions have focused on new product launches such as *Osurmia* and *Mirataz* as well as existing products like *Cardisure*, *Prevomax* and our endocrine and dermatology ranges. The business has reached 828 veterinarians with these external webinars. In April the first virtual CAP distributor meeting was held for South Korean veterinarians focusing on *Vetoryl*, *Zycortal* and *Cosacthen* from our endocrine portfolio. It was hosted by an external speaker Dr. Imogen Schofield from the Royal Veterinary College and speakers from Dechra.

All together 14 FAP training events have been held. The last event was a two day SoluStab Webinar held in May 2021, which had originally been planned as a live session.



# Corporate Social Responsibility continued

## CPD Events

During the financial year, we held 501 CPD events in North America with 24,091 attendees. Our *Mirataz* pan-European live webinar was translated simultaneously in eight languages, with 967 attendees across 15 countries, and 10,000 customers received training in Poland. Our International business:

- held two online distributor meetings, each spanning two days of technical and marketing training, providing education to 75 participants;
- in addition to local CPD activities, we have supported our distributors with 8 online seminars delivering live education to a further 591 veterinarians; and
- held the equivalent of 110 hours of distributor training.

## Technical Support

With the wide range of products we offer, which includes those that treat complex and less frequently occurring disorders such as Cushing's and Addison's, the provision of a high quality veterinary technical support is a service that the veterinarians truly value.

Veterinarians across the globe can email technical services or call the telephone support lines provided in all the countries where Dechra operates. Veterinarians call Dechra to discuss:

- diagnosis;
- treatment options; and
- the ongoing monitoring and management of conditions, particularly those that are lifelong.

Our aim is to help veterinarians optimise the case management of each individual patient, and some veterinarians will call a number of times for support and advice on more complex cases.

In our smaller markets we will have a veterinarian responsible for providing veterinary support. This compares to our larger markets where we have more veterinarians that will collaborate across all sectors of the industry. The UK has one of our largest teams, and in the last financial year this team handled around 7,200 customer enquiries, 54% of which were related to our endocrine treatments *Vetoryl* and *Zycortal*. In 2021, the US Veterinary Technical Support team provided technical support for 9,740 new cases, with close to 40% specific to *Vetoryl* and *Zycortal* products. In addition, these larger markets will also have field-based veterinarians providing technical support and carrying out 'lunch and learns'.

## Ethics



We are committed to acting responsibly and with integrity. We comply with the laws and regulations and respect the traditions and cultures of the countries in which we operate.

### Honesty and Integrity

We are committed to acting responsibly and with integrity. This is reflected through our Values. We expect our third parties to trade with honesty and integrity, and to support this we have a Third Party Code of Conduct, which communicates what we expect from our trading partners in relation to health, safety and environmental standards, internationally accepted standards of workers' rights, use of child and forced labour, ethical standards, anti-bribery and anti-corruption, and compliance with relevant laws and regulations.

Our internal Code of Conduct has been updated during the financial year, and an exercise has been completed to simplify and align the Group Policies with the Code of Conduct which has resulted in the development of a set of simple, one page policy documents. A Code of Conduct e-learning course has been developed and was rolled out in English at the end of June, it will be translated into eight languages by the end of this calendar year. It will be a global mandatory course to be completed on an annual basis.

Our employees are encouraged to report behaviours that are contrary to our Code of Conduct via our How to Raise a Concern Procedure.

### Anti-Bribery and Anti-Corruption

The development of the ABC legislative landscape elsewhere in the world by the adoption of legal frameworks similar to those in the UK and US, as well as increased enforcement by authorities across the globe, means that ABC is, and continues to be, an area of key risk focus for Dechra. Our continuous growth in new markets through product launch and relationship development drives us to review and develop our policies and procedures in this area on a continual basis.

Our commitment to conduct all business in an honest and ethical manner is conveyed through our policies, procedures and training programmes. Our zero tolerance approach to bribery and corruption is communicated to our employee and third party network via such programmes and we remain committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. We continue to implement and enforce effective systems to counter bribery and corruption through our due diligence processes, contractual arrangements and monitoring and audit programmes.

All employees, officers and consultants are required to comply with the Dechra ABC Policy and Code of Business Conduct, both of which were updated during the 2021 financial year as part of an annual review. The ABC Policy clearly defines what constitutes bribery and corruption, outlines prohibited activities and provides guidance on what activities are and are not allowed.

The Audit Committee and Senior Executive Team are kept regularly informed of the ABC programme and Group Legal delivers face-to-face updates and targeted training to different teams across the business, addressing the areas of risk specific to their activities and the markets in which they operate.

Every employee and sales agent engaged by Dechra is required to complete our e-learning ABC course on an annual basis. A new course was launched in February 2021, the content for which will be reviewed and refreshed each year alongside our annual review of Group wide policies. By June 2021, three months after its launch, 88% of our employees had completed this course, which focuses on the principles behind ABC laws and assists employees in identifying and mitigating ABC risks.

Our third party onboarding programme is reviewed and developed regularly throughout the year, taking into account feedback from the business and the growth in our activities. Compliance with this programme is monitored through regular audits. We continue to utilise, and see the benefits of, our ABC and Sanctions screening software which assesses Dechra's new and existing third party network on a continuous basis. In the next financial year we will develop a new platform which will streamline the ongoing due diligence review of existing third parties, thereby allowing resource to be dedicated to the more detailed analysis and mitigation of ABC risk across the Group.

## Human Rights

Dechra is committed to upholding and respecting human rights both within our business and from our suppliers. During the year, the Board approved a Human Rights Policy, a copy of which can be found on our website. The following sets out our Human Rights principles which are all embedded into our Code of Conduct for employees and our Third Party Code of Conduct for our suppliers and customers.

We do not use forced, bonded or indentured labour or involuntary prison labour or take part in human trafficking. We have a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships. We are also committed to implementing and enforcing effective systems and controls to prevent modern slavery from taking place anywhere in our own business or any of our supply chains. Our Modern Slavery Statement can be found at [www.dechra.com](http://www.dechra.com).

- We do not use child labour. We comply with international standards on the minimum age for employment. The minimum age for employment is 16 years of age. However, if the local minimum age law stipulates a higher age for work or mandatory schooling, then the higher age will apply.
- We treat people fairly and do not tolerate bullying and harassment. We do not discriminate for reasons such as age, gender, sexual orientation, marital status, race, colour, ethnicity, disability, religion, political affiliation or union membership.
- We provide a workplace free of harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers, and no threat of any such treatment.
- We recruit and promote people on the basis of their personal ability, contribution and potential. We are committed to promoting, supporting and maintaining a culture of fairness, respect and equal opportunity for all.
- We are committed to fair employment practices and comply with national legal requirements regarding wages, including minimum wages, overtime hours and mandated benefits, and working hours.
- We provide a safe working environment for those who work for us or with us. We reinforce good safety management practices and maintain awareness of safe ways of working.

# Corporate Social Responsibility continued



## Our Community

### Linkage to UN SDGs

2  
CLEAN WATER



3  
GOOD HEALTH AND WELL-BEING



17  
PARTNERSHIPS FOR THE GOALS



## £72k

Cash Donations

## £310k

Product Donations

We believe that it is important to give back to the communities in which we live and operate. Our community ethos is aligned with our business Purpose and Values, in particular, our Relationships and Enjoyment Values. Our Community pillar focuses on:

- Community Activities
- Community Donations

### Community Activities

We encourage our employees to engage in community activities, in particular, volunteering in the fields of animal welfare, human service and environmental stewardship. There is a particular focus on animal welfare driven by the passion of our employees. We have committed to



giving our employees one day per year in the community. Unfortunately, a lot of our community activities this year have been postponed due to the social distancing restrictions imposed by COVID-19. However, the following activities were undertaken:

- employees in Kansas and Portland, USA held two remote activities early in the year; a walk to raise money for Not One More Vet (NOMV) who support the mental wellbeing of veterinary professionals and students, organised by the Veterinary Technical Services team in Kansas, and a telethon to raise money for Good Shepherd Food Bank in Portland;
- in Fort Worth, USA approximately 60 hours of volunteer hours were spent distributing essential personal care items during COVID-19 to clients of the Fort Worth Hope Center;
- a group of 25 volunteers from the Nordics connected virtually while Plogging, an event that combines exercise jogging with picking up rubbish, and collected 197 kilos of rubbish;
- a community day for 25 employees from our Den Bosch office providing much needed general maintenance at Oosterhoeve, a farm caring primarily for older animals that is a safe haven; a place that offers positivity, support and relaxation to those who need it; and
- in Belgium, employees held a community day in a retirement centre for horses. The team helped out cleaning the pastures, building a hay rack, and groomed the horses.

### Community Donations

For the last ten years we have operated a Group Donations scheme, whereby we encourage all employees to nominate a charity or non-commercial organisation for a charitable donation. We decided that we would give the 2021 financial year's donation to charities related to the effects of COVID-19. A sum of money was allocated to each country in which we have a manufacturing organisation as Simon Francis, Group Manufacturing and Supply Director, sadly passed away from COVID-19 last year.

Our teams in Skipton, Zagreb, Bladel, Londrina and Australia/New Zealand were each awarded the local equivalent of £10,000 and Melbourne and Fort Worth were awarded the local equivalent of £5,000. Donations included monetary contributions and the supply of food parcels, pet food and hygiene products.

We have also donated €10,000 to Tour de Fundacja, a charity that funds the holiday rehabilitation of children with disabilities in Poland.

In addition to the annual Group Donations, each business unit has the discretion to allocate funds and/or products to local community charities and/or animal welfare charities.

Dechra Veterinary Products (DVP) EU donated €10,000 to Voedselbank Den Bosch, in the Netherlands. The charity helps more than a million people who live below the poverty line, by temporarily providing them with food parcels. Dechra Veterinary Products (DVP) North America donated \$10,000 each to two area food banks, Harvesters Community Food Network serving the greater Kansas City area, and Good Shepherd Food Bank serving the greater Portland area.

For the 2022 financial year, we will no longer run a centralised donations programme instead we will allocate funds to our sites to enable decisions to be made by Regional Giving Communities. During the 2021 financial year, we ran a pilot in the USA to establish and test the framework of Regional Giving Committees. The US Regional Giving Committee was made up of 23 employees, representing the various businesses within the USA. Committee members offered suggestions of their own, and then voted to narrow the selections to a reasonable number of organisations given the budget. Three organisations were awarded \$3,000 each, and five organizations were awarded \$1,200 each. Selections covered each of the three community pillars, Animal Welfare, Human Service, and Environmental.

The majority of other product donations are short dated product which otherwise would have had to be destroyed.



**Group Donations**



● Group cash donations	<b>£56,564</b>
● Business units cash donations	<b>£15,365</b>
● Business units product donations	<b>£309,595</b>

**Case Study: Earthquake, Croatia**

**Dechra provided vermin control products to support public health in affected areas**

On 29 December 2020, an earthquake of magnitude 6.4 Mw hit central Croatia, with an epicenter located roughly 3 km (1.9 mi) west-south west of Petrinja – the strongest recorded in the region in 140 years. The earthquake was also felt in the Croatian capital, Zagreb, as well as in neighbouring Bosnia and Serbia and as far away as Italy.

In Petrinja and neighbouring towns, there were unfortunately seven deaths and many more injured and left homeless due to structural damage with the loss of electricity and water supply.

One of the key challenges post an earthquake is vermin control. This is to ensure public health is not adversely affected through the use of contaminated water supplies. In response, our Croatian team submitted a suggested list of products to donate to the Croatian Government's department of agriculture, who coordinated the crisis response by reviewing suggested donations, letting each donor know what would be beneficial and which recipients would benefit.

The net result was a Dechra donation of 38 pallets of stock, the majority of which was Brodolin Blok, a vermin control product, between the months of March and June. We hope our contribution in this significant crisis helped in a small way to support a return to normal life for the affected population.

