

Section 172 Statement and Stakeholder Engagement

The Board is responsible under section 172 of the Companies Act 2006 for promoting the long term success of the Company for the benefit of its shareholders, and acknowledges that its decisions have a long term impact on other stakeholders, the environment and the Company's reputation for high standards of business conduct.

The Board appreciates that wider engagement with stakeholders is an important component of long term sustainability and success and believes that by engaging with

all important stakeholders, the business is made stronger and more resilient. The Board has identified six key stakeholder groups that it believes are important to engage with regularly to continue to make Dechra successful: employees; veterinary professionals; suppliers, communities; shareholders and regulatory authorities.

Our business model sets out the impact and the value we generate for stakeholders on pages 28 to 31. The section on understanding our key risks includes an overview of



Employees	Veterinary Professionals	Suppliers
<p>Objective</p> <ul style="list-style-type: none"> To make Dechra a great and safe place to work by attracting, retaining and developing talent <p>Material Issue</p> <ul style="list-style-type: none"> Development opportunities Making a difference Agile and friendly place to work Living Wage/Fair pay <p>How We Engage</p> <ul style="list-style-type: none"> Group intranet site Regular site visits by Senior Management Engagement surveys Employee meetings with the Employee Engagement Designated Non-Executive Director, Lisa Bright Employee development and training <p>Performance</p> <ul style="list-style-type: none"> Living Wage employer or local equivalent since 2021 20,207 Delta courses completed 77% Trust Index (Engagement Survey) <p>Where to Read More</p> <ul style="list-style-type: none"> Stakeholder Engagement: Employees (pages 58 to 61) Understanding Our Key Risks (page 86) Governance Report (pages 102 to 112) Sustainability Report (pages 08 and 22 to 24) 	<p>Objective</p> <ul style="list-style-type: none"> To improve animal health and welfare <p>Material Issue</p> <ul style="list-style-type: none"> Innovative and effective products Information on correct use of products Educational opportunities <p>How We Engage</p> <ul style="list-style-type: none"> Educational and training programmes Technical support via helplines and product information PhD veterinary student funding <p>Performance</p> <ul style="list-style-type: none"> 205,012 CPD hours 16,300 Technical support enquiries (USA and UK) <p>Where to Read More</p> <ul style="list-style-type: none"> Stakeholder Engagement: Veterinary Professionals page 62) Understanding Our Key Risks (pages 83 to 87) Governance Report (pages 102, 104, 105, 111 and 112) Sustainability Report (pages 08, 13 and 14) 	<p>Objective</p> <ul style="list-style-type: none"> To trade with honesty and integrity, and to source quality raw materials, finished products and services <p>Material Issue</p> <ul style="list-style-type: none"> Fair payment terms Long term relationships <p>How We Engage</p> <ul style="list-style-type: none"> Quality audits Due diligence ABC training Third Party Code of Conduct <p>Performance</p> <ul style="list-style-type: none"> 15 Quality/CMO audits completed 107 ABC training courses provided <p>Where to Read More</p> <ul style="list-style-type: none"> Stakeholder Engagement: Suppliers page 63) Understanding Our Key Risks (page 84) Governance Report (pages 103 to 105, 111 and 112) Sustainability Report (pages 08 and 14)

the potential impacts, controls and mitigating actions in connections with our key stakeholders. Our Sustainability strategy is centred around the four pillars of Business, Environment, People and Community, and we believe that effective engagement drives sustainable value for all stakeholders. Details on our Group’s Sustainability strategy can be found on pages 66 to 78 and in our Sustainability Report.

Engagement with all our stakeholders is led by our Senior Executive Team, who provide updates to Board members, via Board papers and presentations. The table below and the stakeholder sections on pages 58 to 66 detail how the Board and the Group as a whole engages with the its key stakeholders, and why the key stakeholders are important. This section should be read in conjunction with the Governance Report, on pages 101 to 103, which contains information on how the Board engages with key stakeholders and their impact on principal decisions made over the year.



Communities	Shareholders	Regulatory Authorities
<p>Objective</p> <ul style="list-style-type: none"> To give back to the communities in which we operate <p>Material Issue</p> <ul style="list-style-type: none"> Prosperity within our communities Community projects and initiatives <p>How We Engage</p> <ul style="list-style-type: none"> Community activities Group donations Product and local donations Development and education of young people <p>Performance</p> <ul style="list-style-type: none"> 3,147 Community hours £432,181 Cash donations £201,464 Product donations <p>Where to Read More</p> <ul style="list-style-type: none"> Stakeholder Engagement: Communities (page 64) Governance Report (pages 103 to 105, 111 and 112) Sustainability Report (pages 08, 14 and 25 to 27) 	<p>Objective</p> <ul style="list-style-type: none"> To instil trust and confidence and allow informed investment decisions to be made <p>Material Issue</p> <ul style="list-style-type: none"> Financial performance Delivery of strategy Environmental, Social and Governance performance <p>How We Engage</p> <ul style="list-style-type: none"> Annual Report and RNS announcements Annual General Meeting Investor presentations Corporate website One-to-one meetings <p>Performance</p> <ul style="list-style-type: none"> 3,471% total shareholder return (TSR) between IPO and 12 April 2023 <p>Where to Read More</p> <ul style="list-style-type: none"> Stakeholder Engagement: Shareholders page 65) Governance Report (pages 101, 104, 105, 111 and 112) Sustainability Report (page 08) 	<p>Objective</p> <ul style="list-style-type: none"> To meet high standards of product safety and efficacy <p>Material Issue</p> <ul style="list-style-type: none"> Safety Efficacy Responsible marketing of regulated pharmaceuticals <p>How We Engage</p> <ul style="list-style-type: none"> Regulatory training for employees Manufacturing facility inspections Market authorisation applications Product Safety Update Reports <p>Performance</p> <ul style="list-style-type: none"> 206 new market authorisations 15 manufacturing facility inspections <p>Where to Read More</p> <ul style="list-style-type: none"> Stakeholder Engagement: Regulatory Authorities (page 66) Product Development (pages 38 to 41) Understanding Our Key Risks (pages 84 to 86) Governance Report (pages 103, 104, 105, 111 and 112) Sustainability Report (pages 08 to 11)

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Employees



12.6%
Employee
Turnover

55.0%
Females in
Workforce

0.41
Accident
Frequency
Rate

We employ 2,457 employees in 26 countries in manufacturing, logistics, laboratories, offices as well as 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;
- **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;
- **Fair Employment Practices:** complying with national legal requirements regarding wages and working hours; and
- **Safe Working Practices:** reinforcing a strong culture of health and safety, within a zero harm environment.

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.

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. Our training programme which is also translated into eight languages is mandatory for all employees to complete on an annual basis.

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. In addition to the four internal reporting channels, we have a third party confidential hotline, which is available to both employees and Dechra's third parties. Reports can be submitted through an online portal, which is available in 46 languages, or via a hotline, which is available twenty-four hours a day and is supported in 170 languages. All reports are treated with utmost confidentiality by independent staff, who will summarise the content of the call or online report and pass it to the Company Secretary, Group HR Director and Head of Internal Audit and Risk Assurance for investigation.

Dedication Enjoyment Courage Honesty Relationships Ambition



Every effort is made to protect confidentiality to encourage reporting. We fully investigate reports and take appropriate actions to address these issues. 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 once a year. Further details can be found in the Governance Report.

Talent Management and Engagement

Talent Management

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

Training

Delta is our dedicated internal digital learning platform for Dechra employees across the world. Training includes Dechra's Code of Conduct, Information Security and Health, Safety and Wellbeing. This is only one element of training that we provide; our employees have logged a total of 24,687 hours in the 2023 financial year, which equates to 10.0 hours per employee.

We have been running our Leadership programme since 2020. The programme is run as a mixture of virtual and live sessions and the leadership teams across all functions except DVP EU (which has its own programme) have attended or are currently on a programme. The strategic intent of this development activity is:

- to develop future 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 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. The programme commences with psychometric and cognitive assessments of the team, and has been followed by online team business simulations, team and peer coaching and some virtual and face to face content.

This year we have reached the conclusion of our first pilot of the Future Facing Leaders programme, which commenced in February 2022. With 24 employees in attendance, the course was delivered both virtually and via three live sessions, two in the UK and one in Croatia, including an immersion experience at our site in Zagreb. The final stage of the programme focused on leading enterprise, and the group worked in teams to present strategic proposals to a selection of the Senior Executive team and the Executive Board. Two of the four proposals are planned for implementation in the 2024 financial year. Deemed a success, the next cohort of Future Facing Leaders will commence their programme in early 2024.

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 hope that the experiences of working with Dechra will support them in their future careers. We currently have a total of 31 Apprenticeships/Internships of which 14 are in Europe and 17 are in Brazil.

Engagement

Case Study: Employee Engagement

One of our strategic objectives this year was to continue to adapt to the changing needs of our workforce. We face challenging labour markets with candidates having more options as well as seeing an increased focus on wellbeing and work-life balance, and particularly in our manufacturing environments flexibility is an opportunity for us to pursue.

During the 2023 financial year the Skipton site explored flexible options for the team to improve work-life balance; without impacting on pay and business output, continue building a great place to work for our employees, and create an attraction and retention tool in a competitive labour market.

The leadership team worked closely with the Works Council to generate ideas from the workforce. A number of options were put forward and worked through, evaluating feasibility as well as impact on the objectives of the pilot. In January, the site started a trial with two working patterns, a nine day fortnight and a four and half day week, reducing working hours from 37.5 to 36 hours per week with no impact to pay and benefits. Success criteria were defined, linked to site performance metrics and communicated to all teams.

The trial was initially for three months with the Works Council and site team meeting regularly to review feedback from employees as well as the success criteria. It was agreed to extend the trial to allow for the implementation of some suggested changes from the employees to improve ways of working, one of which was to align all employees to the nine day fortnight to give them a regular full day away from work.

The trial successfully concluded after six months with the changes becoming permanent. The trial has been a fantastic engagement tool with the site team, demonstrating great teamwork and collaboration as well as encouraging innovative solutions to problems they faced. We have seen increased levels of employee engagement and an improvement in the overall site productivity across a range of key performance indicators. The new working pattern is being utilised as a recruitment tool helping us to become an employer of choice in the local area. Following the success of this trial, we are also adapting flexible working patterns across the rest of the UK and planning for similar trials in both Australia and Brazil.

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, and 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 our Sustainability strategy. Wherever possible, we seek to engage our employees in change projects. We also have a small number of Works Councils, in Croatia, France, Netherlands, Spain and Skipton, the UK, who we regularly meet with. Our intranet, OneDechra, includes two way communication encouraging comments, sharing and community participation.

Our next GPTW survey was scheduled to run in March 2023; however this was postponed until the first half of the 2024 financial year, following the acquisition of both Piedmont and Med-Pharmex, as we wanted to allow our newest employees the opportunity of having a year of experience working as part of Dechra before being surveyed. We look forward to gaining further feedback to continue developing our employee experience.

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. Further information on how the Board engages with Employees can be found on pages 102 and 106 in the Governance Report.

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.

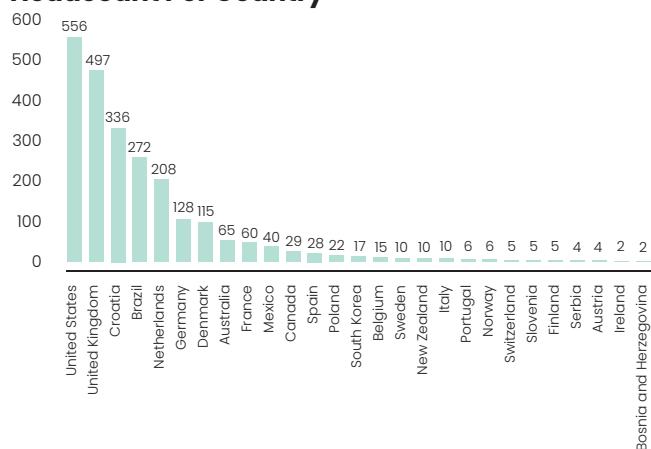
We firmly believe that our Dechra Values support the culturally diverse business that we have become and, although we are separated by time zones, geographically and by language, we share common goals and ways of working that are underpinned by our Values. We believe that our position on diversity and 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. The Group does not tolerate bullying, harassment or discrimination.

In the UK we provide online training to a wider audience using an externally hosted online training portal where licensed Dechra managers can deliver professionally developed training programmes using virtual classrooms. In addition, a Diversity and Inclusion module, which also covers unconscious bias, is one of three core modules that has been included initially in all Leadership and Management development programmes, and will later be rolled out more widely across our employee base.

The Board, via the Nomination Committee, reviews the Diversity Policy and its implementation on an annual basis. Further details can be found in the Governance Report on page 118. The gender diversity statistics required to be disclosed under the Companies Act can be found on page 119 of the Governance Report.

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Headcount Per Country



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, Dechra Limited, is required to report under Gender Pay Gap regulations, and we are pleased to report that our gender pay median gap has reduced from 17.7% in 2017 to 1.3% in 2022. Manufacturing makes up the largest proportion of workers within Dechra Limited and traditionally this sector has a talent pool available externally that is predominantly male; however, we are pleased that our male/female representation remains at almost 50/50, largely reflective of the UK population. At Dechra we pride ourselves on our fair and honest recruitment process; however, we acknowledge that we need to do more to support our females into technical and senior positions. Over the last 12 months in particular, we have focused efforts around our talent attraction and development and benchmarking and reward.

Since 1 January 2021, our lowest paid workers globally have been paid the Living Wage or where there is no equivalent we have either used the OECD formulation, or paid at least twice the local/federal minimum wage. Furthermore, we have increased our employer pension contribution to 8% with effect from July 2022 in the UK.

➔ Further information can be found in our **Sustainability Report** page 22

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. Our Group Health, Safety and Wellbeing Committee (HSW 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 monitor 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 Strategies and Policies related to Health, Safety and Wellbeing. The Committee discussed the safety priorities highlighted during 2023 financial year audits of four manufacturing sites (Londrina, Pomona, Somersby and Bladel) and the proposed remedial actions. An update of the status of the actions is provided at each meeting until they are resolved. The HSW Committee has also reviewed and approved the THRIVE Line Manger training and the High Level Risk Assessment for the business to guide priorities for Workplace Transport and Pedestrian Safety.

Safety Alerts

The HSW Committee has a duty to regularly review 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. The number of safety alerts remained at ten this year.

Assure

Our online Health and Safety reporting system, Dechra Assure, is available to all employees. We encourage employees to remain vigilant at all times and empower them to take action to resolve unsafe situations. By reporting accidents, near misses and hazards we are constantly monitoring the risks across our business and can take appropriate actions to make workplaces and working practices safer. In addition to monitoring the total number of hazards raised across each site, we also set a target for each person to report hazards, demonstrating their personal commitment to safety. This year our Manufacturing sites increased the number of hazards raised by 17%, and with the exception of one site, 100% of employees across all our Manufacturing facilities were involved in reporting and resolving at least one hazard. Through our communication campaigns and B-Safe walks, employees have also developed a greater awareness of potential risks. The number of near miss reports which have been raised, where accidents could have happened if circumstances were slightly different, increased from 58 to 87.

High Level Risk Assessments

The HSW Committee is also responsible for maintenance of the safety critical tasks which determines our priorities in the safety programme. HSE Standards have been developed initially for High Risk activities, most of which reside in Manufacturing. Each Group Standard has an accompanying self-assessment compliance checklist and each location conducts an internal gap analysis to establish an action plan to achieve full compliance with each internal standard. 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.

Behavioural Safety

Strong safety leadership is the best way to influence safety on a daily basis. The behaviours demonstrated by our leaders, their attitudes to safety and the conversations they have in relation to safety have the most powerful influence on the safety culture of our organisation. B-Safe is our behavioural safety programme which teaches our manufacturing leaders to hold positive conversations about safety, including our Life Saving Rules.

➔ Further information can be found in our **Sustainability Report** pages 23 to 24





Lost Time Accidents (LTA)

For a number of years the Group has reported Lost Time Accident Frequency Rate (LTAFR) as a non-financial key performance indicator; this measures 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 (see pages 52 and 53). In order to improve transparency and increase learnings related to injuries across the business, we are now also 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 and more rigorous reporting standard we have experienced 17 LTAs resulting in an AFR of 0.41 compared to 0.36 last year (13 accidents). Fourteen of these accidents occurred within our Manufacturing sites, with three of the accidents occurring in the newly acquired facility in Pomona, California. Ten of these accidents were influenced by unsafe behaviours and this will be addressed throughout the coming year through the continued delivery of our B-Safe, behavioural safety programme for leaders. In addition, there were four contractor accidents reported in Brazil. There were no fatalities (employees or contractors).

Any material health and safety issues or incidents that occur are discussed in detail by our HSW 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 Board meeting by the Group HSE Director for discussion and review by the Directors.

THRIVE

THRIVE aims to provide a global programme for Dechra employees which supports positive physical, emotional, social and financial wellbeing, enabling employees to THRIVE at work by increasing employee energy, creativity and collaboration to drive personal and business success. Building on the firm foundations of effective HR policies and safe working practices, THRIVE aims to provide information and opportunities for employees to empower them to take ownership of their own wellbeing, making use of the resources provided on our OneDechra platform. Our THRIVE strategy has four pillars of Physical, Emotional, Social and Financial:

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

Our strategy recognises that achieving overall wellbeing is a shared responsibility where both Dechra and employees must work together. As an employer, 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. At a foundation element we have committed to providing an Employee Assistance Programme (EAP) to all employees globally. Following a gap assessment, it was identified that approximately 600 employees do not have access to an EAP. Following a review of potential providers, we have chosen a service which covers emotional, physical, financial and social support. This service is being launched in all countries who currently do not have an EAP with the exception of Croatia (as it was not available in this language) in August 2023. An alternative provider is being evaluated for Croatia. In addition, the Global EAP provision is being enhanced to provide financial information to employees. The support from existing EAPs will be evaluated to ensure they meet our target standards.

In order to make THRIVE feel more connected into each country, the THRIVE Champion team has been formed. This group of 23 employees cover all countries and regions and their role is to:

- understand the THRIVE wellbeing programme and local employee benefits;
- be a point of contact for employees to ask questions about THRIVE and wellbeing; and
- quickly signpost employees to official sources of information and support and not attempt to provide any health, emotional, financial or legal advice themselves.

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Veterinary Professionals



Our relationship with veterinarians is key to our business and therefore we are committed to the following focus areas:

- the development and promotion of products to improve animal health and welfare;
- the provision of high levels of technical support and pharmacovigilance; and
- maintaining and improving the knowledge and skills of veterinarians who prescribe and use our products.

Development and Promotion

Our products are all targeted at providing veterinary professionals with solutions for their customer needs. We have developed a strong position in providing specialist and clinically necessary novel Companion Animal Products, especially in internal medicine and critical care products. Our Food producing Animal Products are positioned to match current best practice prescribing habits and to meet the growing awareness of the need for better animal welfare standards. 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.

- ➔ For further information on our **Product Development** please refer to page 38

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 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.

Technical Support and Pharmacovigilance

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 diseases, the provision of 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 the last financial year, our UK and US teams handled a total of 16,300 technical customer enquiries, many of which related to endocrinology, procedural sedation and in the US oncology. In addition, these larger markets also have field-based veterinarians providing technical support and continuing professional development events.

- ➔ For further information on **Pharmacovigilance** please refer to page 66

Education

We deliver education through many channels, including conferences and our online digital e-learning environment, the Dechra Academy, helps veterinary professionals across the globe to upskill and keep up-to-date with the latest thinking through completely free, modern learning experiences. With over ten years of experience of educating veterinary professionals, we are passionate and proud to provide reputable learning resources which help veterinary professionals continuously evolve their knowledge. We differentiate ourselves from our competitors by focusing on challenging and interactive educational experiences. Each Dechra market has its own tailored Academy with courses that are relevant to their veterinary professionals. Where possible our educational resources are accredited by local professional/regulatory bodies.

During the financial year the Dechra Academy was awarded the status of being an internationally recognised accredited Learning Provider by the Learning and Performance Institute (the LPI). Dechra Academy is the first veterinary education provider that has been accredited by the LPI. The accreditation was due to the Academy's commitment to high quality and process improvement in the provision of learning and development services to veterinary professionals across the world.

The Academy now has a total of 945 courses available across markets and learners from across the world have enrolled. In addition to 20,196 CPD hours provided directly via the Academy, we also held a large number of in-person events and presentations covering the full range of species and therapeutic areas this year. In total, these educational events delivered a further 184,818 hours of CPD hours globally.



Suppliers

We are committed to acting responsibly and with integrity. We comply with all applicable laws and regulations and respect the traditions and cultures of the countries in which we operate. The Code of Conduct, Third Party Code of Conduct, ABC Policy, Sanctions Policy, the How to Raise a Concern Procedure, Human Rights and Modern Slavery Statements are all reviewed annually by the Board. These policies are integral to our risk management programme and reinforce our expectation of compliant behaviours across the business.

We expect our third parties to trade with honesty and integrity, and to support this we have a Third Party Code of Conduct. This 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, supported by the mandatory Code of Conduct training, sets out the standards of behaviour that we expect of our employees. Our employees are encouraged to report behaviours that are contrary to our Code of Conduct via our How to Raise a Concern Procedure which provides five reporting channels. Further details of which can be found on pages 58 and 107.

Risk Management System

During the year we have developed a Third Party Risk Management (TPRM) Platform, which will be integral to our risk management programme. The TPRM Platform is designed to manage the full third party risk management life cycle, from initial entity creation, profiling, tiering and risk assessing, followed by due diligence, ongoing monitoring and potential offboarding. The TPRM Platform provides a Group-wide consistent approach to risk management, as well traceability of decisions, risk rejection or risk mitigation and acceptance.

The TRPM Platform currently covers risk assessments and screening on areas of Anti-Bribery and Anti-Corruption, Sanctions, Data Privacy, IT, Modern Slavery, ESG and Health and Safety, with other compliance topics due to be added throughout the next year. The system will generate automated reminders for the business to refresh the due diligence on an annual or triennial basis, subject to the risk level associated with the vendor and is the central storage point for risk records, with assessments being completed by both employees and third parties within the Platform itself.

A phased launch of the Platform commenced in July 2023 with our DVP International business who were selected due to the territories in which they operate, together with the nature of their distribution activities, being generally considered to pose a higher compliance risk. It is envisaged that the system will be rolled out across all divisions by the end of the calendar year.

Anti-Bribery and Anti-Corruption (ABC)

We remain committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. 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 an area of focus for Dechra. Our continuous growth in new markets through geographical expansion, product launch and relationship development drives us to review and develop our policies and procedures in this area on an ongoing 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 employees and third party network via such programmes. 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, and the linchpin of these programmes will be the TPRM Platform.

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 the Group Legal team, together with the newly formed Compliance function, 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, with the exception of operational blue collar workers who are engaged in low risk roles and do not interact with third parties.

Human Rights and Modern Slavery

Dechra is committed to upholding and respecting human rights both in our own business and within our supply chain, and has put in place steps aimed at ensuring there is no modern slavery or human trafficking in any part of our business. During the year, the Board reviewed the Human Rights Policy, a copy of which can be found on our website. Our Human Rights Policy 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. Our Modern Slavery Statement can also be found on our website.

The new TPRM Platform will enable us to risk assess all suppliers for modern slavery risks, and where relevant, undertake modern slavery due diligence. In addition, any identified high risk suppliers (identified using key information such as supplier type, supplier services/products, spend and geographical location) are subject to further due diligence and screening, as well as being required to adhere to the Dechra Third Party Code of Conduct. This risk assessment and due diligence are refreshed for high risk third parties, such as contract manufacturing organisations, on a regular basis.

Reporting

Our employees and third parties have access to the independent externally provided hotline to report any situations that they feel violate any of the standards detailed in the Third Party Code of Conduct, which includes ABC and Modern Slavery. No concerns have been raised during the 2023 financial year.

Section 172 Statement and Stakeholder Engagement



Communities



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 Purpose and Values, in particular, our Relationships and Enjoyment Values. Our Community pillar focuses on Community Activities and Donations.

Community Activities

We encourage our employees to engage in community activities, in particular, in the fields of animal welfare, human service and environmental stewardship.

We committed, in the 2019 financial year, to give every employee one day in the community. In the 2023 financial year, we dedicated a total of 3,147 hours across our global operations. We have a ten year target to achieve 100,000 hours by 30 June 2030. As at 30 June 2023 we have achieved 7,537 hours. We acknowledge that we are currently running short of our ten year target and that whilst some elements of our business have taken the community ethos to heart and are continuing year on year to participate, prioritisation in other parts of our business has been slow. To achieve our target, we have made available a Volunteer Service Toolkit and encourage all of our employees to identify and lead events. Additionally, we have established a reporting tool where employees are able to log their volunteer hours following an event; quarterly reporting of average hours per employee and total by division are communicated to the senior leadership team to track progress against their Community KPIs.

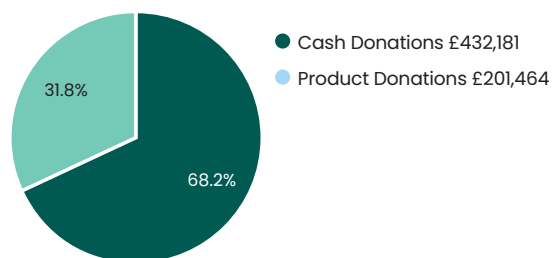
Dechra has a partnership with Not One More Vet (NOMV), a US based charitable organisation whose mission is to transform the status of mental wellbeing within the profession so veterinary professionals can survive and thrive through education, resources, and support. We partner with NOMV to raise awareness of this topic and the resources that are available to veterinary professionals. In 2022, Dechra sponsored the Student Support and Mentorship programme, a new initiative aimed at providing a support system for veterinary and veterinary technical students. Dechra has also encouraged its employees globally to participate in NOMV's Race Around the World, to help raise funds and awareness. In 2019 a small team of veterinarians and veterinary technicians participated in the race, and by 2020 over 60 employees in the US participated. We were excited to encourage global participation in their 2022 and now 2023 sponsored race, furthering our support of an organisation that supports the wellbeing of our customers. Dechra also partnered with NOMV in 2023 with their development of an accredited course in Dechra's Academy, with the first module released in September 2023 focused on the Flavors of Fatigue. Modules will be released periodically to provide wellbeing education and resources to veterinarians worldwide. To increase international awareness of NOMV's resources, Dechra will sponsor the development of international Chapters; an ambassador programme to create and grow local networks to unite and support the veterinary community.

Community Donations

We have operated a Group Donations scheme for 13 years, and in the last two years we have empowered our employee community by setting up decentralised regional giving committees. A budget of £368,000 was allocated across the countries based on the number of employees as at 30 June 2022. Each country has a regional giving committee which consists of volunteer employees who have agreed to be members of their respective committee for two years. All employees are given the opportunity to nominate non-profit organisations meaningful to them and the community in which they live, and donations are awarded after the committee's due diligence on the organisations is conducted. In many instances, the nominator and the committee member visit the organisation to make the donation in person. This new scheme is empowering and moving for all involved, making a difference in and outside of Dechra.

In addition to the regional giving committees, each business unit has the discretion to allocate funds and/or products to local community, environmental and/or animal welfare charities.

Total Donations



Further details of our Community Donations and Activities can be found in our [Sustainability Report](#)

The Group has also committed to the provision of finance in the form of a AUD 6 million loan and minority investment in AgCo Tech Ltd, an Australian private limited company which provides practical help to livestock owners in developing countries (further details can be found on page 14 and in the Sustainability Report). The loan will be repayable, following a one year repayment holiday, over a six year period in the form of verified carbon credits (calculated at market value), which will be retired through our income statement upon receipt. This will be treated as a donation. Due to the philanthropic nature of the investment we will not look to profit from this investment, with any income being reinvested in other climate stewardship projects.

Further details on how the Board engages with Communities can be found in the [Governance report](#) on page 103



3,471%
TSR between IPO and 12 April 2023

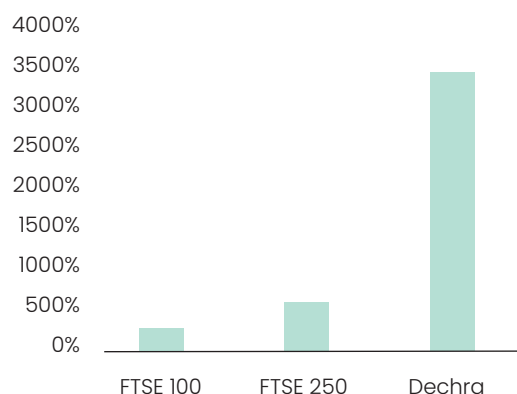
99%
votes cast in favour of the acquisition

Shareholders

Creating Value for Shareholders

We have a strong track record of delivering against our strategic objectives, resulting in consistent growth and value creation ever since IPO on 21 September 2000 when Dechra shares were first admitted to the London Stock Exchange at a price of £1.20 per share. Between IPO and 12 April 2023, being the latest practicable date prior to the announcement that we had received a proposal from EQT to acquire the Company, Dechra delivered a total shareholder return (TSR) of 3,471% compared to the FTSE 100 of 177% and FTSE 250 of 425% over the same period.

TSR for the period 21 September 2000 to 12 April 2023



In recommending that shareholders accepted the price of £38.75 per share offered by Freya Bidco Limited, the Dechra Board believed this was at a level that enabled shareholders to accelerate the crystallisation of value in full and in cash, at a level commensurate with its judgments, the opportunities and risks of future potential performance. This offer was subsequently accepted at the shareholder vote on 20 July 2023, with over 99% of votes cast being in favour.

Investor Relations Strategy

Prior to the approach by Freya Bidco Limited, the Company had been developing its long standing approach to shareholder engagement with the support of the recently appointed Head of Investor Relations. This aimed to build on the strong relationships already established with a number of long term shareholders whilst extending the reach of investor communication to potential new shareholders.

The Company placed a high priority on relationships with shareholders and a summary of the main events during the year is shown below. These meetings sought to foster a mutual understanding of both the Company's and shareholders' objectives and were conducted in a format to protect price sensitive information that had not already been made generally available to all the Company's shareholders.

Equity raise	July 2022	Chief Executive Officer and Chief Financial Officer
Rolling programme of investor meetings until 11 April 2023	Over 60 individual meetings throughout the year	Chief Executive Officer, Chief Financial Officer and Head of Investor Relations
Results Roadshow	September 2022 and February 2023	Chief Executive Officer, Chief Financial Officer and Head of Investor Relations
Investor Conferences	November 2022	Chief Financial Officer and Head of Investor Relations
Remuneration Consultation	January and February 2023	Remuneration Committee Chair, Company Secretary and Group HR Director
Shareholder calls relating to the proposed acquisition	Numerous calls during the Offer Period from 12 April 2023 to 2 June 2023	Chief Executive Officer, Chief Financial Officer and Head of Investor Relations, all of which were chaperoned by Investec in their role as corporate broker under the rules of the Takeover Panel

➔ Further details on how the Board engages with Shareholders can be found in the **Governance report** on page 101

Section 172 Statement and Stakeholder Engagement



Regulatory Authorities

It is vital to our business that our products meet the appropriate standards for quality, safety and efficacy. This ensures safety for our customers, animals, the environment and the food chain.

We engage with our Regulators through formal channels and through more informal connections. At the initiation of a new product development programme, communication is key to opening a two way dialogue with the Regulators to build a productive partnership to bring innovation to the market. Communication is then maintained through update meetings and exchanges of information throughout the development of the product and the scientific review of the marketing authorisation application.

Our manufacturing sites are regularly inspected by authorities as required under Good Manufacturing Practice (GMP), and our distribution centres under Good Distribution Practice (GDP). This is a collaborative process whereby our teams and inspectors identify and implement best practices to ensure product quality and robust supply.

Work with Regulatory Agencies continues throughout the life of all products, as we provide updates to manufacturing processes, availability, sales data and changes to the registrations. Dechra is required to provide full adverse event reports for all of our products through regular signal detection analyses and periodic Drug Experience Reports (DERs). We have developed signal detection processes which analyse trends in adverse events to identify emerging issues early so that we can inform our Regulators and take appropriate action pro-actively. We have an obligation to notify our Regulators of any new evidence which emerges which may alter the benefit: risk assessment of any of our products, and the Global Safety Council is key to providing cross functional input into this process.

We participate in Industry Associations and Agency led consultations providing scientific and technical input into drafting of new legislation and guidance documents, helping to shape the regulatory landscape that we operate in. Good examples would be a recent review of antimicrobials proposed to be reserved for human use, negotiation for the ongoing use of NMPs (N-methyl pyrrolidone) in veterinary medicines and the recent survey of plastic use in veterinary products. We engage with Regulators on how their fees are set and how the approval process operates, holding them accountable for a high standard of scientific review and timely service delivering new products to market and maintaining supply of our existing ones.

Several of our regulatory staff have worked in key Regulatory Agencies at National, Regional or International levels prior to joining Dechra; this enables our relationships to be both personal and professional, and helps support a collaborative relationship. This high level of trust and esteem in which Dechra's regulatory and product development teams are held enables Dechra to successfully launch new products, to maintain our existing portfolio and where necessary, to challenge constructively the decisions of our Regulatory Agencies when it is appropriate to do so.

Pharmacovigilance

All employees receive pharmacovigilance (PV) training within one month of joining Dechra. This is then verified by the PV e-learning module on Delta or in person training. All employees undertake an annual pharmacovigilance refresher training. The PV training outlines the procedure that should be followed by all Dechra personnel if they become aware of a product complaint or defect.

Any time that Dechra receives a report of an adverse event occurring after the administration of one of its products, it is our obligation to review the case to determine whether our product may have caused or contributed to the adverse event. The PV team actively monitors adverse events to determine if any trends can be identified which may indicate an underlying issue (signal detection). All suspect adverse reactions are reported to the appropriate regulatory authorities who also perform data analysis across groups of products with similar ingredients and indications to look for signals that require further investigation. As Dechra continues to grow, we are moving more local PV work into our central PV group so that we can have clear consolidated oversight of our products at a global level, which further enhances our signal detection capability.

Regulatory Agencies

ACVM: Agricultural Compounds and Veterinary Medicines (New Zealand)

APQA: Animal and Plant Quarantine Agency (South Korea)

APVMA: Australian Pesticides and Veterinary Medicines Authority (Australia)

EMA: European Medicines Agency (EU)

FDA: Food and Drug Administration (USA)

MAPA: Ministério da Agricultura, Pecuária e Abastecimento (Department of Agriculture, Livestock and Food Supply) (Brazil)

VDD: Veterinary Drugs Directorate (Canada)

VMD: Veterinary Medicines Directorate (UK)

Further details on how the Board engages with Regulatory Authorities can be found in the [Governance report](#) on page 103