



UK Tax Strategy

This UK tax strategy is published on behalf of Dechra Pharmaceuticals PLC and all of its UK subsidiaries (the Group) in accordance with Paragraph 16 of Schedule 19 to Finance Act 2016 for the year ending 30 June 2023. It has been approved by the Audit Committee and will be reviewed and updated at least annually.

Our six Dechra Values: Dedication, Enjoyment, Courage, Honesty, Relationships and Ambition reflect the best aspects of behaviour and competence in Dechra. We embrace the Values at every level of the business. We believe that it is important to give back to the communities in which we live and operate and a fundamental aspect of this is providing assurance that Dechra pays the right amount of tax, to the right tax authorities, at the right time.

Tax Risk Management and Governance

Dechra has developed a tax risk management framework to provide assurance that the Group pays the right amount of tax, to the right tax authorities, at the right time. The Group Tax team (which includes the Head of Tax and Transfer Pricing, the Group Tax Senior Manager, Group Tax Manager and Group Tax Assistant Manager) is fully resourced and appropriately experienced and qualified, and stays up to date with tax developments. All significant tax matters are discussed with the Group Financial Controller and escalated to the Chief Financial Officer where appropriate. All tax returns are subject to a thorough review process and signed off by appropriate senior people within the business. The Board is updated quarterly on tax compliance status, i.e. compliance with tax return and tax payment deadlines and ongoing discussions with tax authorities.

External tax advice is taken in relation to all significant transactions or where the tax treatment of a particular item is unclear. Where decisions could have a material tax or reputational impact, tax is discussed at board level.

The Group maintains a tax risk register, which is reviewed regularly in line with a programme of tax controls testing. Where weaknesses are identified, mitigating controls are put in place.

Attitude to Tax Planning

Dechra is committed to compliance with the letter and spirit of tax law and local tax legislation with the timely and correct filing of returns and payment of taxes due to local authorities in all jurisdictions in which we operate. We follow the terms of applicable double taxation treaties and OECD guidelines.

The commercial needs of the Group are key and all tax matters will be approached in this context. Tax is considered in all significant business decisions allowing us to understand and acknowledge the tax and reputational implications of such decisions. Our internal tax policy sets out when decisions relating to tax should be escalated to the Chief Financial Officer or the Board based on Group set risk factors.

We do not enter into contrived tax planning that has no business purpose or commercial rationale and whose only purpose is to avoid taxes.

Where we decide to seek tax efficiencies, the risks associated with the decision and its implementation are controlled.

We have zero tolerance towards the criminal facilitation of tax evasion, as set out in our Tax Evasion Policy which is available on the Intranet, with annual Corporate Criminal Offence training provided across the business.

Level of risk that Dechra is prepared to accept in relation to UK Tax

Our focus on costs includes consideration of tax costs. As such, we seek to conduct our business efficiently from a tax perspective which may include:

- responding to government tax incentives (both domestically and internationally); and
- structuring business and commercial arrangements in a tax efficient manner.

We have the right people, processes and systems in place to uphold our principles. As part of those processes we will maintain appropriate records and documentation to support our tax filings. Where additional support is required due to lack of in-house expertise or resource we will engage external advisors.

We avoid any actions (or omissions) in respect of our management of taxes which could damage the Group's reputation with its key stakeholders. Where the expectations of those stakeholders conflict we seek to balance these responsibly.

Relationship with HMRC

The Group is committed to maintaining an open and honest relationship with HMRC and, once a Customer Compliance Manager (CCM) is appointed, we will ensure that the CCM is kept up to date on significant transactions and developments in Dechra's business or in its tax risks.

We conduct our dealings with all tax authorities, including HMRC, with honesty, integrity, respect and fairness and in a spirit of co-operative compliance. We seek to resolve any disputed matters through proactive and transparent discussion.

Approved by Dechra Pharmaceuticals PLC Audit Committee on 26 April 2023.