

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



One Dechra
A great place to work

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

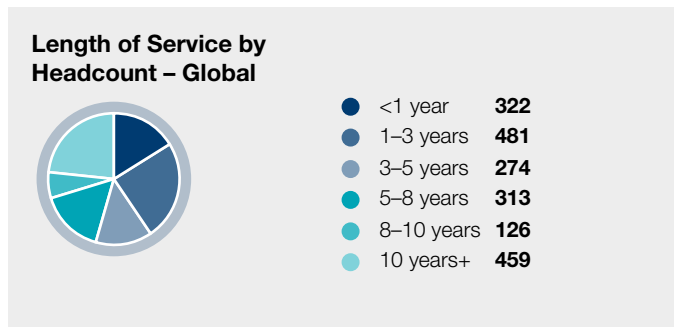
2 Grow Our Own Talent:
Attract, retain and develop the right talent in the right place at the right time.

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

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

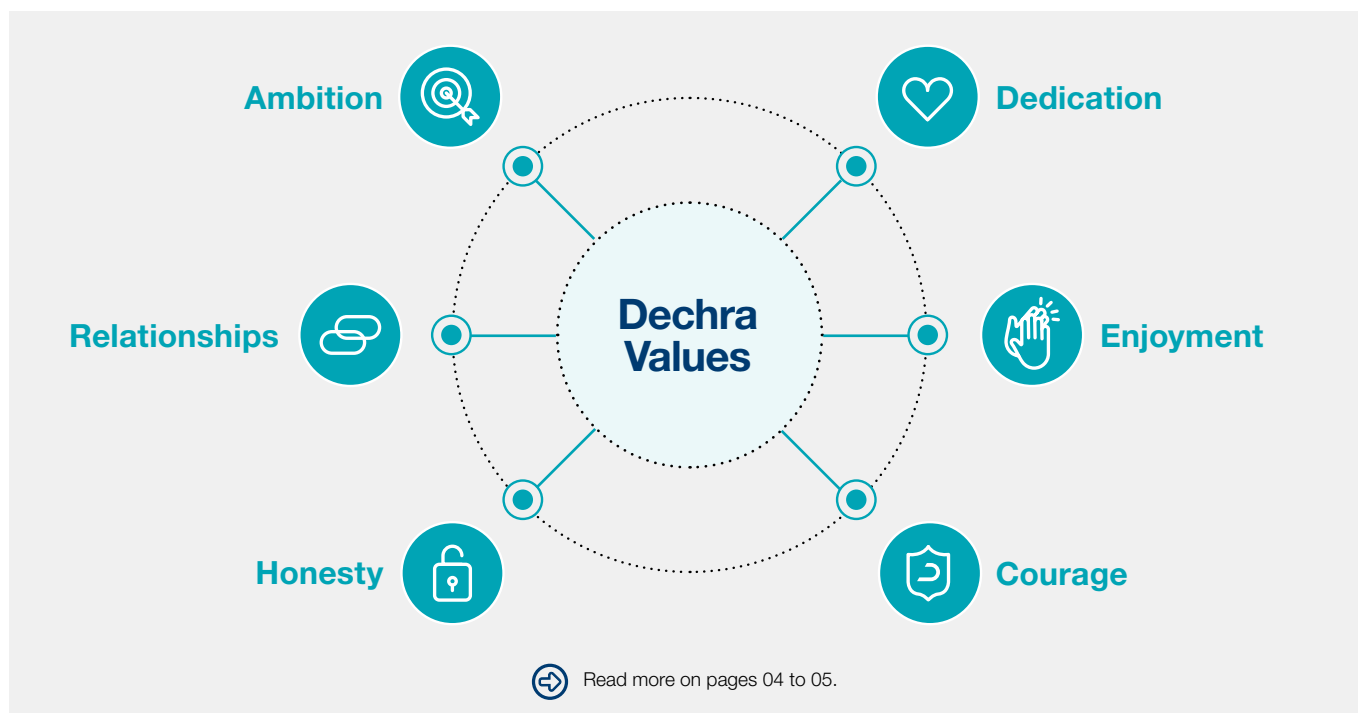
5 Healthy Safe Workplace:
Improving the working lives of our people in every location.

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.

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)

2021	13.5%
2020	12.4%
2019	13.6%
2018	15.9%
2017	15.7%

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.

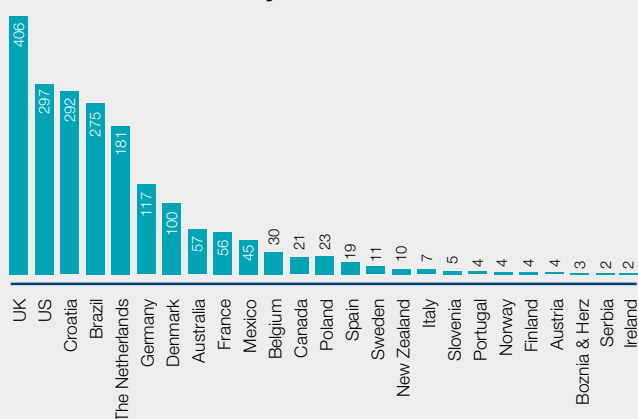
Dignity at Work

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.

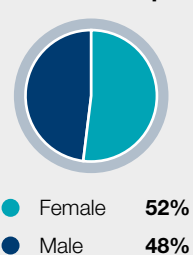
After initially launching training to our UK managers in the 2020 financial year, we now provide online training to a wider audience using an externally hosted online training portal where licensed Dechra managers can deliver professionally developed training programmes globally using virtual classrooms.

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.

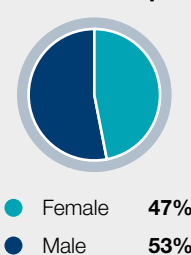
Headcount Per Country



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
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.

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.