



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

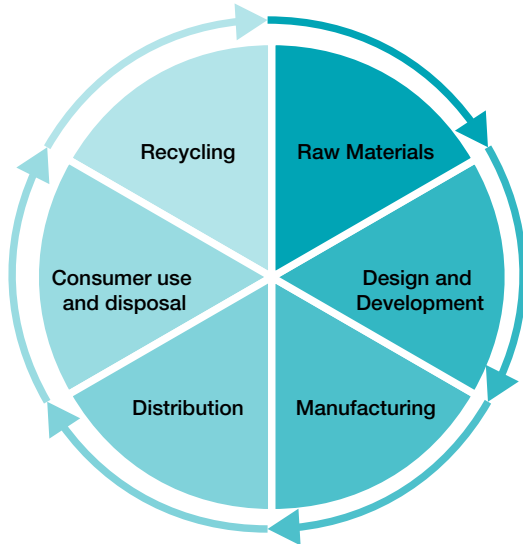
We have previously reported on the steps our logistics operations have taken to be more environmentally friendly. These steps have included using:

- 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.

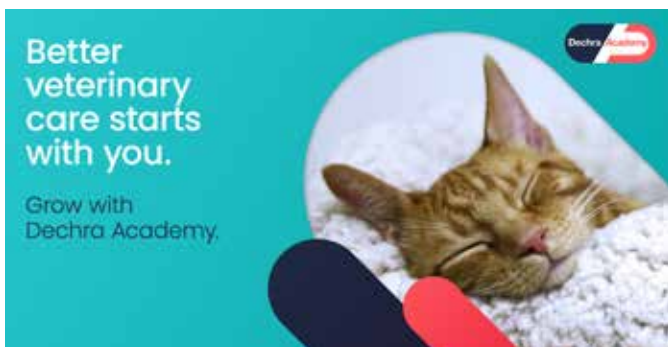
Veterinary Professionals



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.

- 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.