



# Dechra Gender Pay Gap Report 2023

The Veterinary Perspective



At Dechra, our people are our greatest asset and underpin everything we do in the business. We recognise that the diversity of our team and an inclusive culture is beneficial for our business, its processes, and its performance.

Gender pay gap reporting has highlighted to us, and UK businesses as a whole, some of the organisational and societal factors that contribute to the gender pay gap.

We are pleased to report that as a result of our proactive management in relation to our gender pay gap, the gap has reduced from 17.7% in 2017 to 9.6% in 2023, it is something that we are looking to continue to build upon as we continue to make Dechra an increasingly attractive place to work.

As required by the UK legislation the following information is provided for Dechra Limited, the only UK Company within the Dechra Pharmaceuticals PLC Group, which employs more than 250 people.

The data below is based on an assessment of 339 employees (175 males and 164 females) who were employed within Dechra Limited on the snapshot date of 05 April 2023.

### **What is the 'gender pay gap'?**

The reporting requirements relate specifically to separate legal entities within a Group structure in the UK who employ 250 or more employees on the 'snapshot date' each year; this is 05 April each year. For Dechra, this relates only to Dechra Limited (which comprises Dechra Pharmaceuticals Manufacturing and Product Development and Regulatory Affairs).

In this report, we share the gender pay gap data for the 12 months up to April 2023 for Dechra Limited.

The gender pay gap measures the difference between men and women’s earnings by expressing women’s pay as a percentage of men’s pay.

This is different to equal pay. Equal pay refers to men and women receiving the same pay for the same work.

### Gender pay gap

Median ( <i>middle</i> ) Gender Pay Gap; Dechra Limited	9.6%
Mean ( <i>average</i> ) Gender Pay Gap; Dechra Limited	12.6%
UK’s National Gender Pay Gap*	7.7%

\*Source: ONS, 2023

The data above shows the gender pay gap within Dechra Limited (which includes several global Group Manufacturing and Supply roles based within the UK). This is a snapshot of the difference between the average hourly pay of women compared to men, irrespective of their job or grade, expressed as a percentage of men’s average pay. The hourly pay figure used to calculate the difference includes all items specified in the regulations, such as allowances and shift pay (but excludes overtime, as stipulated in the regulations).

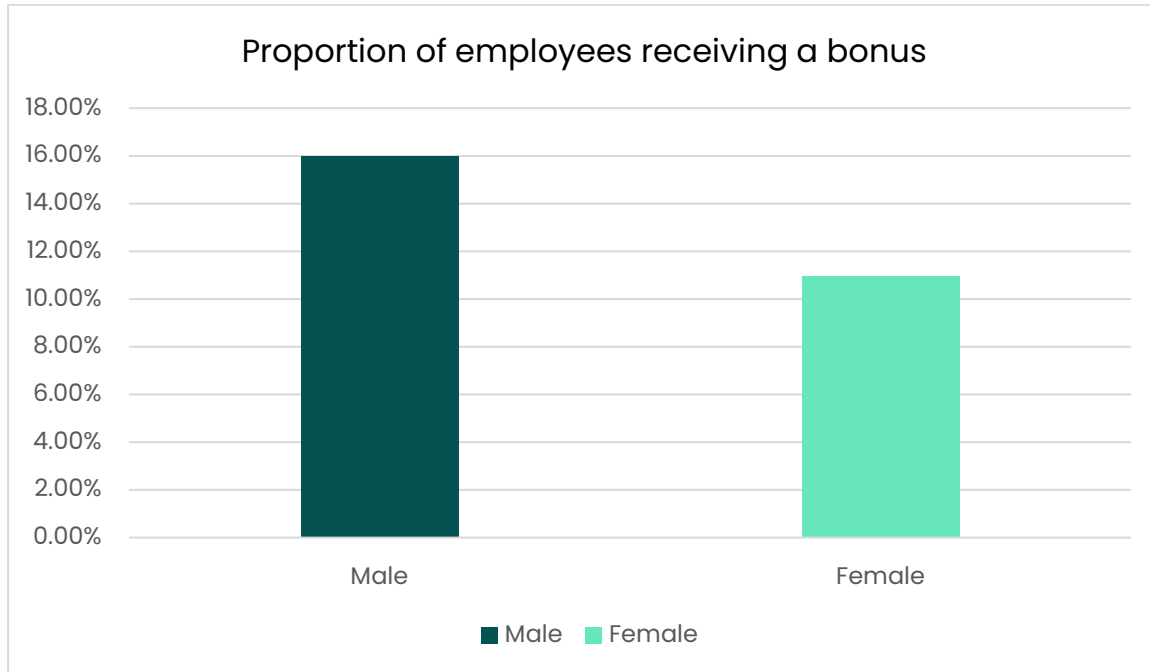
The median gender pay gap within Dechra Limited was 9.6%. For 2023, this is slightly above the UK national average of 7.7%\*, with our mean gender pay gap figure at 12.6%. We have witnessed a major improvement on our median gender pay gap from 2017 which stood at 17.7% but understand that there is still work to be done to maintain the lower median gender pay gap figures that we had seen in the few years prior to 2023.

Our analysis of the data shows that the gap, although reduced, remains largely driven by:

- More males occupying the higher paid, technical or senior positions, predominantly within the manufacturing division of Dechra Limited;
- A large proportion of the female workers occupying the lower paid, blue-collar positions.

### Bonus pay gap

in preceding 12 months to 05 April 2023

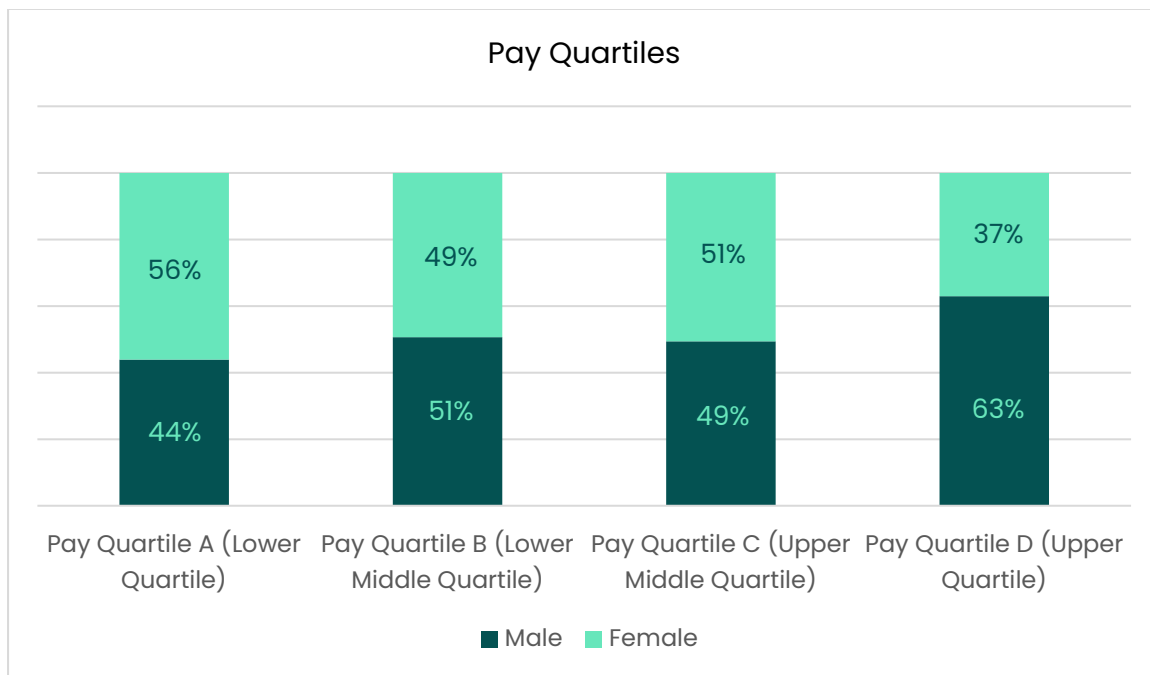


Median ( <i>middle</i> ) Bonus Pay Gap; Dechra Limited	4.6%
Mean ( <i>average</i> ) Bonus Pay Gap; Dechra Limited	35.1%

The figures above show the bonus pay gap for bonuses paid to employees within Dechra Limited, between 06 April 2022 and 05 April 2023, as per the regulations. The differences between the median and mean averages can be explained by the fact that there are a higher proportion of the larger bonus amounts having been paid to males (as the senior management roles within Group Manufacturing and Supply have a higher bonus opportunity in percentage terms, and within 2023 there was an increase in the number of males holding these positions) when compared with females. This therefore increases the mean average.

We are committed to doing more to support and encourage women into our senior Manufacturing and Supply roles.

### Pay quartiles



The graph above shows the gender distribution across Dechra Limited in four equally sized hourly pay quartiles. For example, within the lower quartile 56% (equal to 2022) of employees are women and 44% (equal to 2022) are male.

Overall, there is an almost equal proportion of men and women within Dechra Limited, with 48% of the Dechra Limited population being women. The lower quartile however, the lower paid roles, are heavily occupied by women, we have made significant headway within this quartile compared with prior years. We have seen a significant increase in the number of women, when compared with 2022, in the Lower Middle Quartile (+12%), and an increase in the number of women within the Upper Middle Quartile (+3%) and Upper Quartile (+4%), when compared with 2022.

We remain focussed in our efforts to attract women into the upper quartiles of the pay distributions and in the last 24 months have witnessed significant growth within our Manufacturing and Supply organisation, which has resulted in the introduction of some new, senior, higher paid roles within the division being introduced and predominantly having been filled by men.

Moving towards an equal distribution of men and women across all levels is very important to Dechra and something we are continuing to strive towards.

We recognise that the diversity of our team and an inclusive culture is beneficial for our business, its processes, and its performance. We have highlighted below our key actions over the last 12 months which has helped us reduce our gender pay gap further. We acknowledge and accept that we still have more to do, and we remain committed to tackling our gender pay gap.

### **A year in review – measurement against our actions**

In our first gender pay gap report, which was published in April 2017, we prioritised three areas for action to reduce our gender pay gap. Here we report on our progress for each area and how we are building on our plans in order to build on our greatest asset, our people, and further enhance our progress towards reducing our gender pay gap.

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 split remains at almost 50/50, largely reflective of the UK population. At Dechra we pride ourselves on our fair and honest recruitment process.

Despite this, we acknowledge that we need to do more to support our females into technical and senior positions and at Dechra we believe in growing our own talent. Over the last 12 months, we have focussed efforts on our development, engagement, and communication.

## **Our year in review**

### **Our action: Recruitment & Development**

#### **Our progress:**

We continue to focus on internal development of our teams and continue to see internal candidates receive promotions rather than recruiting externally.

We have introduced essential leadership training for our managers to ensure they have the tools and skills to both succeed within their roles, but also identify and nurture talent within their teams.

We successfully trialled and implemented a reduced working week with no impact to pay at our Skipton Manufacturing facility. The 9 day fortnight has had great feedback and engagement from our employees, giving them a better work life balance. We believe this is a positive step forward not only for our employees but as a recruitment and retention tool in a competitive labour market.

### **Our action: Benchmarking & Reward**

#### **Our progress:**

We continue to maintain our Real Living Wage accreditation and prioritised our lower quartile earners in our pay review. This was to try and mitigate the impact of the increase cost of living for our lower earners.

### **Our action: Engagement & Communications**

#### **Our progress:**

Our works council remains embedded across the business, ensuring the employee voice is heard, especially from our front line employees. The works council played a key role in the consultation and implementation of the 9 day fortnight generating innovative ideas and ensuring effective communications of any updates. As well as works councils, more cross functional project groups are being developed to share ways of working and experiences.

Due to the reduction of social distancing requirements, we have been able to increase the number of collective workforce townhalls where we are able to listen to employee feedback and react and respond at a better pace.

All of this is underpinned by an increased focus on embedding diversity and inclusion into our culture to create innovative and high performing teams making Dechra a great place to work, now, and in the future.

I confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**Paul Sandland**

**Chief Financial Officer**