

Energy Position Paper - Dechra

1. INTRODUCTION

Energy efficiency is a critical component of sustainable business practices. Reducing energy consumption not only mitigates environmental impacts but also drives cost savings and enhances market competitiveness. Dechra is committed to improving energy efficiency across all aspects of our operations. This position paper outlines our approach to energy management and our commitment to reducing energy consumption and greenhouse gas emissions.

2. UNDERSTANDING ENERGY USAGE

Dechra is committed to operating in a sustainable and responsible manner across all aspects of our business we recognise the importance of managing energy usage efficiently to minimise our environmental impact and contribute to a more sustainable future.

We acknowledge that our operations require significant energy inputs for manufacturing, warehousing. Dechra does publish specific data on energy usage as part of the sustainability reporting and breakdown the energy use into broad operation sectors (manufacturing, warehousing and Offices).

3. DECHRAS POSITION

We recognise that reducing energy consumption not only lowers our environmental footprint but also contributes to cost savings and enhances our competitiveness in the market. Our stance on energy usage is guided by the following principles.

Scope 1 Emission Reduction

- **Direct Emissions** - We are dedicated to reducing direct emissions from our operations, which include fuel combustion and company-owned vehicles.
- **Efficiency Initiatives** - Implementing energy-efficient technologies and practices to minimise our Emissions.

Scope 2 Minimizing Emissions

- **Moving to Renewable Energy** – Generated from natural sources that are not depleted when used.
- **Consumption Reduction** - Adopting sustainable practices that promote energy conservation and efficiency.

4. CURRENT INITIATIVES

Dechra has already implemented several initiatives to promote and improve energy efficiency. Some of our ongoing initiatives include:

Investment in Energy-Efficient Technologies

- Integrating sustainability choices into our capital expenditure (CapEx) decisions to ensure long term energy efficiency.
- Prioritising investments in energy-efficient technologies and infrastructure as part of our CapEx program.

Employee Engagement and Training

- Encouraging employees to identify energy-saving opportunities and adopt best practices in their daily operations.

Energy Management Systems

- Implementation of a robust energy management system to monitor, measure, and analyse energy usage across our facilities. Enabling us to identify areas of inefficiency, set targets for improvement, and track our progress over time.

Renewable Energy Sources

- Investment in decentralised renewable sources to reduce our reliance on grid energy and fossil fuel.

5. FUTURE COMMITMENTS

Dechra has committed to near-term Science Based Targets of a 42% absolute reduction by 2030 and long-term, Net Zero Science Based Targets of a 90% absolute reduction by latest 2050 in its Scope 1 & 2 from a 2021 base year. Our future commitments to achieve this goal include:

Transition to Renewable Energy

- All manufacturing, warehousing facilities to transition to renewable certificated for grid electricity where available in their energy market.
- All office facilities to transition to certified sustainable electricity where available in their energy market and Dechra has direct control over purchasing energy.

Renewable Energy Sources:

- Dechra will explore opportunities to further integrate renewable energy sources into our operations. Including investing in solar panels, wind turbines, or other renewable energy technologies to reduce our reliance on grid energy and fossil fuels.

Supply Chain Collaboration

- Dechra will work closely with our suppliers and partners to identify opportunities for emissions reductions throughout our supply chain. This may involve collaborating on transportation optimisation, product design improvements, and other initiatives to lower the carbon footprint of our products.

Investment in Energy-Efficient Technologies

- Dechra will continue to invest in state-of-the-art equipment and technologies to improve energy efficiency in our manufacturing processes and facilities.
- Upgrading to energy-efficient machinery, implementing advanced monitoring and control systems, and optimizing our building designs for energy conservation.

Natural Gas Usage

- Reduction of Natural Gas is an important part of our decarbonization pathway to reach our SBT commitment a target of a 50% Reduction in Natural Gas by 2030 (tCO₂e/ kWh) has been set against the reported 2021 base line

Transparency and Reporting

- Dechra is committed to transparency and accountability in our energy management efforts.
- We will regularly monitor and report on our energy usage, renewable energy production, efficiency, and greenhouse gas emissions through our annual sustainability reports and other communication channels.

- Dechra will adhere to the GHG protocol related to reporting of its carbon emissions footprint and where renewable energy certificates are used disclosing evidence of source and continuously improving transparency
- Additionally, we will engage with stakeholders, including customers and regulatory authorities, to ensure transparency and promote dialogue on energy-related issues.

6. CONCLUSION

Dechra recognises the importance of managing energy usage efficiently to mitigate climate change, reduce environmental impact, drive sustainable growth and business resilience. We are committed to continuous improvement in energy efficiency, emissions reduction, and renewable energy adoption across our operations. Through collaboration, innovation, and stakeholder engagement, we aim to lead by example and inspire positive change within our industry. For more information on Dechra's Energy usage integrated climate strategy and decarbonization initiative with further sustainability commitments, please refer to our sustainability and annual financial reports [and communications].