

# Section 172 Statement Stakeholder Engagement

The Board is responsible under section 172 of the Companies Act 2006 for promoting the long term success of the Company for the benefit of its shareholders, and acknowledges that its decisions have a long term impact on other stakeholders, the environment and the Company's reputation for high standards of business conduct.

The Board appreciates that wider engagement with stakeholders is an important component of long term sustainability and success and believes that by engaging with all important stakeholders, the business is made stronger and more resilient.

The Board has identified six key internal and external stakeholder groups that they believe are important to engage with regularly to continue to make Dechra successful: employees; veterinary

professionals; suppliers, communities; shareholders and regulatory authorities.

The table below and the stakeholder sections on pages 54 to 63 detail how the Group engages with the its key stakeholders, and why the key stakeholders are important. Further details on how the Board engages with key stakeholders and how they influence decisions can be found on pages 96 to 98.

<b>1 Employees</b> 	<b>2 Veterinary Professionals</b> 	<b>3 Suppliers</b> 
<p><b>Objective</b> To make Dechra a great and safe place to work by attracting, retaining and developing talent</p> <p><b>Material Issue</b></p> <ul style="list-style-type: none"> <li>• Development opportunities</li> <li>• Making a difference</li> <li>• Agile and friendly place to work</li> <li>• Living Wage/Fair pay</li> </ul> <p><b>How We Engage</b></p> <ul style="list-style-type: none"> <li>• Group intranet site</li> <li>• Regular site visits by Senior Management</li> <li>• Engagement surveys</li> <li>• Employee meetings with the Employee Engagement Designated Non-Executive Director, Lisa Bright</li> <li>• Employee development and training</li> </ul> <p><b>Performance</b></p> <ul style="list-style-type: none"> <li>• Living Wage employer or local equivalent since 2021</li> <li>• 16,611 Delta courses completed</li> <li>• 77% Trust Index (Engagement Survey)</li> <li>• Seven meetings with the Employee Engagement Designated Non-Executive Director</li> </ul> <p><b>Where to Read More</b></p> <ul style="list-style-type: none"> <li>• Stakeholder Engagement: Employees</li> <li>• People Enabler</li> <li>• Governance Report</li> <li>• Sustainability Report</li> </ul>	<p><b>Objective</b> To improve animal welfare</p> <p><b>Material Issue</b></p> <ul style="list-style-type: none"> <li>• Innovative and effective products</li> <li>• Information on correct use of products</li> <li>• Educational opportunities</li> </ul> <p><b>How We Engage</b></p> <ul style="list-style-type: none"> <li>• Educational and training programmes</li> <li>• Technical support via helplines and product information</li> <li>• PhD veterinary student funding</li> </ul> <p><b>Performance</b></p> <ul style="list-style-type: none"> <li>• 130,290 CPD hours</li> <li>• 14,499 Technical support enquiries</li> <li>• 2,962 Lunch and learn events</li> </ul> <p><b>Where to Read More</b></p> <ul style="list-style-type: none"> <li>• Stakeholder Engagement: Veterinary Professionals</li> <li>• Sustainability Report</li> <li>• Governance Report</li> </ul>	<p><b>Objective</b> To trade with honesty and integrity, and to source quality raw materials, finished products and services</p> <p><b>Material Issue</b></p> <ul style="list-style-type: none"> <li>• Fair payment terms</li> <li>• Long term relationships</li> </ul> <p><b>How We Engage</b></p> <ul style="list-style-type: none"> <li>• Quality audits</li> <li>• Due diligence</li> <li>• ABC training</li> <li>• Third Party Code of Conduct</li> </ul> <p><b>Performance</b></p> <ul style="list-style-type: none"> <li>• 11 Quality/CMO audits completed</li> <li>• 85 ABC training courses provided</li> </ul> <p><b>Where to Read More</b></p> <ul style="list-style-type: none"> <li>• Stakeholder Engagement: Suppliers</li> </ul>



**4 Communities** 

**Objective**  
To give back to the communities in which we operate

- Material Issue**
- Prosperity within our communities
  - Community projects and initiatives

- How We Engage**
- Community activities
  - Group donations
  - Product and local donations
  - Development and education of young people

- Performance**
- 4,390 Community hours
  - £314,163 Donations
  - £31,965 Product donations

- Where to Read More**
- Stakeholder Engagement: Communities
  - Governance Report
  - Sustainability Report

**5 Shareholders** 

**Objective**  
To instil trust and confidence and allow informed investment decisions to be made

- Material Issue**
- Financial performance
  - Delivery of strategy
  - Environmental, Social and Governance performance

- How We Engage**
- Annual Report and RNS announcements
  - Annual General Meeting
  - Investor presentations
  - Corporate website
  - One-on-one meetings

- Performance**
- 9.2% growth in underlying EBITDA to £190.5 million
  - 10.8% growth in total dividend to 44.89 pence
  - Publication of inaugural standalone Sustainability Report

- Where to Read More**
- Stakeholder Engagement: Shareholders
  - Strategy
  - Governance Report

**6 Regulatory Authorities** 

**Objective**  
To meet high standards of product safety and efficacy

- Material Issue**
- Safety
  - Efficacy
  - Responsible marketing of regulated pharmaceuticals

- How We Engage**
- Regulatory training for employees
  - Manufacturing facility inspections
  - Market authorisation applications
  - Product Safety Update Reports

- Performance**
- 95 Product registrations
  - Three manufacturing facility inspections

- Where to Read More**
- Stakeholder Engagement: Regulatory Affairs
  - Product Development

# Section 172 Statement Stakeholder Engagement



## 1 Employees



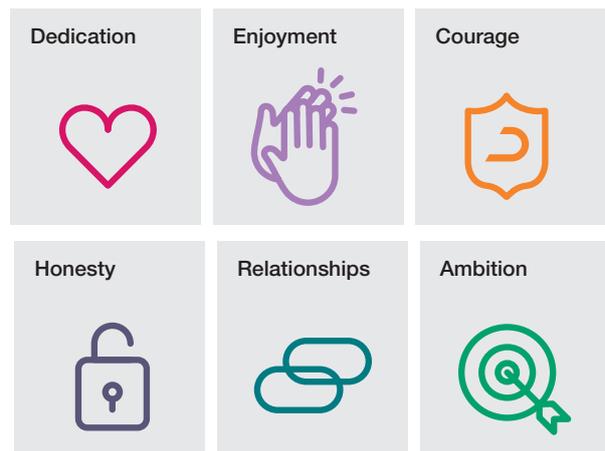
We employ 2,163 employees in 25 countries in a wide range of working environments including manufacturing, logistics, laboratories, offices and mobile working. At Dechra, we acknowledge that our people are our greatest asset and know that an inclusive culture is beneficial for our business performance. 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;
- **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;
- **Fair Employment Practices:** complying with national legal requirements regarding wages and working hours; and
- **Safe Working Practices:** reinforcing a strong culture of health and safety, within a zero harm environment.

### 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.



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](http://www.dechra.com). During the financial year, our training programme was also translated into eight languages and rolled out to all employees. The training programme is mandatory for all employees to complete on an annual basis.

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. In addition to our existing four internal reporting channels, we have launched a third party confidential hotline, which went live globally in April 2022, and is available to both employees and Dechra's third parties. Reports can be submitted through an online portal, which is available in 46 languages, or via a hotline, which is available twenty-four hours a day and is supported in 170 languages. All reports are treated with utmost confidentiality by independent staff, who will summarise the content of the call or online report and pass it to the Company Secretary, Group HR Director and Head of Internal Audit and Risk Assurance for investigation.

Every effort is made to protect confidentiality to encourage reporting. We fully investigate reports and take appropriate actions to address these issues. 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 once a year.

## Talent Management and Engagement

### Talent Management

Dechra is committed to enhancing the skills of our workforce, planning for a successful future and creating a sustainable talent pipeline.

### Delta

Delta is our dedicated internal digital learning platform for Dechra employees across the world. As well as launching brand new modules around Dechra's Code of Conduct, Information Security and Health, Safety and Wellbeing, the Digital Learning team has also consolidated the onboarding process for new employees joining the business and launched a mandatory course calendar. The team has been working closely with our Global Quality Assurance teams to streamline the rollout of Standard Operating Procedure (SOP) and Guidance Note training. Next year, the team also plans to update the design and user experience of Delta to make it easier for employees to navigate the system and find courses most relevant to them.

This is only one element of training that we provide, and during the 2022 financial year we have introduced a system whereby all employees can log their training with the view to self-certification at the end of the 2023 financial year. Our employees have logged a total of 36,676 hours in the 2022 financial year, which equates to 17 hours per employee. In addition, we provide other forms of training to our employees, placement students and graduates.

### Leadership Programme

We have been running our Leadership programme since 2020. The programme is run virtually and a total of 50 people across the North American, PDRA, International and Corporate teams have taken part. The development programme's strategic intent is:

- to develop future 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 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. The programme commences with psychometric and cognitive assessments of the team, and has been followed by online team business simulations, team and peer coaching and virtual content.

Following a refinement of our talent planning process, in the 2022 financial year 24 people were selected to attend the first Future Facing Leaders programme. This programme focuses on three core elements: leading self; leading others; and the wider leading enterprise elements across a two year learning pathway.



Refer to People Case Study – Future Facing Leaders on page 34

## 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 hope that the experiences of working with Dechra will support them in their future careers. We currently have 24 interns in Europe, two in the USA, one in Australia and ten in Brazil. For further information on our internships and partnerships with universities please refer to our Sustainability Report on [www.dechra.com](http://www.dechra.com).

## 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), intranets, and 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. Our intranet, OneDechra, includes two way communication encouraging comments, sharing and community participation.

We conducted our second Employee Engagement Survey in April 2021 using the Great Place to Work (GPTW) survey. We had 1,720 respondents to the 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%) (further information can be found in the 2021 Annual Report). Across the Company, employee perceptions improved on all 75 survey statements. Perceptions improved most of all about Reward, with high levels of improvement also seen in Leadership Effectiveness, Innovation, and Values with double digit improvement.

Since the survey took place we have spent time communicating the results to our employees. Initially, we produced a short video with the overall highlights of the survey, and this was followed by feedback of the results at a business unit, department, site or country level through key meetings with employees or team briefings.

# Section 172 Statement Stakeholder Engagement

## Employees continued

Action planning took place with employee groups across the Group where employees had the opportunity to identify areas that they wanted to address as a result of the survey and we built a database of plans, predominantly led by the employee groups. A huge variety of approaches has been taken depending on the size of the teams and the types of development areas identified.

As a Group, there are two key areas of focus for us for the year ahead: communication and wellness. Our focus on wellbeing has been strengthened by our launch of THRIVE which covers four key aspects of wellbeing for a holistic approach. These being social, emotional, physical and financial. These reflect local requirements and a global approach where suitable. Further information on THRIVE can be found on page 58.

Communication continues to be an area of focus and during the second half of the year we had the benefit of being able to reconnect with much of Dechra as travel reopened. This enabled greater understanding and strengthening of relationships across divisions and geographies. We have also strengthened our communication teams across various divisions to support flexibility in how we provide access to all our employees to information and communication using online, face to face and more formal employee representation bodies such as our works councils.

Our next GPTW survey will run in March 2023 and we look forward to gaining further feedback to continue our employee experience.

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 and in person coffee mornings. Further information on this can be found on page 101.

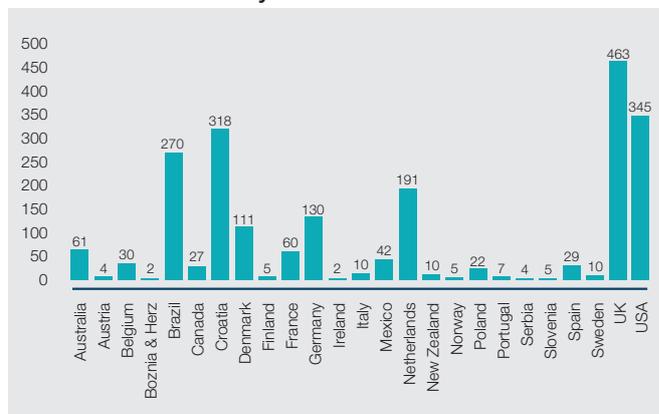
### Diversity and Inclusion

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. The Group does not tolerate bullying or harassment.

84% of our employees responded positively to the statement regarding diversity in the workplace in our most recent employee 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 Governance Report on page 112. The gender diversity statistics required to be disclosed under the Companies Act can be found on page 113 of the Governance Report.

Headcount Per Country



### 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, Dechra Limited, is required to report under Gender Pay Gap regulations, and we are pleased to report that our gender pay median gap has reduced from 17.7% in 2017 to 2.8% in 2021. However, the latest decrease relates largely to the payment of COVID-19 bonuses to all site-based staff at the Skipton site during the pandemic and the gap will rise again next year as this is unlikely to remain applicable on an ongoing basis. 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 representation remains at almost 50/50, largely reflective of the UK population. At Dechra we pride ourselves on our fair and honest recruitment process; however, we acknowledge that we need to do more to support our females into technical and senior positions. Over the last 12 months in particular, we have focused efforts around our talent attraction and development and organisational design.

Since 1 January 2021, our lowest paid workers globally have been paid the Living Wage or where there is no equivalent we have either used the OECD formulation, or paid at least twice the local/federal minimum wage. Furthermore, we have increased our employer pension contribution from 6% to 8% with effect from July 2022 in the UK.

### Dignity at Work

Our Dignity at Work Policy has been rolled out globally during the financial year, and it is 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.

In the UK we provide online training to a wider audience using an externally hosted online training portal where licensed Dechra managers can deliver professionally developed training programmes using virtual classrooms. In addition, a Diversity and Inclusion module, which also covers unconscious bias, is one of three core modules that has been included initially in all Leadership and Management development programmes, and will later be rolled out more widely across our employee base.

## 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. Our Group Health, Safety and Wellbeing Committee (HSW 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 monitor 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 Strategies and Policies related to Health, Safety and Wellbeing. During the 2022 financial year, we launched our Group Health and Safety Policy which was supported with a video from Paul Sandland on the importance of health and safety. This was translated into ten languages. The extended Policy applies to all employees, contractors and visitors to Dechra premises globally, as well as field-based and home based employees. The HSW Committee has also reviewed and approved the Corporate Health and Safety and Wellbeing Induction for all new starters, the High Level Risk Assessment for the business to guide priorities for risk management and the Drive Responsibly Campaign.

### Safety Alerts

The HSW Committee has a duty to regularly review 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. The number of safety alerts reduced to ten this year (2021:23).

### Assure

Our online Health and Safety reporting system, Dechra Assure, is available to all employees and opens up the ways in which our employees can engage in our safety programme, including employees working hybrid patterns and our mobile employees.

We encourage employees to remain vigilant at all times and empower them to take action to resolve unsafe situations. By reporting accidents, near misses and hazards we are constantly monitoring the risks across our business and can take appropriate actions to make workplaces and working practices safer. Hazards are unsafe conditions which if left could cause an accident and spotting and resolving hazards is an important part of a successful safety programme. In addition to monitoring the total number of hazards raised across each site, we also set a target for each person to report hazards, demonstrating their personal commitment to safety. This year our Manufacturing sites increased the number of hazards raised by 37%, this is equivalent to 2.3 hazards raised for each employee, with 71% of all Manufacturing employees involved in actively raising a hazard report in the year. Through our communication campaigns, employees have also developed a greater awareness of potential risks. The number of near miss reports which have been raised, where accidents could have happened if circumstances were slightly different, have increased from 38 to 57.

### 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. HSE Standards have been developed initially for

High Risk activities, most of which reside in Manufacturing. These standards are developed by subject matter experts working together with the site representatives and set out our expected standards for HSE compliance. Each Group Standard has an accompanying self-assessment compliance checklist and each location conducts an internal gap analysis to establish an action plan to achieve full compliance with each internal standard. 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. In addition, the Group HSE team has visited the manufacturing facilities in Zagreb, Fort Worth and Melbourne during the 2022 financial year.

### Life Saving Rules

Human behaviour is a factor in over 85% of all accidents; therefore to reach our Zero Harm goal this year we have been focusing on safe behaviours. From our high level risk assessments for our organisation, we recognised that there are some risks associated with safety critical tasks where incidents could occur with a low frequency but very high severity. We have safe systems of work for these tasks; however we have launched our Life Saving Rules to reinforce positively safe behaviours and allow people to recognise the unsafe behaviours which could lead to injury.

We have identified seven Life Saving Rules which apply to both Manufacturing & Logistics and Road Safety. Clear Life Saving Rules, and consistent enforcement of our non-negotiable behavioural standards, aim to reduce the risk of a fatality and/or severe injury significantly.

### Behavioural Safety

Strong safety leadership is the most impactful way to influence safety on a daily basis. The behaviours demonstrated by our leaders, their attitudes to safety and the conversations they have in relation to safety have the most powerful influence on the safety culture of our organisation.

In the 2022 financial year, we therefore launched our B-Safe training for leaders across our manufacturing sites. B-Safe is our new behavioural safety programme which teaches our manufacturing leaders to hold positive conversations about safety, focusing on safe behaviours, including our Life Saving Rules.



Further information can be found in our Sustainability Report

### Lost Time Accidents (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 51). 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 increased from 0.09 to 0.17. The number of incidents has increased from three to six. All incidents occurred in our manufacturing facilities. There were no fatalities (employees or contractors). Two of the manufacturing facilities, Bladel and Melbourne, have now had over 48 months without an LTA and one of the manufacturing facilities, Zagreb, has had over 36 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

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## Employees continued

the full range of normal working activities (not including the day of the accident). Using this new and more rigorous reporting standard we have experienced 12 LTAs resulting in an AFR of 0.34 compared to 0.31 last year (11 accidents). Seven of the accidents occurred at our manufacturing sites in Australia and Brazil, who joined the Manufacturing Safety programme in 2020 and have a developing safety culture. Eight of these accidents were influenced by unsafe behaviours and this will be addressed throughout the coming year through the delivery of our B-Safe programme for leaders.

Any material health and safety issues or incidents that occur are discussed in detail by our HSW 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 Board meeting by the Group HSE Director for discussion and review by the Directors.

### THRIVE



THRIVE aims to provide a global programme for Dechra employees which supports positive physical, emotional, social and financial wellbeing, enabling employees to THRIVE at work by increasing employee energy, creativity and collaboration to drive personal and business success. In the 2022 financial year we have evolved THRIVE to provide meaningful support to all employees globally.

Building on the firm foundations of effective HR policies and safe working practices, THRIVE aims to provide information and opportunities for employees to empower them to take ownership of their own wellbeing, making use of the resources provided on our OneDechra platform.

Our THRIVE strategy has four pillars of Physical, Emotional, Social and Financial:

Pillar	Purpose
 <b>Physical</b>	Providing education, information and support for employees to make healthy lifestyle choices and remain fit and healthy.
 <b>Emotional</b>	Building resilience in our employees and supporting them in good times and bad.
 <b>Social</b>	Encouraging good connections between colleagues and with the communities in which we operate.
 <b>Financial</b>	Supporting long term stability and achievement of life goals.

Our strategy recognises that achieving overall wellbeing is a shared responsibility where both Dechra and employees must work together. As an employer, 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.

During the 2022 financial year, highlights of progress made against each pillar include:

**Emotional Wellbeing:** Dechra has offered subscriptions to all employees globally to an online platform, which provides sessions of guided meditation and promotes mindfulness. This was launched in October 2021, and is now regularly used by over a quarter of all Dechra employees. Our employees are encouraged to use the platform on a private and voluntary basis at any time they choose. We have also provided live global webinars to promote the benefits of meditation and mindfulness in a more communal way.

**Physical Wellbeing:** Menopause is not just an issue for women; it is a critical business issue. At Dechra we recognised that, if left unsupported, some women could actually leave the workforce, resulting in a loss of valuable experience for our business. In the UK we hosted a live webinar, delivered by a medical practitioner and this was attended by an audience of over 50 employees; both male and female employees were encouraged to attend. The webinar was very positively received and following the session we have developed a short guide available to all employees and Line Managers stating simple adaptations which are available to support women during this life stage.

**Social Wellbeing:** The return to the workplace following the pandemic has occurred at different times across our regions. We believe strongly in supporting social interactions but we also recognise the benefits of hybrid working and how this can help to create a good work-life balance. We have established our principles for hybrid working and developed training for all employees who continue to work from their home either full or part time, including health, safety and wellbeing content. Many of our locations have organised events to welcome employees back to the workplace and re-establish face to face contact and promote use of our safe office spaces. These events have been organised locally and have been very diverse, including yoga, BBQs, quizzes, and lunches.

**Financial Wellbeing:** Financial wellbeing supports all other aspects of our life as it provides stability. We are committed to providing our employees with resources and access to information that enables them to understand their finances better, take action and plan their future. In addition to being a Living Wage employer across the globe, we have launched a third party financial education platform as a free resource for all employees, initially in the UK, to provide financial information and coaching. Over 48% of UK employees have signed up to the service and we will be looking to extend similar support to other countries where this is available.

## 2 Veterinary Professionals



Our relationship with veterinarians is key to our business and therefore we provide 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.

We are committed to the following focus areas:

- The development and promotion of products to improve animal health and welfare.
- To provide high levels of technical support and pharmacovigilance.
- To maintain and improve the knowledge and skills of veterinarians who prescribe and use our products.

### Our Products

Our products are all targeted at providing veterinary professionals with solutions for their customer needs. We have developed a strong position in providing specialist and clinically necessary novel companion animal 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 Food producing Animal Products are positioned to match current best practice prescribing habits and to meet the growing awareness of the need for better animal welfare standards. 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.

 For further information on our Product Development please refer to pages 35 to 39

### 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. 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.

 For further information on promotional compliance and payments to animal health professionals, please refer to the Sustainability section of [www.dechra.com](http://www.dechra.com)

### 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 diseases, the provision of 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 the last financial year, our UK and US teams handled a total of 14,499 technical customer enquiries, many of which related to endocrinology. In addition, these larger markets also have field-based veterinarians providing technical support and carrying out 'lunch and learn' events; 2,962 of which were held in the 2022 financial year.

 For information on Pharmacovigilance please refer to page 63

### Education

We deliver education through many channels, including conferences and our online digital e-learning environment, the Dechra Academy, helps veterinary professionals across the globe to upskill and keep up-to-date with the latest thinking through completely free, modern learning experiences. With over ten years of experience of educating veterinary professionals, we are passionate and proud to provide reputable learning resources which help veterinary professionals continuously evolve their knowledge.

We differentiate ourselves from our competitors by focusing on challenging and interactive educational experiences. Each Dechra market has its own tailored Academy with courses that are relevant to their veterinary professionals. Where possible our educational resources are accredited by local professional/regulatory bodies. The Academy now has a total of 730 courses available across 24 markets and 43,883 learners from across the world have enrolled. In addition to 23,039 CPD hours provided directly via the Academy, we also held a large number of in-person events and presentations covering the full range of species and therapeutic areas this year. In total, these educational events delivered a further 107,251 hours of CPD hours globally.

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## 3 Suppliers



### Acting with Integrity and Honesty

We are committed to acting responsibly and with integrity. We comply with all applicable laws and regulations and respect the traditions and cultures of the countries in which we operate.

The Code of Conduct, Third Party Code of Conduct, ABC Policy, Sanctions Policy, the How to Raise a Concern Procedure, Human Rights and Modern Slavery Statements are all reviewed annually by the Board.

### Honesty and Integrity

We are committed to acting responsibly and with integrity, which 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. This 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 supported by the mandatory Code of Conduct training, sets out the standards of behaviour that we expect of them and others, including third parties. Our employees are encouraged to report behaviours that are contrary to our Code of Conduct via our How to Raise a Concern Procedure which provides five reporting channels. Further details of which can be found on page 55.

### Anti-Bribery and Anti-Corruption (ABC)

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 an area of 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 an ongoing 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.

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 the Group Legal team 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.

Previously every employee and sales agent engaged by Dechra was required to complete our e-learning ABC course on an annual basis. This year we have analysed the global list of course recipients and agreed to remove employees engaged in operational roles such as packing line operatives, cleaners and canteen staff from the course circulation list. The rationale for this decision is that those individuals are engaged in low risk roles and do not interact with third parties, and therefore the ABC risk is low. The content of the ABC course has been reviewed during the year and the updated course was rolled out in May 2022. We have also delivered some refresher training to business leaders in Mexico, together with further guidance on Dechra's hosting of CPD and/or sponsorship events.

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. If a third party does not have in place its own ABC policies and procedures, we provide them with access to our training course in order to educate them on the legislative landscape. We have also extended access to the external hotline to our third parties so that they can report any concerns in relation to adherence to our Third Party Code of Conduct.

### Human Rights and Modern Slavery

Dechra is committed to upholding and respecting human rights both in our business and from our suppliers. During the year, the Board reviewed the Human Rights Policy, a copy of which can be found on our website. Our Human Rights Policy 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.

Our Modern Slavery Statement can be found at [www.dechra.com](http://www.dechra.com). During the year we have undertaken a risk assessment of CMOs, API suppliers and excipient suppliers by initially reviewing the list of third parties against the US Department of Labor's 2020 List of goods produced by child labour or forced labour. Any third party identified as being located in a high risk country or in a high risk industry was screened via a third party screening software, and no issues were identified.

# 4 Communities



We believe that it is important to give back to the communities in which we live and operate. Our community ethos is aligned with our business Purpose and Values, in particular, our Relationships and Enjoyment Values. Our Community pillar focuses on:

- Community Activities
- Community Donations

## Community Activities

We encourage our employees to engage in community activities, in particular, in the fields of animal welfare, human service and environmental stewardship. We committed, in the 2019 financial year, to give every employee one day in the community, and we were able to provide 935 hours in the 2020 financial year before all activities were halted due to the COVID-19 pandemic. In the 2021 financial year, we were able to recommence activities in only a small number of locations so it is pleasing this year that we have been able to dedicate a total of 4,390 community hours across our global operations, which equates to 2.2 hours per employee using the base figure of employees (1,975).

Our Brazilian team organised nine events, which included planting 40 seedlings, and assisting with leisure and care activities for 186 children and 83 senior people in the local community, while the Polish team spent their volunteer day on the Polish-Ukrainian border helping displaced families. Further details of our activities can be found in our Sustainability Report.

Dechra explored a partnership with Not One More Vet (NOMV), a US based charitable organisation whose mission is to transform the status of mental wellbeing within the profession so veterinary professionals can survive and thrive through education, resources, and support. Dechra has plans in place, in partnership with NOMV, to raise awareness of this topic and the resources that are available to veterinary professionals. In 2022, Dechra sponsored the Student Support and Mentorship programme, a new initiative by NOMV aimed at providing a support system for veterinary and veterinary technical students. Dechra has also encouraged its employees globally to participate in NOMV's annual fundraiser Race Around the World to help raise funds and raise awareness. In 2019 a small team of veterinarians and veterinary technicians participated in the race, and by 2020 over 60 employees in the US participated. We are excited to encourage global participation in their 2022 race, furthering our support of an organisation that supports the wellbeing of our customers.

## Community Donations

We have operated a Group Donations scheme for 12 years, but 2022 was the first year we have operated a decentralised global process, after a successful trial in 2021 in the USA. A budget of £300,000 was allocated across the countries based on the number of employees employed at 30 June 2021. Each country established a regional giving committee which consisted of volunteer employees who have agreed to be members of their respective committee for two years. Half of the regional giving committees decided to reallocate a portion of their funds this year to Poland to support local Ukrainian relief efforts that were already underway.

In addition to the Group Donations scheme, each business unit has the discretion to allocate funds and/or products to local community, environmental and/or animal welfare charities.

### Donations by Cash and Product



Included in the products donated were 10 tonnes of SPECIFIC dog and cat food to support Ukrainian refugees, many of whom are coming across the Polish border with their pets.

[Further details of our Community Donations can be found in our Sustainability Report](#)

# Section 172 Statement Stakeholder Engagement

## 5 Shareholders

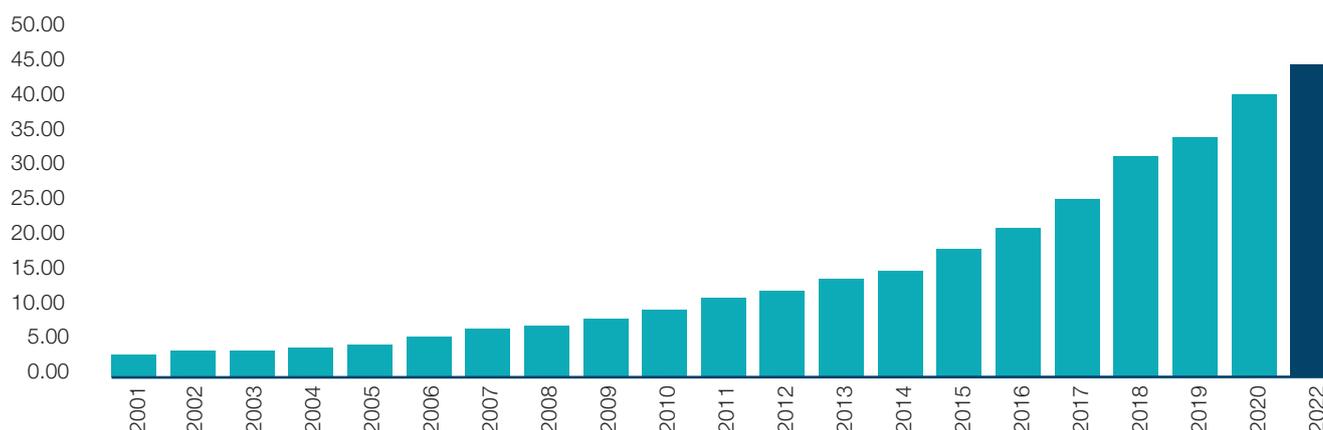


**22**  
years of dividend  
per share  
growth

**44.89p**  
total dividend  
per share  
in 2022

### Dividend Growth

#### Pence



We have consistently delivered on our strategic objective resulting in a strong record of growth.

Relationships with shareholders receive high priority and a rolling programme of meetings between institutional shareholders and the Chief Executive Officer and Chief Financial Officer has been running throughout the year (a summary of the main events is shown opposite). These meetings seek to foster a mutual understanding of both the Company's and shareholders' objectives. Such meetings are conducted in a format to protect price sensitive information that has not already been made generally available to all the Company's shareholders.

<b>Investor Meetings</b>	40 individual meetings during the year	Chief Executive Officer and Chief Financial Officer
<b>Investor Roadshow</b>	September 2021 and February 2022	Chief Executive Officer and Chief Financial Officer
<b>Investor Conference</b>	November 2021	Chief Financial Officer
<b>Remuneration Consultation</b>	July 2021	Remuneration Committee Chair, Company Secretary and Group HR Director

Further details on how the Board engages with shareholders can be found in the Governance report on page 96

## 6 Regulatory Authorities



It is vital to our business that our products meet the appropriate standards for quality and safety. This ensures safety for our customers, animals, the environment and the food chain.

We engage with our Regulators through formal channels and through more informal connections. At the initiation of a new product development programme, communication is key to opening a two way dialogue with the Regulators to build a productive partnership to bring innovation to the market. Communication is then maintained through update meetings and exchanges of information throughout the development of the product and the scientific review of the marketing authorisation application.

Our manufacturing sites are regularly inspected by authorities as required under Good Manufacturing Practice (GMP), and our distribution centres under Good Distribution Practice (GDP). This is a collaborative process whereby our teams and inspectors identify, and implement best practices to ensure product quality and robust supply.

Work with Regulatory Agencies continues throughout the life of all products, as we provide updates to manufacturing processes, availability, and changes to the registrations. Dechra is required to provide full adverse event reports for all of our products through periodic safety update reports (PSURs) and deviation reports (DERs). We have developed signal detection processes which analyse trends in adverse events to identify emerging issues early so that we can inform our Regulators and take appropriate action pro-actively.

We participate in Industry Associations and Agency led consultations providing scientific and technical input into drafting of new legislation and guidance documents, helping to shape the regulatory landscape that we operate in. Good examples would be a recent review of antimicrobials proposed to be reserved for human use, and the recent survey of plastic use in veterinary products.

Several of our regulatory staff have worked in key Regulatory Agencies prior to joining Dechra, this enables our relationships to be both personal and professional, and helps support a collaborative relationship. This high level of trust and esteem in which Dechra's regulatory and product development teams are held enables Dechra to successfully launch new products, to maintain our existing portfolio and where necessary, to challenge constructively the decisions of our Regulatory Agencies when it is appropriate to do so.

### Pharmacovigilance

All employees receive pharmacovigilance (PV) training within one month of joining Dechra. This is then verified by the pharmacovigilance e-learning module on Delta or in person training. All employees undertake an annual pharmacovigilance refresher training. The pharmacovigilance training outlines the procedure that should be followed by all Dechra personnel if they become aware of a product complaint or defect.

Any time that Dechra receives a report of an adverse event occurring after the administration of one of its products, it is our obligation to review the case to determine whether our product may have caused or contributed to the adverse event. The PV team actively monitors adverse events to determine if any trends can be identified which may indicate an underlying issue (signal detection). All suspect adverse reactions are reported to the appropriate regulatory authorities who also perform data analysis across groups of products with similar ingredients and indications to look for signals that require further investigation. As Dechra continues to grow, we are moving more local PV work into our central PV group so that we can have clear consolidated oversight of our products at a global level, which further enhances our signal detection capability.

### Regulatory Agencies

**AVMPA:** Australian Pesticides and Veterinary Medicines Authority (Australia)

**EMA:** European Medicines Agency

**FDA:** Food and Drug Administration (USA)

**MAPPA:** Multi-Agency Public Protection Arrangements (Brazil)

**VDD:** Veterinary Drugs Directorate (Canada)

**VMD:** Veterinary Medicines Directorate (UK)