



Dechra Gender Pay Gap Report 2022

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 1.3% in 2022, 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 304 employees (172 males and 132 females) who were employed within Dechra Limited on the snapshot date of 05 April 2022.

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 2022 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	1.3%
Mean (<i>average</i>) Gender Pay Gap; Dechra Limited	10.3%
UK's National Gender Pay Gap*	14.9%

*Source: ONS, 2022

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).

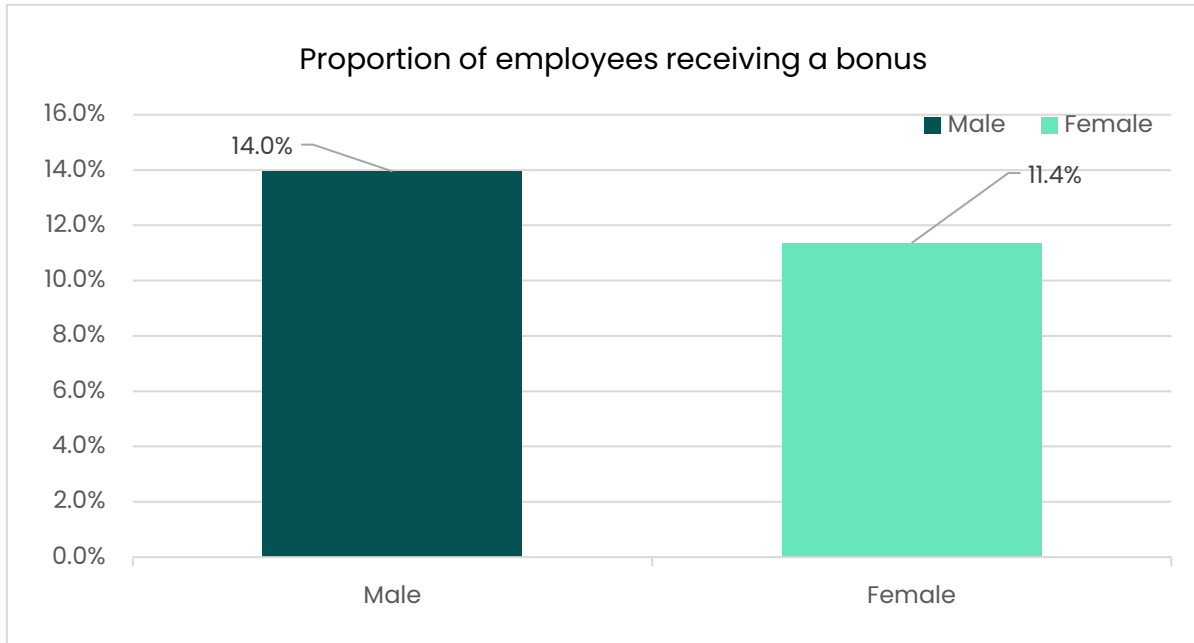
The median gender pay gap within Dechra Limited was 1.3%. This is significantly below the UK national average of 14.9%*, as is our mean gender pay gap figure at 10.3%, and we have witnessed a major improvement on our median gender pay gap from 2017 which stood at 17.7%.

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 2022

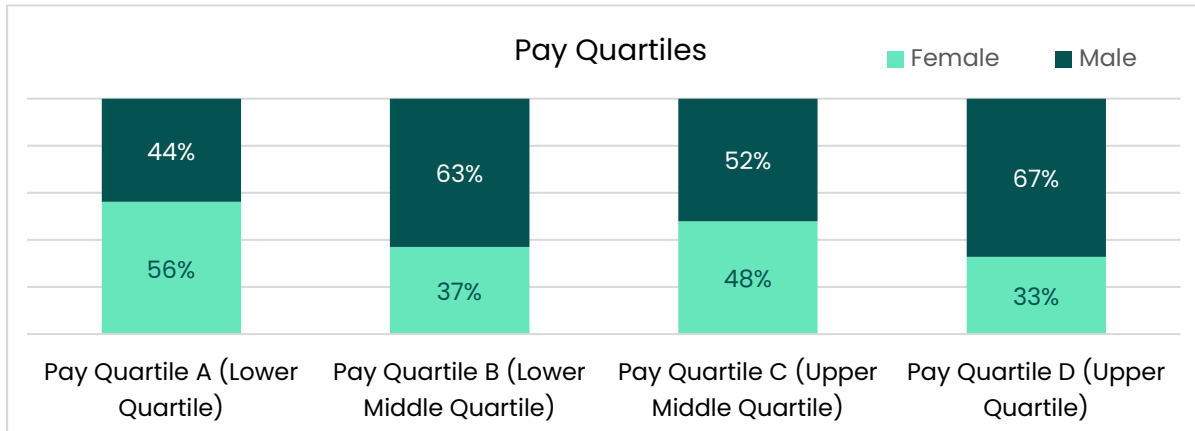


Median (<i>middle</i>) Bonus Pay Gap; Dechra Limited	-23.5%
Mean (<i>average</i>) Bonus Pay Gap; Dechra Limited	-99.3%

The figures above show the bonus pay gap for bonuses paid to employees within Dechra Limited, between 06 April 2021 and 05 April 2022, 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 bonuses paid at a lower amount compared to the higher amount (the latter of which is paid to the employees who hold senior management roles within Group Manufacturing and Supply). This therefore increases the mean average.

In past years, a higher proportion of male employees have occupied our global Group Manufacturing and Supply roles and these roles have a higher bonus opportunity in percentage terms. We are committed to doing more to support and encourage women into our senior Manufacturing and Supply roles and have made steps to do so in the year since 2021.

Pay quartiles



The graph above show the gender distribution across Dechra Limited in four equally sized hourly pay quartiles. For example, within the lower quartile 56% (-6% compared with 2021) of employees are women and 44% (+6% compared with 2021) are male.

Overall, there is an almost equal proportion of men and women within Dechra Limited, with 43% of the Dechra Limited population being women, though this percentage is lower than in previous years. 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 an increase in the number of women, when compared with 2021, in the Lower Middle Quartile (+2%), whilst the percentage split between men and women within Upper Middle Quartile have remained the same as 2021. We have seen quite a significant decrease in the number of women within the Upper Quartile (-7%) when compared with 2021. We remain focussed in our efforts to attract women into the upper quartiles of the pay distributions and in the last 18 months have witnessed significant growth within our Manufacturing and Supply organisation, which has provided opportunities to review our talent pools, both internally and externally.

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 talent attraction and development and organisational design.

Our year in review

Our action: Recruitment & Succession

Our progress:

A clear, consistent and transparent recruitment process is embedded, with a focus on competency and values assessments aligned to the business, to continue to hire business advocates who role model our values and behaviours.

A focus on ongoing coaching conversations, rather than more formal performance management, has encouraged individuals to focus on building their skills to be more effective.

The development of skills matrices in production environments has encouraged more internal progression. We have seen increased internal applications due to transparency of the requirements at each level and therefore more confidence in capability and potential.

Our action: Benchmarking & Reward

Our progress:

We continue to maintain our Real Living Wage accreditation and in addition review our benefits such as family leave to ensure our proposition is relevant and competitive. We have increased our pension offering above the auto-enrolment requirements to continue to support our employees across all stages of their life for all our employees.

We have also promoted our option to purchase additional annual leave to provide employees with more time away from work for their out of work commitments.

Our action: Works council

Our progress:

We continue to engage with our employees through direct communication, routine engagement surveys and the Works Council. As in previous years, communication with our front-line workforce is a challenge, with various methods being tried to resolve this. We have had some success where our representatives are more embedded, and this is a trusted route for feedback.

The Works Council continues to be a valued resource for the business to ensure the employee voice is heard, both with connections to Lisa Bright, Non-Executive Director through to the Board and routinely at sites.

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