



MODERN SLAVERY STATEMENT

December 2022

INTRODUCTION

This statement is made in accordance with the Modern Slavery Act 2015 (the **Act**). The statement sets out the action taken by Dechra Pharmaceuticals PLC and its subsidiaries (**Dechra**) to understand and mitigate potential modern slavery risks related to its business and to put into place steps that are aimed at ensuring there is no slavery or human trafficking in Dechra or its supply chain.

OUR BUSINESS

Dechra is a global specialist veterinary pharmaceuticals and related products business. Our purpose is the sustainable improvement of animal health and welfare globally. Our expertise is in the development, manufacture, marketing and sales of high quality veterinary pharmaceutical products for use by veterinarians worldwide. We currently have sales and marketing organisations in 26 countries and market our products in 62 other countries worldwide through distributors or marketing partners. Approximately 40% of Dechra's pharmaceuticals are produced within our own manufacturing sites with the remaining 60% managed through external supply relationships.

Dechra is listed on the London Stock Exchange and more information on our business and products is available at www.dechra.com.

Ethical behaviour is central to the way we operate and to the success of Dechra. Our Values (Dedication, Enjoyment, Courage, Honesty, Relationships and Ambition) encapsulate Dechra's business ethics and set standards that all employees should strive to achieve. We are committed to sourcing products from suppliers who share these ethical values.

OUR EMPLOYEES

As an employer we are:

- committed to providing a fair salary and good conditions of employment;
- committed to providing a healthy, safe and secure work place;
- committed to promoting diversity;
- opposed to discrimination at work;
- opposed to all forms of slavery and human trafficking; and
- respectful of the right of employees to join a trade union.

OUR SUPPLY CHAIN

Dechra purchases raw materials, manufactured goods and services from around the world. We aim to conduct our business with suppliers who share our Values and our commitment to operating in a responsible and ethical manner towards both their own workers and their own suppliers.

All of Dechra's supply chain partners and suppliers are required to comply with Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) requirements. This GMP and GDP standard of operation is underpinned by regular inspections undertaken by national regulators.

OUR POLICIES AND PROCEDURES ON SLAVERY AND HUMAN TRAFFICKING

The Dechra Annual Report, the Dechra Code of Conduct, the Dechra Human Rights Policy and the Dechra Values set out the Group's commitment to acting ethically and with integrity towards our employees and in all our business relationships. Dechra is opposed to slavery and human trafficking in any part of our business or our supply chain. We are committed to having adequate procedures in place to identify and prevent these practices. We believe the risk of modern slavery in our directly employed workforce is low due to the nature of our industry, many employees being largely educated or skilled or undertaking work in controlled environments where there are established policies and processes.

As the exposure to the risk of modern slavery increases when we engage with third parties we launched Dechra's Third Party Code of Conduct in 2017. We aim to work with third parties that work to the ethical and business standards expected by Dechra. In keeping with Dechra's commitments to act with integrity in all its business dealings, Dechra's Third Party Code of Conduct includes a commitment to upholding and respecting human rights both within our business and in that of our third parties. It states Dechra's position on modern slavery, child labour, non-discrimination, fair treatment, wages, benefits and working hours. Third parties are expected to adhere to the principles contained in the Third Party Code of Conduct.

Our Code of Conduct provides important internal guidelines for interactions with customers, suppliers and one another in line with our purpose and Values. The Dechra Human Rights Policy sets out our commitment to conduct business with respect for human rights. It specifically prohibits the use of modern slavery, child labour, forced labour or human trafficking in our business.

The Dechra Values are integrated into the Code of Conduct and are central to every decision we make. The Dechra How to Raise a Concern Procedure encourages employees to raise concerns, including any breaches of Dechra Values, policies or the laws of the countries in which we operate.

RISK AND DUE DILIGENCE PROCESSES

The following is the process by which Dechra has assessed whether particular activities or countries where it operates represent a risk in relation to slavery or human trafficking:

- We have a supply chain risk assessment in process within Dechra (including newly acquired products). Any identified high risk suppliers (identified using key information such as supplier type, supplier services/products, spend and geographical location) are subject to further due diligence and asked to confirm that they will adhere to the Dechra Third Party Code of Conduct. This is refreshed for high risk third parties on a regular basis;
- We have undertaken an assessment of our contract manufacturing organisations and raw materials suppliers based on the US State Department of Labor's 2020 List of Goods Produced by Child and Forced labour. For any organisation identified as high risk, we have checked whether they are being continuously screened through our compliance software (such screening being instigated either as part of a historical Group-wide review or when they were onboarded to our supplier network), and where this was not the case they have now been, and continue to be, screened on a 24/7 basis. No issues have been identified by our screening software. We have also identified where we hold a signed copy of Dechra's Third Party Code

of Conduct for our contract manufacturing organisation network, and where there was a gap we have since contacted the supplier and required they complete it;

- We now automatically and continuously screen all third parties identified as high-risk on our compliance software, which searches for adverse media reports from news sources worldwide and enforcement profiles collected from a number of enforcement lists and court filings globally. This software will flag where there have been historical issues or concerns linking a third party to illegal labour practices.
- Dechra has developed and rolled out online training for high risk third party suppliers to deliver further understanding of the behaviours and compliance expected from Dechra's third party network;
- Dechra has continued to roll out relevant compliance clauses in its commercial contracts with third party suppliers. Such clauses request suppliers adhere to the Dechra Third Party Code of Conduct or have their own suitable code of conduct (which we review to check that their code is sufficient).
- All new contracts contain, where relevant, clauses regarding supplier compliance with the Dechra Third Party Code of Conduct; and
- Dechra has continued to make employees aware of the principles in the Code of Conduct and How to Raise a Concern Procedure in order to maintain the highest standards of employee conduct and ethical behaviour throughout its business and in managing its supply chain. We have developed training for all Dechra employees on the Code of Conduct and this has been rolled out globally.

MEASURING EFFECTIVENESS

We will continue to monitor compliance by our supply chain globally through the Dechra Third Party Code of Conduct and commercial contract clauses. If any breaches are found Dechra will take any further action that may be required. We recognise that we need to continue to improve our due diligence activities and we are considering additional ways to utilise our third party screening system to broaden our screening review from bribery and corruption offences to modern slavery related issues. This would allow ongoing 24/7 screening in the same manner as our ABC screening.

REPORTING AND INVESTIGATING CONCERNS

Our Third Party Code of Conduct provides an email address and, from April 2022, an independent externally provided hotline, for our third parties to report any situations that they feel violates any of the standards detailed in the Third Party Code of Conduct.

In addition, we continue to monitor modern slavery concerns raised via the How to Raise a Concern procedure which is available to our employees. The procedure provides a route for concerns to be raised confidentially and effectively without fear of repercussion.

No concerns have been raised to date.

FURTHER STEPS

During the 2023 financial year a new due diligence software system will be implemented to enhance Dechra's ability to undertake risk assessments, screening and the ongoing compliance management of its third parties.

BOARD APPROVAL

This statement is being made pursuant to section 54(1) of the Modern Slavery Act 2015 and is Dechra's modern slavery statement for the financial year ending 30 June 2022. In particular, it covers the following UK legal entities with an annual turnover of over £36 million:

- Dechra Limited; and
- Dechra Veterinary Products Limited

This statement has been approved by the Board of Dechra at its meeting on 2 December 2022 and signed on its behalf by the Chief Executive Officer. This statement will be reviewed, updated and approved by the Board on an annual basis.

Ian Page, Chief Executive Officer, 2 December 2022