

# Enabling A More Resilient Planet



## Summary

### Why It Matters:

We recognise the importance of good environmental practise across our operations.

### Our Objectives:

- Reduce GHG emissions and waste to landfill, use water responsibly and protect biodiversity
- Recover, reduce, recycle and reuse
- Implement sustainable packing and reduce plastic usage

### Our Performance:

- SBTi approval of Scope 1, 2 & 3 near term, long term and net zero targets
- 23.3% reduction in carbon intensity ratio for Scope 3
- 42% waste recycled or reused

## Applicable UN SDGs



## The Global Challenge

As the world tackles the impacts of climate change, nature loss, macroeconomic crises and wars, companies face increasing pressure not just to commit to sustainability but to demonstrate real, measurable progress.

Businesses need to make rapid changes to the way they operate to restore the health of our planet. Only by working together and by taking a holistic approach can we secure a resilient future for all. We aspire to lead the animal health industry with our Sustainability strategy, strengthening the resilience of our business, the veterinary professionals and the animals and communities they serve, and the planet we all share.

The impacts of our business activities go beyond climate; as a pharmaceutical company we are dependent on the planet for raw materials and ecosystem services. That is why we are not only driving climate action but also looking to develop a nature strategy and manage raw material sustainably. We believe that such initiatives are not only the right thing to do for the planet, but also necessary for business resilience over the long term.

With innovative thinking and commitment to change, we can realise the best version of our business; successful, sustainable and prepared for the future.



## Carbon Emission Disclosures

During the 2023 financial year, we concluded the comprehensive data collection (Scopes 1, 2 and 3) for our carbon footprint base year, which is the 2021 calendar year. This work expanded on our historical Scope 3 emissions disclosures by including data from across our supply chain. Dechra's near term targets were then validated by the SBTi in October 2023 and our long term and net zero targets in May 2024.

## Our Ambition

**Overall Net Zero Target:** We have committed to reach net-zero greenhouse gas emissions across the value chain by 2050 at the latest.

**Near Term Targets:** We have committed to:

- reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year; and
- reduce Scope 3 GHG emissions 51.6% per GBP value added within the same time frame.

**Long Term Targets:** We have committed to:

- reduce absolute Scope 1 and 2 GHG emissions 90% by 2050 from a 2021 base year; and
- reduce Scope 3 GHG emissions 97% per GBP value added within the same time frame.

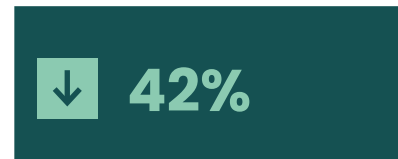
### Science Based Target Initiative (SBTi)

Defines and promotes best practice in emissions reductions and net-zero targets in line with climate science.

SBTi is a partnership between CDP (formerly the Carbon Disclosure Project), the United Nations Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).



### 2030 Target



### 2050 Target



**Absolute reduction of direct & indirect GHG emissions from our operations (Scopes 1 & 2)**

**Economic intensity reduction of GHG emissions in the value chain (Scope 3)**

**1.5°C**  
Paris Agreement Aligned

We signed up to **RACE TO ZERO**

**Long term and net zero targets validated by SBTi on 28 May 2024 and near term targets validated on 17 October 2023**



### Science Based Targets

In the 2024 financial year, the methodology for data collation was optimised and calculation of carbon was transitioned to an auditable carbon calculation system. This has resulted in a variance from the previously published calculations, due to a change in carbon emission factors used and improvements to data collection methodology. During this process, we revealed that our baseline carbon footprint had increased by more than 5%, therefore we have taken the decision to resubmit our baseline and review our targets with SBTi. At this time we will also transition to financial year reporting, in order to align with future CSRD reporting requirements. We have summarised the variance between our original baseline and recalculated baseline in the below table; a detailed description of how calculations have been made can be found on our website.

	Previous Methodology 2021 (tCO <sub>2</sub> e)	New Methodology 2021 (tCO <sub>2</sub> e)	Variance %
Scope 1	5,987.51	10,221.37	71%
Scope 2	7,226.12	6,752.91	(7%)
Scope 3			
Cat 1: Purchased goods and services	102,124.25	75,712.53	(26%)
Cat 2: Capital goods	11,370.14	24,866.49	119%
Cat 3: Fuel and energy related activities	3,458.75	16,427.99	375%
Cat 4: Upstream distributions	13,651.24	12,614.04	(8%)
Cat 5: Waste in operations	525.85	47.02	(91%)
Cat 6: Business Travel	5,045.04	2,623.29	(48%)
Cat 7: Employee commuting	1,812.02	2,251.77	24%
Cat 9: Downstream distribution	4,594.78	7,361.62	60%
Cat 11: Use of sold products	0.02	12.1	56,177%
Cat 12: End of life sold products	516.04	9,458.54	1,733%
<b>Total</b>	<b>156,311.76</b>	<b>168,349.67</b>	<b>8%</b>

All the data from this point forward is using our new baseline and methodology.

### Our Progress Over The Last Year

Unlike our Greenhouse Gas Emissions disclosed in the Annual Report of Dechra Topco Limited, the ultimate UK parent of the Dechra Group, the emissions below are shown for the calendar year. We have summarised the variance between our recalculated baseline 2021 Calendar Year and 2022 Calendar Year in the below table; a detailed description of how calculations have been made can be found on our website.

### Market Based

Market based calculation uses both supplier specific emission factors and factors from emission factor libraries.

	2022	2021	Variance
Scope 1 (tonnes)	7,596	10,221	(26%)
Scope 2 (tonnes)	6,166	6,753	(9%)
Scope 3 (tonnes)	132,504	151,375	(12%)
<b>Total Carbon footprint (tonnes of CO<sub>2</sub>e)</b>	<b>146,266</b>	<b>168,350</b>	<b>(13%)</b>
Scope 3 Intensity Ratio (per £million value added)	319.0	416.0	23.3%

The table above shows that our footprint is dominated by Scope 3 (indirect value chain emission) with Scope 1 and 2 combined only accounting for 9.4% (13.8 ktCO<sub>2</sub>e) of the footprint. Natural gas combustion for manufacturing and warehousing is the major source for direct emissions (natural gas accounts for 6,388 of Scope 1 emissions, being 4.3% of the total footprint).

# Enabling A More Resilient Planet continued



## Our Environment

Scope 2 (indirect emissions associated with generated electricity and purchased heat and steam) accounts for 4.2% of the total footprint.

Scope 3 includes 15 categories, of which 11 categories are material to Dechra. Due to the indirect nature of Scope 3 emissions and the variety of the emissions sources, our footprint calculations include both collected primary data and applied relevant data with verified emission factors. We will continue to improve the accuracy and completeness of our calculations as we proceed with our road map.

The main contributors to Scope 3 emissions are purchased goods and services, upstream and downstream distribution, acquisition of capital goods and end of life of sold products.

	2021 % of Total	2021 Emissions (tCO <sub>2</sub> e)	2022 % of Total	2022 Emissions (tCO <sub>2</sub> e)
Scope 1	6.07	10,221	5.19	7,596
Scope 2	4.01	6,753	4.22	6,166
Scope 3				
Cat 1 - Purchased goods and services	44.97	75,713	37.25	54,490
Cat 2 - Capital goods	14.77	12,614	18.89	27,633
Cat 3 - Fuel and energy related activities	9.76	16,427	9.36	13,696
Cat 4 - Upstream distributions	7.49	12,614	18.89	27,633
Cat 5 - Waste in operations	0.03	47.02	0.09	2,087
Cat 6 - Business Travel	1.56	7,362	3.40	127
Cat 7 - Employee commuting	1.34	2,252	1.43	2,087
Cat 9 - Downstream distribution	4.37	7,362	3.40	4,971
Cat 11 - Use of sold products	0.01	12.1	0.24	354
Cat 12 - End of life sold products	5.62	9,459	5.87	8,579
Cat 15 - Investments	0	0	0	0

### Location Based

The location based calculation method takes into consideration the national average mix of energy sources available in the countries we operate in.

	2022	2021	Variance
Scope 1 (tonnes)	7,596	10,221	(26%)
Scope 2 (tonnes)	4,413	4,341	2%
Scope 3 (tonnes)	132,504	151,375	(12%)
<b>Total Carbon footprint (tonnes of CO<sub>2</sub>e)</b>	<b>144,513</b>	<b>165,937</b>	<b>(13%)</b>
Scope 3 Intensity Ratio (per £ million value added)	319.0	416.0	23.3%



## Our Approach To Deliver On Our Ambitious Science Based Targets

Our decarbonisation pathway outlines the main actions we are working on to reduce our emissions:

### Scope 1:

1. Improve energy efficiency and improve technology development.
2. Electrification of heating and steam systems.

### Scope 2:

1. Improve energy efficiency.
2. Investment in decentralised energy systems.
3. Switch to renewable electricity, by purchasing renewable electricity from the grid.

### Scope 3:

1. Supplier engagement, to address emissions originating from the goods and services that we purchase.
2. Driving general change of packaging and promoting circularity.

These actions can be divided into five categories:

### 1. Energy Efficiency And Renewable Energy

Improving energy efficiency across our operations is one of the foundations of our energy strategy. We must continuously find ways to produce more efficiently to counter the emissions arising from growing production. To drive efficiency, sustainability is embedded throughout the organisation, from management to operators. Best practices are shared between our sites and departments.

Increasing the share of renewable electricity is another critical lever to combat our Scope 2 emissions (purchased electricity). We have already made considerable progress on decentralise renewable energy in our manufacturing sites such as Zagreb in Croatia, Skipton in UK, Bladel in Netherlands, and Somersby in Australia where solar panels have been installed and generate electricity for the facilities. Our Zagreb team is also actively working towards implementation of a geothermal system (see page 25). In addition, of our purchased electricity we have sourced 61.8% from certified renewable sources.

### 2. Packaging And Eco Design

Our objective is to implement sustainable packaging and decrease plastic usage. However, any changes to the packaging of pharmaceutical products are complex as packaging is a key component in protecting the quality of our products and primary packaging requires regulatory approval. The registration process can require many years of testing and submissions. In some instances, sustainable packaging that satisfies quality and safety requirements is not

yet available. Therefore, we have decided to concentrate our attentions on secondary and tertiary packaging, with specific focus to replace plastic with more sustainable material.

To support our work towards eco design, we have integrated sustainability considerations into all new packaging designs. We have implemented a packaging assessment tool to drive sustainable innovation and implement improvements. This tool provides access to robust environmental data, supporting our departments to make smarter and more resilient design decisions.

### 3. Supplier Engagement

37.3% of our footprint comes from our suppliers through the purchase of raw materials, CMO's and packaging.

The science-based targets with their comprehensive outlook on the entire value chain are influential in building impactful collective climate action. To reduce the emissions related to our contract manufacturing organisations (CMOs), Dechra has committed to sourcing 75% of all outside manufactured volumes from CMOs who have signed up for SBT by the 2030 financial year.

Additionally, we are aligning our sustainability and procurement strategies by integrating new processes and upskilling personnel. During the 2024 financial year, we have rolled out the implementation of our third party risk management platform across the whole of Dechra. The platform combines automated, standardised vendor assessment capabilities with continuous risk monitoring, and enables Dechra to assess its suppliers sustainability credentials.

## 4. Transportation Optimisation

The amount of greenhouse gases produced by freight transport is 18.9% of our footprint. Distribution by trucks (ambient & refrigerated) are the highest contributor, followed by air transportation. Normally, road transport emits thirty times more CO<sub>2</sub> per tonne-kilometre than rail or sea transportation.

We are implementing procedures to, where possible, replace air transportation with sea transportation. However, whether we use air or sea transportation, we still require road freight to transport goods to and from the port or place of departure, or even to distribute products to their final destination. Therefore, we need to address the greenhouse gas emission of road transportations, and are considering decreasing transportation emissions by:

- optimising loading using vehicles suitable for standardised pallets and preferably double stacking;
- maximising the loading space by utilising the whole truck and minimising empty runs or half empty trucks;
- changing to sustainable fuels, to reduce tailpipe emissions;
- going electric, for shorter hauls and when made available for long hauls; and
- using smarter deliver and order patterns, minimising the actual distance of transportation of products.

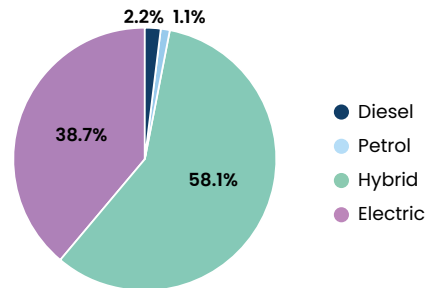
We are in the beginning of the decarbonisation journey, and by working with our supply chain partners we aim to optimise and improve our logistics operations with the overall objective to identify and utilise zero-emission freight solutions.

## 5. Transition To Leased Electric Vehicles by 2030

Vehicle emissions are currently one of the main contributors to air pollution and pipe tail emissions. Switching to electric vehicles can have an impact on reducing our corporate carbon footprint. Dechra has set a goal for transition to electric vehicles by 2030.

In the UK, which is one of our largest fleets of Company vehicles, 38.7% are electric, 58.1% are hybrid, 1.1% are petrol and 2.2% are diesel.

UK Car Data



## SBTi Beyond The Value Chain Mitigation

We believe that companies' climate actions should go beyond their science-based emission reduction targets and in addition support other economic and social factors to mitigate emissions. In our 2023 Annual Report and Sustainability Report, we disclosed that we would be investing in AgCoTech, an Australian company which provides practical help to livestock owners in developing countries. In July 2023, we provided the first half of a AUD 6.0 million loan, which is repayable, following a one year

holiday period, over a six year period in the form of verified carbon credits. The second half of the loan was provided in July 2024. In addition, in March 2024, we entered into a shareholder agreement for 5% minority interest holding in return for the investment.

AgCoTech has developed proprietary methane reducing feed supplement technology. AgCoTech's patented products improve the animal's digestion of poor quality feeds and enhances the animals' immune system leading to better health and welfare outcomes. The methane abatement lick blocks are estimated to generate up to 800kgs of CO<sub>2</sub>e reduction, per block, per mature large cattle unit. The impact of the AgCoTech goes beyond methane emission mitigation, it also is in line with the UN sustainability developing goals (SDGs). The AgCoTech project supports the local community by offering local employment opportunities, engage local suppliers, and reinforce gender equality in the manufacture of the blocks as well in the agriculture hubs which helps lift poverty and increases people's health and wellbeing.

The funding has been used in the AgCoTech project in Lao PDR. Lao PDR has a low ability to adapt to climate change because of its poor socioeconomic development and is highly affected by natural hazards events. AgCoTech are uniquely positioned to create measurable change, our funding is being used to provide free of charge innovative technology that reduces methane emissions and enable small holder farmers to produce more for their families and communities. The 2024 financial funding has contributed to 1000 tons of methane reduction and a range of benefits for the small holder farmers and village communities.



### Case Study

## Reduction Of Energy Consumption At Zagreb

The Zagreb manufacturing site has the highest energy consumption across the Dechra Group and in the 2024 financial year accounted for 54% of all energy used across the business (2023: 55%). The high energy demand is linked to the volumes and range of products manufactured at the site including Mepron, which the site reports uses 70% of site gas and 40% of site electricity. The team at Zagreb have already made many improvements to make the site more sustainable, and received accreditation to ISO 50001, the international standard for Energy Management, in 2021. This energy management framework outlines the best way to achieve energy efficiency and reduce carbon emissions and directs the site to monitor and set in place energy performance indicators, set targets for reduction and continually improve their overall energy efficiency.

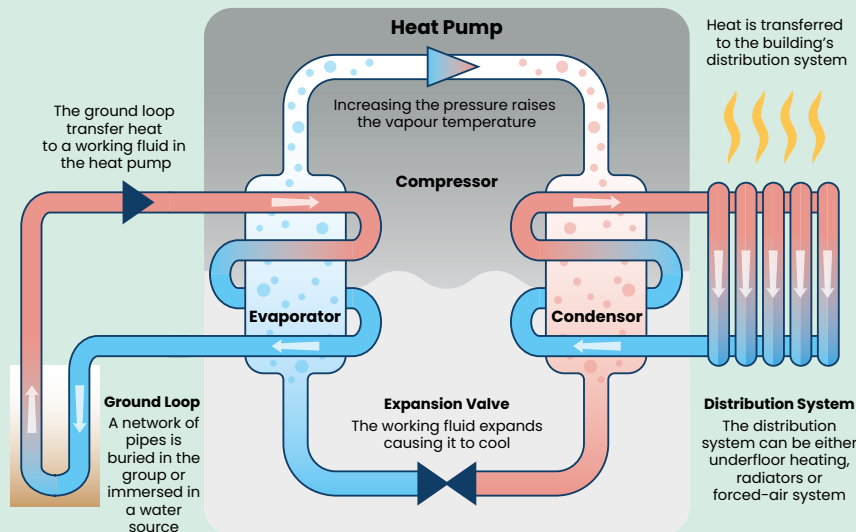
Since accreditation, the site has implemented the following project with the aim of reducing energy consumption and its carbon footprint:

- Solar power plant 1.5 MW integrated on existing roofs (25% of site electricity needs).
- Cooling water recirculation (100,000 m<sup>3</sup>/year water savings).
- Internal street lightning lamps replacement with programmable LED (92.000 kWh/year savings).
- Relocation of the main compressed air station (520 m close to main consumer, 285.000 kWh/year electricity savings).
- Autonomous heating/cooling system with heat pump for object 40 (Zero CO<sub>2</sub> emission).
- Economisers for preheating of steam boilers feed water (55.000 m<sup>3</sup>/year natural gas savings).
- Total consumption of electricity is from renewable sources.

In addition, there has been a greater focus on sustainability awareness which includes training in relation responsible energy consumption for all employees, and the establishment of the Sustainability Champions working group. Representatives across all functions were appointed and given the task of collecting information, providing proposals and reporting issues in relation to the use of energy. The representatives enter data into a central database and the results are presented at the group's weekly meetings, including the impact of corrective actions. The Sustainability Champions present the results to their respective departments with an emphasis on the lesson learned principle.

Future reduction plans for the next financial year include:

- geothermal resources project (predictable 9.7 MWh/year, 50% natural gas savings);
- ground mounted 2 MW solar power plant (additional 30% of site electricity needs);
- automated plant for pharma PW production (12,000 m<sup>3</sup>/year potable water savings);
- autonomous heating/cooling system with heat pump for administrative offices (Zero CO<sub>2</sub> emission); and
- optimisation of HVAC systems operations (50.000kWh/year electricity savings).





### Case Study

## Refrigerant Gas Loss Reduction

Refrigerant gas losses contributed 21% of all Scope 1 emissions (1,476 tonnes) in the 2021 financial year, with the Londrina site in Brazil accounting for 86% of this total. The Londrina site uses equipment containing refrigerant gases to control the temperature of the working environment and for process cooling applications in vaccine production.

Since the 2021 financial year, the site has implemented a loss reduction programme consisting of improved maintenance of all cooling equipment, including the lyophilisation (freeze drying) plant which uses the refrigerant gas R404A to achieve the correct process temperatures to desiccate the vaccines. Through improved equipment management, the site has reduced refrigerant gas losses from the freeze-drying process by 93% to 16.6 kg, saving 237.8kg R404A over the two year period. This is equivalent to a CO<sub>2</sub>e saving of 932.6 tonnes, or 15.7% of Dechra's total Scope 1 emissions globally in the 2023 financial year.

The Londrina site has made further improvements by switching one of the refrigerant gases (R-404A), which has a gross warming potential (GWP) of 3922 per kg, to the less damaging R-452A, which has a GWP of 2141per kg. Switching to R-452A led to a 54% reduction in direct emissions from the site. Additionally, the site reduced the refrigerant charge in the equipment by 7%, decreasing from 23 kilograms to 21.4 kilograms, and the adjustments and load balancing led to a 13% reduction in energy consumption. The Londrina maintenance team are preparing a further two circuits of the freeze dryer to undergo the same operational reconfiguration.

Globally, through improved equipment maintenance and reporting of refrigerant gas losses, Dechra has globally reduced total refrigerant gas losses by 51.5% from 110.06 kg in 2023 financial year to 53.37 kg in 2024 financial year. This is equivalent to a reduction of 95.64 tonnes of CO<sub>2</sub>e or 1.6% of the total CO<sub>2</sub> Scope 1 emissions.

### Case Study

## Water Stress

Water plays a crucial role in our pharmaceutical operations, as it is extensively used in the manufacturing process of our medicines. Although the overall water usage in our industry is relatively low compared to other sectors, the quality of water we employ is of utmost importance to our business. We utilise highly purified water in production of medicines, and also to clean and prepare equipment between batches/processes within our production facilities. Moreover, in specific locations, water is also utilised for cooling purposes. Additionally, smaller volumes of this good quality water are subjected to further purification to ensure its suitability for use in medical and hygiene products.

Water use is a key environmental measure within Manufacturing and the sites aim to use water responsibly so that usage does not negatively affect the communities where they operate by diminishing the supplies of clean water or degrading the quality of that water. Dechra has a target to maintain our water usage levels below a 2021 baseline and despite an expected growth in manufacturing, this target has been met for the third consecutive year.

During the 2023 financial, following an informal survey in the 2022 financial year, we undertook a more detailed review using WWF Risk Filter Suite, an online tool designed to assess water related risks and evaluates risks like physical, regulatory, and reputational ones tied to water resources. In order to assess the water stress a Water Risk Assessment was initiated this is a systematic evaluation of the potential risks related to water availability, quality, and usage associated with the facilities. This aims to identify and understand the water related challenges that the sites might face and help develop strategies to manage and mitigate risk. As part of this work, we have identified four sites (Pomona, Fort Worth, Bladel and Somersby) in water stress areas and we are conducting detailed water efficiency assessments at all sites and implemented water efficiency projects such as rain water harvesting, upgrading equipment and infrastructure to reduce water requirements.

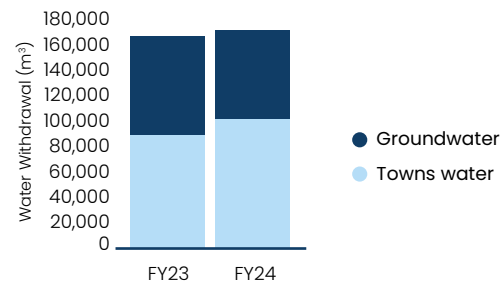




### Water

The vital role of water in all aspects of our lives and growing concerns over scarcity and quality have increasingly highlighted the need for sustainable water management. Water use is a key environmental measure within Manufacturing and the sites aim to use water responsibly so that usage does not negatively affect the communities where they operate by diminishing the supplies of clean water or degrading the quality of that water. Water is withdrawn from two main sources across our manufacturing sites and is further purified on the sites if required. Water withdrawal across manufacturing increased by 2.7% in 2024 financial year.

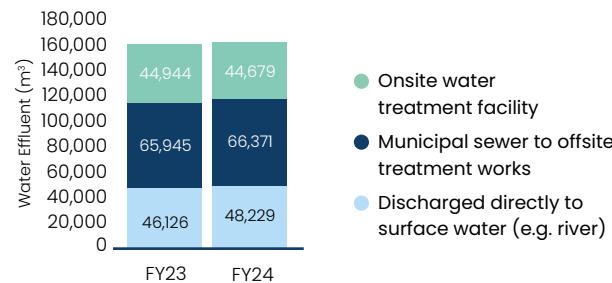
#### Water Withdrawal Source (all in-house manufacturing sites)



During the 2022 financial year Zagreb installed a cooling water recirculation loop which achieved a 10% reduction in water withdrawal. The Zagreb site has continued to reduce water withdrawal, representing 68% reduction since the 2021 financial year (265,556m³ FY21 vs 86,248m³ FY24). California is the second largest user of water across the Group and the site increased its water withdrawal by 104% (12,254m³) due to activities related to start up periods and tests in the Cephazone plant. The Florida manufacturing site, which was closed in August 2024, increased its water withdrawal by 41% (2,223 m³) due to installation of new liquids facility and

ultimate decommissioning works. Skipton water withdrawal increased by 96% (2,204m³) and was attributed to the installation and validation of a new WFI system requiring large amounts of water to commission.

#### Water Effluent (by discharge route)



At manufacturing sites, any contaminated water generated throughout the production process is disposed of as process effluent. Any wastewater with the potential to adversely impact the sewer and treatment system must be appropriately managed, controlled and treated prior to release. For Dechra manufacturing sites, this includes all water used for cleaning purposes.

In accordance with GMP requirements to prevent cross contamination and to enable product reconciliation, used process equipment is generally drained, vacuumed or wiped clean prior to being washed. This reduces contamination washed to the effluent stream.

In the 2024 financial year 56% of effluent was discharged directly to surface water e.g. river. This was exclusively from the Zagreb site who previously abstracted ground water for equipment cooling and discharged this water back to the receiving water course. This effluent stream has reduced significantly as the site has completed the project to recirculate cooling water rather than abstracting fresh groundwater for equipment cooling.

For contaminated water, the most frequent route of disposal for wastewater is directly to the municipal sewer for off-site effluent treatment, with the exception of the two sites:

- Zagreb – onsite effluent treatment (balancing and settlement of solids) before discharge to controlled waters.
- Londrina – onsite aerobic treatment plant with onward disposal to municipal sewer.

Seven of the eight manufacturing sites are required to have a permit or licence to discharge effluent to the environment.

### Waste

Total waste includes waste from all activities across Dechra therefore can fluctuate according to production volumes, project activities and obsolete stock/ packaging material clearances. Our goal is therefore to make responsible decisions to minimise waste and reduce the environmental impact of treatment/disposal, while continuing to support the efficient management, development and growth of the business.

For this reason, we have selected three indicators for waste which we aim to improve:

- % of hazardous waste generated;
- % waste which is reused, recycled or recovered; and
- Zero waste to landfill.

Waste volumes are reported for our Manufacturing and Logistics sites only, with offices benefiting from recycling schemes if available locally but not currently included in overall waste totals.

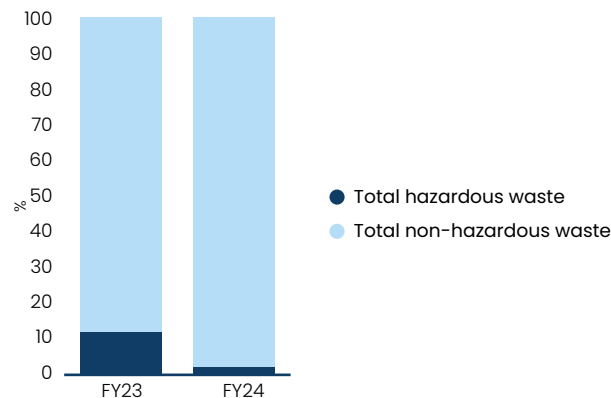
Our Group Waste Minimisation and Management standard implements the hierarchy for waste principles and encourages sites to select waste options which are higher on the waste hierarchy (avoiding landfill or incineration with no energy recovery) and to monitor waste volumes regularly.



Waste contaminated with pharmaceutical products is very often classified as hazardous waste. Waste management for Manufacturing and Logistics facilities must be carefully controlled to ensure that any hazardous substances, or contaminated materials are disposed of correctly. Hazardous and non-hazardous waste must be segregated to reduce the total volumes of hazardous waste (not bulking it up) and to maximise opportunities to recycle or recover non-hazardous waste.

The total volumes of hazardous and non-hazardous waste (excluding Construction and Project waste) are shown below, also showing the percentage of hazardous to non-hazardous waste generated.

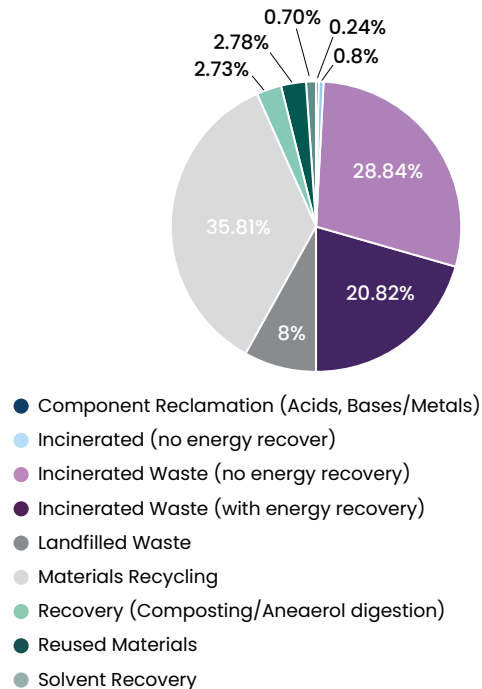
### Hazardous Waste Volumes



There has been a steady decline in hazardous waste volumes over the previous three years, largely due to improved segregation of hazardous and non-hazardous waste and more accurate classification of waste for disposal. In the 2024 financial year hazardous waste volumes decreased by 12,763 kgs (24%) compared to the 2023 financial year. The overall % of hazardous waste reduced

to 20% of Total Waste (2023: 23%). In manufacturing sites, hazardous waste is generated from general production and laboratory analysis waste, whereas in Warehousing most hazardous waste is associated with stock write offs.

### Waste Fate



The fate of waste significantly influences the environmental impact. For waste that cannot be eliminated at source, Dechra has set a strategic goal to achieve zero waste to landfill, therefore reuse, recycling or recovery are selected where these are available. Our approach to responsible waste management is formalised in a Group HSE

Standard, and requires sites to follow the Waste Hierarchy when making decisions about waste disposal. Waste is categorised according to the EU Waste Directive 'List of Wastes', including the definitions for the environmental fate of the waste.

In the 2024 financial year the total volume of waste (excluding construction and project waste) was 1% higher than 2023. In the 2024 financial year the manufacturing sites were targeted to increase the amount of waste reused and recycled, improving this to 42% (2023: 39%). Recovery of waste (composting/reclamation/solvent recovery and energy from waste) decreased to 40% (2023: 47%), energy from waste recovery has also reduced by 19% tonnes as more materials have been segregated for reuse and recycling.

When Construction and Project waste is included in the total waste generated, reuse/recycling rate increases from 42% to 59%. When recovery is also included the total waste recovery, the total recycle/reuse/recover rate is 85%, demonstrating increased focus on segregating waste and managing it to an appropriate destination to allow for recovery of resources.

Sites contributing to the volume of waste within Dechra which was disposed of to landfill were asked to seek ways to reduce this using the Waste Hierarchy principles to reduce waste at source, reuse and recycle more or seek better alternatives for waste treatment. The overall percentage of total waste for disposal reduced to 15% (2023: 7.5%). However, for landfilled waste, the percentage of total waste disposed of in this way increased to 11% (2023: 5%). This increase was primarily due to a one-off disposal of packaging material sent to landfill by our California site. During the year, the most improved sites were Fort Worth, Texas and Melbourne, Florida, who in addition to more accurately weighing and reporting waste, diverted waste from landfill by recycling more.



### Deforestation And Biodiversity

Biodiversity is a key indicator of the health of an ecosystem. We are losing biodiversity at an alarming rate. Forests are home to plant species and terrestrial wildlife. As such, responsible forestry is a fundamental tool to tackle biodiversity loss and safeguard our planet for future generations.

Deforestation has an incredible effect on the biosphere. It leads to carbon emissions, changes in water, damage of habitat, and biodiversity loss. Deforestation is a particular concern in tropical rain forests because these forests are home to much of the world's biodiversity.

We have set an ambitious goal of sourcing 100% of our paper and wood from the Forest Stewardship Council (FSC) certified suppliers. The FSC certification is crucial as it ensures that products come from responsibly managed forests, promoting biodiversity, environmental protection, fair labour practices and the rights of indigenous people.

We have made considerable progress in the 2024 financial year, reaching 87% FSC sourced paper (excluding California, as data was not available) (2023: 66%). In addition, we have prioritised resource efficiency by using second-hand or reused pallets, further minimising our environmental impact.

As we move forward, our commitment to achieving 100% FSC sourced materials remains unwavering, and we will continue to explore innovative solutions and partnerships to ensure we reach this important milestone in our sustainability journey.

### Pharmaceuticals In The Environment

Dechra recognises the potential environmental impact of Pharmaceuticals in the Environment (PiE). Pharmaceuticals can enter the environment through various pathways, including during production, use, and improper disposal. Even at low concentrations, we understand that active pharmaceutical ingredients (APIs) can potentially affect aquatic ecosystems and biodiversity.

Dechra is committed to addressing these risks through responsible manufacturing, product stewardship, and waste management practices. Our approach to managing PiE includes:

- Sustainable Product Use: We promote the responsible use of antibiotics and educate customers on proper practices to minimise environmental impact.
- Waste Disposal: All API contaminated manufacturing waste is classified as hazardous and safely disposed of via incineration.
- Wastewater Management: We have implemented procedures in our facilities to minimise the presence of residual APIs and other substances before cleaning and discharge into wastewater systems.
- Environmental Impact Assessments: We conduct assessments to evaluate the potential environmental risks of our products, focusing on both their manufacture and their potential impact on receiving water bodies.

To assess the environmental risk of our pharmaceutical products, we calculate the Predicted Environmental Concentration (PEC), estimating the substance's concentration in the environment based on use and process losses. We compare this to the Predicted No Effect Concentration (PNEC); the concentration below which no adverse effects are expected in ecosystems. The ratio of PEC to PNEC provides a risk value:

- If PEC is lower than PNEC, the environmental risk is considered low.
- If PEC exceeds PNEC, the risk to the environment is significant, and further actions are required.

This methodology enables a thorough assessment of the environmental risks of our products, safeguarding ecosystems. Our process follows the guidelines set forth in the Responsible Manufacturing Effluent Management – Technical Guidance Document.

All Dechra manufacturing sites have determined the PEC/PNEC ratio for all APIs used on site, and ongoing work continues to monitor concentrations in the environment. This includes efforts to refine data collection and implement further mitigation measures to reduce residual losses and environmental exposure.

### Plastic Stewardship

Packaging is a key component of Dechra's value chain in order to protect the quality of our products from a legal, regulatory and customer perspective. We use a variety of materials in packaging including paper, cardboard, aluminium, plastic, and glass. Plastics are used in range of packaging including blister packs and bottles, of which an element of our blister packs contain PVC plastics.

As a responsible company we aim to change how we design, use, and reuse plastics. We do not believe that plastic recycling is the solution, as it is emissions-intensive; and recycled plastic is more toxic than virgin plastic and can only be recycled a few times.

Dechra has a plastic leakage target to review our product portfolio by June 2025. During the 2024 financial year we have made good progress in understanding our plastic usage, by identifying the types of plastic used in our products as well as the volumes. The next step is to apply credible plastic accounting metrics to determine our plastic footprint which will be followed by the identification and implementation of possible mitigation activities within our value chain.

Further reduction of plastics include redesigning and transferring to new material alternatives, phasing out the most polluting types of plastics and using mono plastics that are recyclable are being considered.