

Supporting The Wellbeing And Development Of Employees



Summary

Why It Matters:

Our people are our greatest asset. We aim to be a purpose led business driven by high performing and committed teams.

Our Objectives:

- Comply with national legal requirements regarding wages and working hours
- Reinforce health and safety practices with a culture of zero harm
- Eliminate the gender pay gap

Our Performance:

- Maintained the Living Wage or equivalent globally
- 13 Lost Time Accidents
- Gender pay gap at 9.6% in Dechra Limited

Applicable UN SDGs



Overview

We employ 2,669 employees in 27 countries in manufacturing, logistics, laboratories, offices as well as 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. 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 (see page 04);
- **Talent Management And Engagement:** attracting, retaining and developing talent to build and maintain a top quality team (see pages 16 and 34);
- **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 (see page 16);
- **Fair Employment Practices:** complying with national legal requirements regarding wages and working hours (see page 31); and
- **Safe Working Practices:** reinforcing a strong culture of health and safety, within a zero harm environment (see pages 31 to 33).



Supporting The Wellbeing And Development Of Employees continued



Our People

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 9.6% in 2023. However, this is slightly above the UK national average of 7.7%. The gap remains largely driven by more males occupying the higher paid, technical or senior positions, predominately within the manufacturing division and a large proportion of the female workers occupying the lower paid, manufacturing positions. We remain focussed in our efforts to attract women into the upper quartiles of the pay distributions. However, in the last 24 months we have witnessed significant growth within our Manufacturing and Supply division, which has resulted in the introduction of some new, senior, higher paid roles which have been filled by men. Over the last 12 months:

- we continue to focus on the development of our teams and continue to see internal candidates receive promotions rather than recruiting externally. We have introduced essential leadership training for our managers to ensure they have the tools and skills to both succeed within their roles, but also identify and nurture talent within their teams. We successfully trialled and implemented a reduced working week with no impact to pay at our Skipton Manufacturing facility. The 9 day fortnight has had great feedback and engagement from our employees, giving them a better work life balance. We believe this is a positive step forward not only for our employees but as a recruitment and retention tool in a competitive labour market.;
- we continue to maintain our Real Living Wage accreditation and prioritised our lower quartile earners in our pay review. This was to try and mitigate the impact of the increase cost of living for our lower earners; and

- our works council remains embedded across the business, ensuring the employee voice is heard, especially from our front line employees. The works council played a key role in the consultation and implementation of the nine day fortnight generating innovative ideas and ensuring effective communications of any updates. As well as works councils, more cross functional project groups are being developed to share ways of working and experiences. We have increased the number of collective workforce townhalls where we are able to listen to employee feedback and react and respond at a better pace.

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 to 12% with effect from July 2023 in the UK for anyone with over five years of service.

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 was chaired during the 2024 financial year 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.

Behavioural Safety

The B-Safe programme of safety walks and observations for leaders continues to be the main way in which regular safety conversations occur involving managers and employees.

This focus on behavioural safety is critical to meet our Zero Harm goal. During the year:

- a further 70 plus Line Managers trained at Zagreb, Croatia and Uldum, Denmark;
- 998 hours of B-Safe walks were conducted (2023: 408); and
- the ratio of safe acts to unsafe acts was 7:1 (2023: 6.5:1) marking the shift in conversations from negative to positive. When an unsafe act is observed this is immediately discussed with the employee and actions agreed.

In addition to the high number of B-Safe observation reports, hazard reporting in the 2024 financial year increased by 30% with 3,672 hazards reported (2023: 2827), which is a positive indicator of the level of proactive safe activity which B-Safe walks are encouraging.

High Level Risk Assessments

The high level risk assessment is overseen by the Health, Safety and Wellbeing Committee, who review the significant risks across the organisation. The risk profile has continued to be reviewed quarterly and was last updated July 2024. The remaining high risk activity, relating to mobile workers (infrequent farm activities) where Dechra is not in control of the working environment, was evaluated with Dechra employees at a Texas facility in October 2023. This activity was reduced to low risk based on observation and commentary from employees.

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Our People

Lost Time Accidents (LTAs)

Our approach is to reinforce a strong culture of health and safety within a zero harm environment therefore we report all accidents which keep people away from work even for one day. This is our lost time accident frequency rate (AFR) expressed per 100,000 hours worked. In the 2024 financial year, we have experienced 13 LTAs resulting in an AFR of 0.28 compared to 0.41 last year (17 accidents). Twelve of these accidents occurred within our manufacturing sites, with six of the accidents occurring in Pomona, California and Zagreb, Croatia. Seven of these accidents (2023: 10) were influenced by unsafe behaviours and this will continue to be addressed throughout the coming year through the continued delivery of our B-Safe behavioural safety programme for leaders. In addition, there were two contractor accidents reported (2023: 4 accidents), one in Uldum and one in Brazil. There were no fatalities (employees or contractors). The Permit to Work system is being implemented by all sites under the coordination of the Group Engineering Community of Practice. This permit system includes live compliance checks which must be carried out during the works, to ensure contractors are adhering to all permit controls. A new Contractor Safety Induction video has been filmed for manufacturing sites which must be completed by all contractors. The video informs all contractors of our controls and expectations ahead of visiting our sites. By providing clear instructions, in addition to fulfilling our Health and Safety Policy Commitment to safeguard the health, safety and wellbeing of all employees, contractors and visitors working at Dechra, we are also aiming to move closer to our Zero Harm goal. This is currently being implemented across sites. Our onboarding Compliance evaluation system has been launched and it included an evaluation of the safety competence of high risk 'suppliers' before they are engaged.

THRIVE

The THRIVE programme has 14 foundation elements which we believe are essential for employee wellbeing and we aim to have in place in all countries. An audit was conducted in first half of the 2024 financial year to determine how well the programme has been embedded, which provided an average compliance score of 91%.

Our team of THRIVE Champions has increased to more than 30 employees, who meet quarterly (or more frequently for local teams), to make THRIVE feel more connected into each country/function through local interpretation and communication of our central campaigns. Champions help the Global Digital Team with local communications as they are more familiar with what may work at their site/for different roles. In the 2024 financial year the Champion team developed safe walking routes at 14 Dechra locations to promote physical activity away from desk based roles. These can be used for breaks but employees are also encouraged to consider these routes when planning meetings that do not have to be in a static location.



Compliance

The Red-Online HSE legal compliance service was implemented across Manufacturing and Logistics sites in the 2024 financial year. Most of the Manufacturing and Logistics sites have completed the initial steps of identifying legislation which applies, and evaluating compliance with the requirements of the legislation. There were no fines or prosecutions reported for the reporting period.

Training

Essential health and safety courses have been developed and integrated into the process for setting up new employees on our intranet site, OneDechra and our Digital Learning platform, Delta. Completion rates continue to be monitored at the Health, Safety and Wellbeing Committee meeting.

Safety Week

During our annual Safety Week we had an opportunity to cast a spotlight on specific health, safety and wellbeing topics and celebrate our good safety performance together, across all areas of the business. In previous years, our safety campaigns have been heavily focussed on our higher risk manufacturing and warehousing sites. With the sponsorship of the leaders from the Health, Safety and Wellbeing Committee, this year we aimed to include a more diverse audience promoting health, safety, and wellbeing across our offices, mobile workers and manufacturing/warehouse locations and covered topics such as travel safety, office safety and safe driving.

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Case Study

Safety Week

The theme for our 2024 annual Safety Week was Impacts of Climate Change on Occupational Safety and Health. A range of activities were held all across our business globally focusing on health, safety, wellbeing and sustainability topics.

Our team in Brazil fully embraced Safety week with activities every day to raise awareness of key topics in a fun and engaging way. To maintain good health, the team came together across the Londrina site to participate in labour gymnastics and to make sure the wellbeing of everyone was boosted as part of Health & Safety Week, those wishing to get a free flu vaccination and a blood pressure check attended a special clinic set up on site.

With a focus on safety more games followed with a three circuit challenge, consisting of:

- Quick Fire Q&A;
- PPE challenge: where teams were challenged to dress a team member in the correct PPE; and
- Lock out tag out challenge: where teams went head to head in a time challenge to correctly apply LOTO equipment.

Although much of the fun was focussed on the safety issues that directly affect our own employees, the teams were also keen to support their communities through blood donation and charitable donations of personal care items. Over 50 employees volunteered providing in total 23 litres of blood, potentially saving up to 230 lives. In addition 219 kg of soap, 832 toothbrushes, 296 tubes of toothpaste and 2,464 shavers were donated to support a number of city charities.

Safety Week in Brazil concluded with everyone coming together for healthy snacks and coffee, relaxation, conversation and more games in a typically Brazilian friendly and fun way.



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Our People

Case Study

New Employee Engagement Tool

The voice of the employee is very important to us at Dechra, as it allows us to identify what actions are required to drive engagement and enhance our overall performance.

During the year, we took the opportunity to review our employee survey platforms and decided to partner with Inpulse. Inpulse will allow us to be more agile and responsive in seeking out and acting upon employee feedback. This new tool allows leaders and managers to see their results instantly, so they can identify what is and is not working well in their areas and use this insight to develop action plans. All feedback provided through the platform is anonymous, so reviewers are not be able to identify individual responses.

In March 2024, we ran our first pilot of the new platform with a cross section of employees consisting of functional areas within the US, Canada, the UK, and the senior management team across the Dechra Europe division. We felt this approach provided us with enough coverage for the pilot, considering employee numbers, divisional, geographical, and functional representation.

The pilot was focussed upon change, something particularly important following the recent acquisition of Dechra, acting as a 'pulse check' to better understand how our employees feel about change and to help inform how we can tailor our communication strategy to enhance the employee experience moving forwards. Feedback from the pilot was very encouraging, with over 70% of our employees feeling positive about the changing status of the company, and helped us to understand how to shape our communications in the following months to allay any concerns that had been raised.

Following the encouraging results from the pilot, we also used the tool for our global engagement survey "Dechra Employee Perspectives" in September 2024 and intend to perform regular pulse surveys as part of our commitment to ongoing engagement and checking the impact of our actions.

Case Study

Employee Development

Dechra is committed to enhancing the skills of our workforce, planning for a successful future and creating a sustainable talent pipeline. We provide training via Delta, our dedicated digital learning platform, leadership training, and on the job training. The second Future Facing Leaders programme was launched in October 2023, and the current group are working on two of the workstreams of the full potential plan. Our employees have logged a total of 19,480 training hours in the 2024 financial year, which equates to 7.3 hours per employee.

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 a total of 21 Apprenticeships/Internships of which 9 are in Europe and 12 are in Brazil.

One example of how we have enhanced the skills and created a sustainable talent pipeline is within our Logistics operation in Uldum, Denmark. In the initial stride towards his well-earned retirement, our Logistics Director of Europe Carsten Jeppesen announced the appointment of Anders Rasmussen as the Site Director for the Uldum facility, effective 1 October 2023. Anders has significant experience working in the Logistics organisation for 25 years and through three acquisitions. Beginning as a trainee, he has ascended through various key roles, including Logistics Assistant, Warehouse Manager, Logistics Manager, and culminating as Senior Logistics Manager. For the past 13 years, his exceptional leadership has encompassed the Global Transport and Warehouse teams. In his new, expanded role, Anders will assume joint oversight of the Uldum site and its diverse functions.