



## Performance continued



### Our People

# Supporting the Wellbeing and Development of Employees

## Summary

### Why It Matters:

Our people are our greatest asset. Our objective is to continue to be a purpose focused 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
- Reduced the gender pay gap to 1.3% in Dechra Limited
- 17 Lost Time Accidents

## Fair Employment Practices

As a responsible business, we are committed to paying the Real Living Wage (or its equivalent) to all our employees on a global basis and we continue to support our people with the challenges they are facing as a result of the cost of living crisis. In line with our usual practice, salaries were reviewed with effect from 1 January 2023. We adopted a tiered approach with the lower paid members of the workforce receiving higher increases which were weighted taking into account specific country inflation. The average increase across the Group was 6.6%. In the UK all employees earning a base salary of less than £45,000 received a minimum increase of 7%. During the current financial year, we have also introduced other benefits for our UK workforce, including:

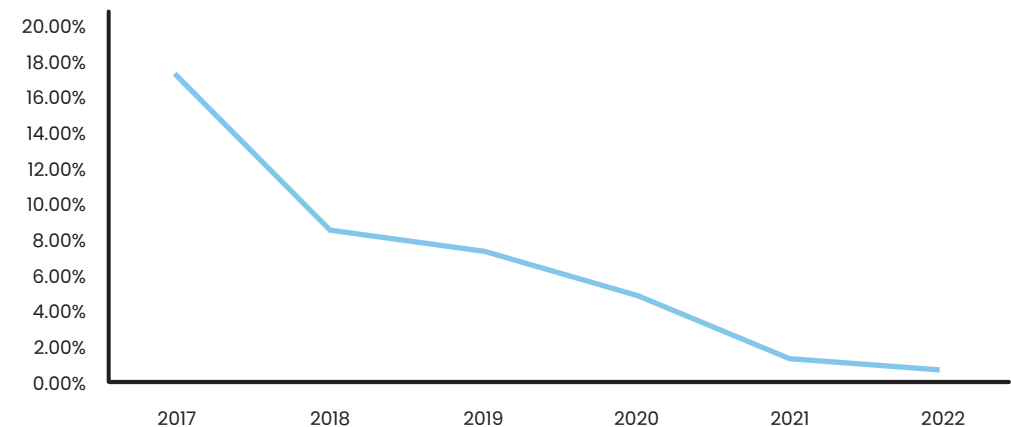
- an online GP service to support the health and well-being of the workforce;
- a cash plan for medical benefits; and
- a reduction in the working week by 1.5 hours for our UK manufacturing employees via a reduced working week or a nine day fortnight, whilst maintaining pay and benefits at current levels.

In addition, in July 2022, we increased the employers contribution to the UK Company Pension Scheme to 8% of base pay and introduced flexibility as to the permitted level of employee contribution to address cost of living pressures.

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 1.3% in 2022.

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 together with benchmarking and reward.

Gender pay median gap in Dechra Limited



### Linkage to SDGs





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### Safe Working Practices

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 2023 financial year, we have experienced 17 LTAs resulting in an AFR of 0.41 compared to 0.36 last year (13 accidents). Fourteen of these accidents occurred within our Manufacturing sites, with three of the accidents occurring in the newly acquired facility in Pomona, California. Ten of these accidents were influenced by unsafe behaviours and this will be addressed throughout the coming year through the continued delivery of our B-Safe behavioural safety programme for leaders.

In addition, there were four contractor accidents reported 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.

### Behavioural Safety

The 2023 financial year is the first year of our new Behavioural Safety programme, B-Safe, which has been rolled out across the Manufacturing sites in a phased approach. Each site was asked to cascade the training to leaders and set their own schedule for B-Safe walks which should target each trained leader to conduct one safety walk/talk each month focussing on discussing Safe and Unsafe behaviours with employees and contractors. Each walk is expected to take approximately one hour to encourage a thorough and deep conversation.

Over 70 leaders have been trained, which represents over 200 hours of training for leaders across the group, focussing on safety leadership and safe behaviours. We set an annual target of '90% completion of site plan' to drive consistency and encourage leaders to do regular and thorough scheduled safety walks. Any walks conducted above this currently do not count towards achievement of the target as it is the regularity of the conversations with employees that the target is trying to encourage. However, many leaders have conducted multiple walks each month.

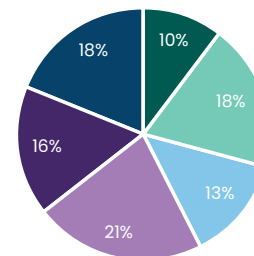
Performance is 85% when only one walk per leader per month is included. However, when including all B-Safe walks conducted at any time, the sites exceeded the target, having achieved 94%.

Following each B-Safe walk, leaders are asked to record their observations and conversations in our Assure safety app.

This includes recording the number of Safe and Unsafe acts/observations they have made during their walk/talk. Over 4,000 safe observations have been made versus approximately 700 observations of unsafe behaviour.

This means that 84% of the time our employees are following the safe systems of work and working safely. For the 16% of observations where unsafe acts have been observed we expect Managers to discuss the safe procedure and gain commitment with the employee to follow this or work together to find a safer solution.

This immediate real-time observation and resolution of unsafe behaviours is the key to building trust in the organisation and achieving a Zero Harm workplace.



- Reactions of People
- Knowledge and Application of Procedures
- Use of PPE
- Adherence to Housekeeping Standards
- Positions of People
- Selection and Use of Tools and Equipment

The most frequent unsafe act was 'Adherence to housekeeping standards' (21%), which is a failure to set, understand and follow housekeeping standards and can lead to slips and trips. Now that B-Safe plans are established at the sites, understanding the trends within the B-Safe programme will be a focus for the 2024 financial year and setting activities in place locally to tackle clusters of unsafe acts.



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### Case Study: World Safety Day

We recognise that we need to take regular and deliberate actions to raise awareness of health and safety standards to our employees and contractors, therefore we implement a plan of activities to continuously reinforce a culture of safety across our global business.

In 2023 we ran our first annual Safety Day, which was held on the same day as the United Nations World Day for Safety and Health at Work. Manufacturing sites were encouraged to participate in this important awareness day by planning activities to boost engagement and education. All sites planned activities which refocussed on core proactive safety activities such as hazard reporting, B-Safe walks and reinforcing the Dechra Safety Principles, but in addition sites brought imagination and fun into their plans serving healthy meals, conducting walking meetings, delivering training and signing our Safety Commitment Posters.

#### Safety Day: Londrina, Brazil

Our Londrina team in Brazil is well known for injecting energy and team spirit into everything they do, so it was no surprise that they went the extra mile on Safety Day.

Their activities involved all Londrina site employees and were not only educational, but also fun. The Brazilian mobile Sales Team were also included in the plans for the day, launching a new vehicle safety checklist to



educate them on the safety of their vehicles and how to drive with care when on the road for business purposes.

To launch Manufacturing's activities for the day, the Londrina site restaurant was decorated and served a special healthy breakfast.

The entire team was then invited to get involved with an outdoor exercise class; an opportunity to learn how to stretch, keep fit, and prevent ergonomic injuries.

The fun continued with a safety treasure hunt, where teams competed to find the hazards that had been strategically placed across the site.

A giant human safety board game was designed by the site, which quizzed players on key safety controls critical to preventing serious accidents.



Questions included:

- How many Life Saving Rules do we have at Dechra
- Tell us four kinds of PPE that we must use
- What speed are vehicles allowed to drive on Dechra sites

Focusing further on health and wellbeing, our Londrina teams also benefited from free and voluntary health checks such as blood pressure and blood sugar levels to detect diabetes, and also were able to receive flu vaccinations.

Finally, the site came together to watch a play followed by a video about safety. Professional actors delivered an entertaining play about a worker who did not follow safety rules.

Employees from the Filling Department topped the day off with a video they produced themselves showing all the hazards they could face in a normal working day and precautions that must be followed to prevent injury. Their video ended with a powerful message from sons, daughters, and spouses/partners asking their loved ones to come home safely.

Creativity, energy, and a determination to keep everyone safe were sentiments that ran throughout the day. All site employees signed the Safety Commitment Poster, demonstrating their commitment to work safely so that everyone at Dechra Brazil goes home healthy and safe at the end of every working day.