



## Our Approach to Sustainability

# Sustainability Metrics and Targets

In the 2022 financial year, we performed an initial in-depth materiality assessment across our Sustainability pillars which identified a total of 11 topics. For each topic, we considered what it meant to us and how it linked to the United Nations Sustainable Development Goals (SDGs).

Further details regarding our materiality assessment can be found in our 2022 Sustainability Report.

Having considered the materiality assessment again, we continue to believe that the topics identified last year remain appropriate. However, we have taken the opportunity to critique the metrics and targets associated with each one so that they are more clearly aligned and remain relevant in the context of ongoing business performance and objectives.

### Notes on performance in the 2023 financial year

1. Our longer term target is to invest between 5% and 6% of revenue on R&D. However, for financial years 2023 to 2025 inclusive, we have committed to temporarily increasing this investment to between 7% and 8% to help drive further innovation and future growth.

2. The GHG emissions intensity ratio is calculated with reference to our Scope 1, 2 & 3 emissions reported historically under the GHG Protocol Corporate Accounting and Reporting Standard, which differs to our carbon footprint for the purposes of Science Based Targets. See our Annual Report for further details.

3. We did not meet our target to source 100% of our internally procured paper & wood from FSC sources by the end of June 2023, with 66% of our suppliers currently FSC approved. Wherever possible, we have endeavoured to adopt a localised approach to sourcing FSC materials and to work collaboratively with existing suppliers rather than adopt a blanket approach across all Dechra operations. This process has taken longer than anticipated, however we expect to achieve our target by June 2024.

Sustainability Pillar	Sustainability topic	Focus area	Objective	Link to United Nations SDGs	Target(s)	Performance in the 2023 financial year
<b>Our Business</b> 	Animal Health and Welfare	Ethical and sustainable products	Develop and promote products to improve animal health and welfare sustainably	 	Invest 5% to 6% of revenue on product development per annum	7.6% invested in Research & Development (see note 1)
	Customer Satisfaction	Supporting veterinary professionals	Maintain and improve the knowledge and skills of veterinarians	 	Provide 100,000 of continuous professional development (CPD) hours per annum	205,012 CPD hours provided globally
	Trust and Transparency	Ethics	Act with honesty and integrity		Perform value chain sustainability assessment by June 2030	Project remains on track
<b>Our Environment</b> 	Integrated Climate Strategy	Emissions, Land & water and Biodiversity	Reduce greenhouse gas (GHG) emissions and waste to landfill, use water responsibly and protect biodiversity	  	Reduce Scope 1, 2 and 3 emissions in line with climate science through the Science Based Targets initiative (SBTi); Achieve net zero by 2050; 100% FSC paper & wood by June 2023	13% reduction in GHG emissions intensity ratio (see note 2); Science based targets submitted to the SBTi; 66% FSC paper & wood (see note 3)
	Waste Management	Circularity	Recover, reduce, recycle, reuse		Zero to landfill by June 2025	Reduced waste sent to landfill from 7% to 5%
	Plastic Leakage	Responsible sourcing	Implement sustainable packaging and decrease plastic usage		Review full product range by June 2025	Project remains on track
<b>Our People</b> 	Wage Policy	Fair employment practices	Comply with national legal requirements regarding wages and working hours	 	Remain a Living Wage Employer or equivalent	Retained UK accreditation and pay relative to OECD standards
	Human Rights	Safe working practices	Reinforce health and safety practices, with a culture of zero harm	 	Zero lost time accidents (LTAs)	17 LTAs
	Equality in the Workspace	Fair employment practices	Eliminate the gender pay gap		Increase the number of women in senior and technical roles	Reduced gender pay gap from 1.7% to 1.3%
<b>Our Community</b> 	Community Involvement	Community activities	The donation of time and skills to local charities	 	100,000 community hours by June 2030	3,147 hours this year 7,537 hours cumulative
	Philanthropic Activities	Community donations	Maintain Regional Giving Committees to allow our people to make a difference locally		£5 million donated in cash or products by June 2030	£633,645 this year £1,361,297 cumulative