

Our Performance



Our Business

Providing sustainable products and educational support

Summary

Why it matters: We are a veterinary pharmaceutical company; our priority is the health and welfare of animals and everything we do is with this priority in mind.

Our approach:

Our key focus areas are:

- the development and promotion of innovative, ethical and sustainable products to improve animal health and welfare; and
- maintaining and improving the knowledge and skills of veterinarians who prescribe and use our products.

Our performance:

4.8% of sales invested in R&D

130k of CPD hours provided globally

What's next:

Increase investment in pipeline development and continue to support the veterinary profession through access to CDP content.

Development and Promotion of Innovative, Ethical and Sustainable Products Research and Development

The development of innovative new products that sustainably improve animal health and welfare is closely aligned to our purpose and fundamental to our future success. All of our pipeline products are targeted at providing veterinary professionals with solutions for their customer needs with particular focus on currently unmet or under serviced clinical needs.

Delivering a strong and robust pipeline with a focus on novelty is one of the Group's strategic objectives. In order to meet this objective we have committed to invest 5% to 6% of revenue on product development per annum. We are pleased to report that we have continued to make good progress on our pipeline again this year. We invested £32.4m in R&D this year, representing 4.8% of revenue. This was slightly below our target due to delays caused by the pandemic.

Linkage to UN SDGs



Most of this spend actually relates to the development of existing molecules rather than speculative research and we have a proven track record of successful pipeline delivery.

Several global product approvals have been achieved during the year most notably the launch of Zenalpha, a novel therapeutic product that is safe and effective for sedation in dogs. In a field study, dogs treated with Zenalpha had a shorter time to onset of sedation, shorter duration of sedation (recovered quicker), and less cardiovascular and respiratory depression and adverse reactions compared to dogs administered dexmedetomidine in the control group.

The recent announcement of our acquisition of Piedmont Animal Health Inc., a company that specialises in developing novel and differentiated companion animal products, will increase our pipeline investment to 7% to 8% in each of the next three years and will accelerate the provision of innovative solutions to veterinarians and pet owners in areas of unmet or under serviced medical needs.

CASE STUDY

Ambassador Programme

The US Veterinary Services Department began to manage the US University and Student Ambassador Program in the Summer of 2020. After a year of revamping the programme, we are proud of the advances and recognition that have been gained at 29 of the 34 accredited veterinary medicine institutions in the United States. This school year, Dechra had 39 student ambassadors in total, comprised of 29 companion animal and ten equine students. Together, our Veterinary Services Team hosted 36 in-person or virtual events for veterinary schools, with 1,700 students participating.

This year we also launched a mentoring programme for our student ambassadors. This programme allowed the students the opportunity to interact with various veterinary services colleagues about topics such as contract negotiation, interviewing skills, how to have tough discussions on euthanasia, and several more.

The culmination of our year included the launch of our Dechra Clinical Proficiency Awards for fourth year veterinary students. Selected students were awarded with a certificate and \$500. At 18 CVMs across the United States the following awards were given:

continued

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Product Sustainability

During the year we have continued to make strong progress towards our product sustainability targets:

- **All paper material to be from Forest Stewardship Council (FSC) sources by June 2023:** We remain on track to achieve this target with milestones achieved during the year consisting of all key internal manufacturing sites switching secondary packaging to FSC sources and the majority of our offices globally now using paper from FSC sources. We aim to complete this target next year by switching primary packaging, where legislation permits, and transitioning our remaining offices and sites onto FSC paper.
- **Pre launch sustainability review of new products by 2023:** As a pharmaceutical company with a broad portfolio, our product decisions are complex due to the high regulation involved in securing product approval as well as safety and efficacy compliance. During the year, our work has focused primarily on new product packaging. Our Packaging Committee have endeavoured to reduce packaging, reduce the use of more than one material in a dispensing carrier to improve recyclability and where possible, use recycled materials in our packaging.

- **Sustainability review of existing products by 2025:** During 2022 we have initiated a project with a third party software provider which will enable us to calculate and review the GHG footprint for all existing products. This new initiative will help us to assess and target interventions to reduce the environmental footprint of our products.

Maintaining and Improving the Knowledge and Skills of Veterinarians

Our relationship with veterinarians is key to our business, and therefore, we provided added value services in the form of educational programmes and technical support to maintain and improve the knowledge and skills of veterinarians who prescribe and use our products. We deliver education through many channels, including conferences, practice meetings, lunch and learns, and our online digital e-learning environment, the Dechra Academy. Veterinary professionals are able to claim CPD points towards maintaining their qualifications by attending our events.

The Dechra Academy helps veterinary professionals across the globe to upskill and keep up-to-date with the latest thinking through completely free, modern learning experiences. With over ten years of experience educating veterinary professionals, we are passionate and proud to provide reputable, modern learning resources, which help veterinary professionals continuously evolve their knowledge.

We differentiate ourselves from our competitors by focusing on challenging and interactive educational experiences. Each Dechra market has its own tailored Academy with courses that are relevant to their veterinary professionals. Where possible, our educational resources are accredited by local professional and regulatory bodies. Notable achievements over the last 12 months are:

- 97,192 registered users (2021: 83,000 registered users);
- 730 courses (2021: 549 courses); and
- available in 24 markets (2021: 21 markets).

We organise a number of educational events and webinars throughout the year covering a range of therapeutic subject matters, including Dermatology and endocrinology. During the year, we provided 23,039 hours of CDP via our Dechra Academy and a further 88,128 hours on in-person training events.

Technical Support

We offer a wide range of products including several that treat complex and less frequently occurring disorders such as Cushing's and Addison's disease, the provision of a high quality veterinary technical support on these products is a service that the veterinarians truly value.

For further information on our Technical Support read our 2022 Annual Report.

CASE STUDY continued

- Dechra Excellence in Dermatology – a fourth year veterinary student who has excelled in diagnosis and management of dermatological conditions.
- Dechra Excellence in Equine Sports Medicine – a fourth year veterinary student who has excelled in diagnosis and management of rehabilitation and lameness conditions.
- Dechra Excellence in Small Animal Internal Medicine – a fourth year veterinary student who has excelled in the diagnosis and management of endocrinological conditions.

The US Veterinary Services Department is excited about the plans for the 2022 to 2023 school year. We have expanded to over 40 student ambassadors, including 14 equine students and four veterinary technician schools. Other upcoming plans include a national webinar on nutraceuticals and supplements given by a boarded veterinary nutritionist. We also plan to continue supporting each of the CVMs with a return to on campus visits at each of the universities. Our Veterinary Professional Services colleagues have also discussed Dechra's newest product additions, including Zenalpha®, Laverdia™- CA1, Sucromate® Equine, and ProvetAPC™, with key companion animal and equine faculty and staff.