



Modern Slavery Statement and Policy

1. Coverage of Statement and Policy

This Statement and Policy applies from 1 July 2021 to 30 June 2022.

2. Introduction

- 2.1 The Modern Slavery Act 2018 (Cth) (Act) requires 'reporting entities', in respect of each 'reporting period', to publicly report (by way of a 'modern slavery statement') what they are doing to address modern slavery risks in their operations and supply chains.
- 2.2 The term 'modern slavery' is used to describe situations where coercion, threats or deception are used to seriously exploit individuals and undermine or deprive them of their freedom. Modern slavery includes any practice or conduct that constitutes slavery, forced labour, human trafficking, child exploitation, involuntary servitude, debt bondage, human trafficking and other slavery-like exploitation. Modern slavery does not include mere substandard working conditions or underpayment of workers.
- 2.3 Under the Act:
- (a) 'reporting entities' are those that have an annual consolidated revenue of \$100 million or more. This means that Virbac (Australia) Pty Limited is classified as a reporting entity under the Act; and
 - (b) each reporting period runs from 1 July to 30 June, with the next reporting period ending on 30 June 2022 and with the 'modern slavery statement' for each reporting period required to be lodged with the Minister for Home Affairs within 6 months of the end of the relevant reporting period.
- 2.4 Virbac has developed this Modern Slavery Statement in accordance with the Australian Modern Slavery Act 2018 (Cth). Virbac acknowledges the significant risks associated with Modern Slavery and the purpose of our Statement and Policy seeks to minimise the risk of modern slavery occurring in our businesses or supply chains.

Definitions

- 2.4 In this policy:

Act means the Modern Slavery Act 2018 (Cth).

Board means the board of Virbac (Australia) Pty Limited.

Control has the meaning given to that term in clause 50AA of the Corporations Act 2001 (Cth).

Group means Virbac (Australia) Pty Limited and its Controlled entities.

Group Entity means an entity within the Group.

Staff means all officers and full-time, part-time, permanent, fixed-term, contract and casual employees within the Group as well as any individuals engaged as independent contractors.

Sourcing Function means the Group's in-house sourcing/procurement function, supported by Virbac's Regional and external Australian legal counsel.

Supplier means any person or entity who provides goods, premises, products or services to a Group Entity.

Supply Contract means any agreement, contract or arrangement under which a Group Entity is the recipient of goods, premises, products or services.

Virbac means Virbac (Australia) Pty Limited ACN 003 268 871 and any other entity owned or controlled by Virbac (Australia) Pty Limited

3. Scope and Purpose

- 3.1 This policy applies to all Staff.
- 3.2 The purpose of this policy is to provide the overarching compliance framework that will support Virbac's reporting obligations under the Act.
- 3.3 By improving transparency about modern slavery, the Act seeks to increase awareness of modern slavery risks and thereby reduce such risks in the production and supply chains of Australian entities.
- 3.4 The Group is committed to these objectives and has zero tolerance for modern slavery practices. The Group expects its Suppliers will share that commitment and a desire to eliminate modern slavery practices from their respective businesses and supply chains.
- 3.5 This statement and policy is not intended to create any contractually binding obligation on any Group Entity and does not in any way form part of any contract of employment with any Group Entity.

4. Compliance Framework

Modern slavery statement

- 4.1 The Sourcing Function of Virbac is responsible for:
 - (a) preparing, in accordance with the requirements of the Act, a joint modern slavery statement for Virbac, and for each reporting period;
 - (b) submitting such statement to the Board for review and approval; and
 - (c) lodging the approved modern slavery statement with the Minister responsible for the Act.
- 4.2 The Act provides that a modern slavery statement must include the following information:
 - (a) identity of the reporting entity;
 - (b) a description of the structure, operations and supply chains of the reporting entity;
 - (c) a description of the risks of modern slavery in the operations and supply chains of the reporting entity and any entity it owns or controls;
 - (d) a description of the actions taken to assess and address modern slavery risks, including due diligence and remediation processes;
 - (e) a description of how the entity assesses the effectiveness of such actions;
 - (f) a description of the process of consultation with controlled/owned entities;
 - (g) any other information considered relevant by the entity; and
 - (h) details of the approval given by the Board of the reporting entity in respect of the modern slavery statement.

Identifying modern slavery risks in the Group's supply chains

- 4.3 To identify modern slavery practices in the Group's supply chains, or otherwise obtain comfort that such practices do not exist within a Supplier's business, the Group has adopted the following approach as detailed below.

Contractual assurance

- 4.4 Contractual assurance involves the inclusion of provisions (approved by the Sourcing Function) in Supply Contracts that (in summary):
- (a) require Suppliers to:
 - (i) comply with Modern Slavery Laws;
 - (ii) comply with Virbac policies, procedures, and directions regarding Modern Slavery;
 - (iii) immediately notify Virbac of any facts or circumstances which may contravene Modern Slavery Laws or breach Virbac policies, procedures, or directions regarding Modern Slavery, whether that relates to the Supplier or any of its sub-contractors; and
 - (iv) regularly supervise sub-contractors to ensure that the sub-contractor complies with Modern Slavery Laws and the Customer's policies, procedures, and directions regarding Modern Slavery.
 - (b) during this Agreement, the Supplier must promptly provide Virbac (or Virbac's authorised delegate) with access to the Supplier's Modern Slavery Records, personnel, and facilities during normal business hours for Virbac to conduct an audit.
 - (c) indemnify Virbac and its officers, Staff, and agents from and against all liabilities, loss, damage, claims, demands, actions, suits, proceedings, costs, charges, penalties, and expenses which Virbac may incur directly or indirectly in respect to the Suppliers' Modern Slavery Obligations.
 - (c) give the relevant Group Entity the right to terminate the Supply Contract should a Supplier breach the above provisions or fail to eliminate any identified modern slavery practices in the Supplier's business or supply chains to the reasonable satisfaction of the Group Entity.
- 4.5 The above provisions are to be included in all precedent contracts Virbac develops in connection with the procurement of goods, premises, products or services.
- 4.6 The Sourcing function and persons who have custody and authority over supply contracts are responsible for seeking to include the above provisions in:
- (a) any Supply Contract that is required to be reviewed by the Sourcing Function; and
 - (b) any Supply Contract with a Supplier who is in a sector or industry that is deemed to be higher risk in terms of modern slavery practices (High Risk Sector). The Sourcing Function will periodically assess and update the High-Risk Sectors, considering any guidance issued by the Commonwealth Government Department of Home Affairs and other relevant agencies or bodies (e.g. United Nations).

Know Your Supplier (KYS)

- 4.7 The Group will endeavour to conduct on a regular basis (aligned with Virbac Global Sourcing requirements), Supplier 'due diligence' to assess the risk of modern slavery practices existing within the relevant Supplier's business or supply chains.
- 4.8 The KYS risk assessment on an annual basis applies to the following categories of Supplier:
- (a) all Suppliers in High Risk Sectors, including but not limited to:
 - (i) cleaning services;
 - (ii) uniform suppliers;
 - (b) Suppliers domiciled in countries where modern slavery practices are more prevalent; and

(c) Suppliers where the relevant Supply Contract is material in nature.

- 4.9 Given that the Group's supply chains are large and complex, the KYS regime outlined above will be rolled out over several reporting periods, with a focus on continuous improvement. A risk-based approach will be adopted in relation to the roll out. This approach is consistent with guidance issued by the Department of Home Affairs.

Staff to report modern slavery practices

- 4.10 If a Staff member becomes aware of, or suspects the existence of, modern slavery practices within a Supplier's business or supply chains, the individual must promptly report this to their immediate manager, to the Sourcing Function or the Directors or Company Secretary as listed below. Staff members must provide as much detail as possible in relation to their concerns.

John Embling - Director

Email: john.embling@virbac.co.za

Adam Smith - Director

Email: adam.smith@virbac.com.au

Matthew Patruno - Company Secretary

Email: matthew.patruno@virbac.com.au

Approach to clients' modern slavery requirements

- 4.11 In circumstances where a Group Entity is requested to either participate in KYS activities or agree to modern slavery contractual provisions (i.e. where the Group Entity is the supplier of goods, premises, products or services), the Group Entity will, having regard to legal advice, adopt a co-operative approach and endeavour to align its response to the principles of this policy.

What happens if modern slavery risk is identified or a Supplier is uncooperative?

- 4.12 Should a Supplier fail (in whole or in part) to comply with a contractual assurance request or other due diligence activities that reveal the risk of modern slavery practices, the following actions (at a minimum) must be taken:

(a) the matter is to be raised with the Manager or Officer who has authority over the relevant Supply Contract and, where relevant, any other person who has any delegated authority to approve of the relevant Supply Contract (1);

(1) Supply Contract is material if:

- (a) The contract has a value of \$100,000 or more, either in the aggregate or on an annual basis; or
- (b) Notwithstanding the dollar value of the contract, the contract is material having regard to qualitative factors such as (but not limited to):
- (i) The contract is very important to the operations, assets, personnel or solvency of the business;

- (ii) the contract is very important from a reputational perspective (e.g., there would be adverse reputational consequences if the contract was terminated or breached);
 - (iii) the contract is required to comply with applicable law the breach of which could give rise to a material adverse effect on the Group Entity;
 - (iv) the contract protects highly sensitive information of the Group Entity.
- (b) the nature and extent of the risk posed must be considered;
 - (c) consideration should be given to whether there are alternative Suppliers;
 - (d) ideally, a decision should be made to either cease using, or not proceed with the proposed engagement of, the Supplier or, if these options are not possible, implement plans (where possible) to transition out of procurement from the Supplier (noting that there may be legal impediments or other practical considerations which may prevent these options from being pursued);
 - (e) the above matters, and any actions taken, must be promptly reported to the Sourcing Function; and
 - (f) where there is persuasive evidence of the existence of modern slavery practices, the contract owner must first engage with the Sourcing Function to determine how the Group may work with the Supplier, victims or other external authorities or agencies to remediate those practices.

Training and communications

4.13 The Board is responsible for building awareness in relation to modern slavery risks, with a focus on encouraging relevant Staff to have ongoing conversations with Suppliers around ethical supply and being acutely cognisant of modern slavery risks within the procurement landscape.

Assessing the effectiveness of the compliance framework

4.14 The Group will assess the effectiveness of the actions it takes to assess and address modern slavery risks through the following measures.

Internal audit

4.15 To ensure periodic assessment and review of the compliance framework set out in this policy, the Sourcing Department will undertake an annual audit of compliance with the requirements of this policy. The outcomes of the audit work will be reported to the Board to ensure appropriate governance over modern slavery risks.

The Board and other senior stakeholders as appropriate will support the internal audit program and undertake a review of this policy and its procedures to identify areas for process improvement on an annual basis (and periodically if and when required to ensure the effectiveness of the compliance framework).

Continuous tracking

4.17 The Sourcing department will continue to monitor the number of Suppliers engaged by the Group (who are deemed higher risk from a modern slavery perspective)

Complaints

4.18 In addition to the other mechanisms outlined in this policy, Staff are encouraged to also avail themselves of the existing whistle blower, complaint and grievance mechanisms to report the

risk of modern slavery practices in the operations or supply chains of the Group. The Group supports and encourages a 'speak up' mentality and culture.

5. Responsibility

The Sourcing Function has responsibility for enforcing the principles of this policy.

6. Breaches of this Policy

6.1 Non-compliance with this policy may result in disciplinary action up to and including termination of employment or contract (as relevant).

7. Associated Policies, Guidelines and Procedures

7.1 This policy operates in conjunction with the following policies:

- (a) Whistle Blower Policy
- (b) Virbac Global Supplier Code

8. Variations

8.1 This Statement and Policy may be varied, replaced or terminated at any time at the absolute discretion of Virbac.

9. Approvals

9.1 This Modern Slavery Statement and Policy has been approved by the Board of Directors of Virbac (Australia) Pty Ltd on 12th April 2022. The Board will continue to monitor adherence to this Statement and will ensure that all obligations of the Modern Slavery Act 2018 (Cth) are met.



Pierre Contat - Director



John Embling - Director



Adam Smith - Director