



## **Modern Slavery Statement FY 20**



PETstock Pty Ltd (ABN 80098394588), makes this joint modern slavery statement on behalf of the following entities PETstock Retail Pty Ltd (53127690466), PETstock VET Pty Ltd (ABN 42 128 415 734), PS Equine Pty Ltd “Caribu” (ABN 98620228588), Equine Holdings Pty Ltd (ABN 68 633 418 078) t/a Europa Saddlery (ABN 55 294 465 965), Syd Hill & Sons Pty Ltd (ABN 90887759236), PETstock Industries Pty Ltd (ABN 68 613 033 159), PETstock Provincial Pty Ltd (ABN 69 614 040 809), Genuine Range Pty Ltd “Glow” (ABN 34 604 821 696), PS Doggie Daycare Pty Ltd (ABN 62 633 073 300), PETstock Property Pty Ltd (ABN 39 149 178 094), PETstock Retail Pty Ltd (ABN 53 127 690 466), PETstock North Sydney Pty Ltd (85 160 875 052) and PETstock Mini Pty Ltd (33 166 638 811). Whilst some of these entities may not be reporting entities for the purposes of the Act, we have adopted a ‘business-wide approach’, and this statement applies to all of PETstock’s related bodies corporate and operations.

This statement has been prepared in consultation with our procurement teams and related suppliers. As this has been necessary, other areas of the business have been consulted.

A list of the *Modern Slavery Act 2018* section 16 mandatory criteria and reporting requirements, and where they have been addressed in our statement, are at Appendix A.

This modern slavery statement was approved by the Board of PETstock on **12<sup>th</sup> March 2021**.

# 1. Introduction

PETstock is a 100% Australian, family owned and operated business, which started in Regional Victoria in 2002. Our vision is to create a world class retail experience both in our stores and online. Our business is built on the foundation of family values, fun & a healthy lifestyle.

This statement has been prepared to meet reporting requirements under the Australian *Modern Slavery Act 2018* (Cth). This modern slavery statement outlines the actions that have been taken by PETstock to identify, assess, and address the modern slavery risks across our operations and supply chains in the year ending 30 June 2020.

During FY20, PETstock commenced a process of review of its supply chains and operations with the goal of identifying where any risks of modern slavery or serious exploitation may be present. This includes any incidences of trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour. We see these new modern slavery reporting requirements as an opportunity for us to review and gain a better understanding of our supply chains and operations.

We are proud of our business and understand that ultimate responsibility for the prevention of modern slavery in our supply chain and operations rests with our leadership and management team. Therefore, we are committed to the ongoing investigation of our exposure to potential modern slavery risks. We understand that PETstock will need to do further due diligence to discover, fully understand and report on our risks moving forward, and we are committed to continue this important work during FY21.



Shane Young

**Chief Executive Officer**

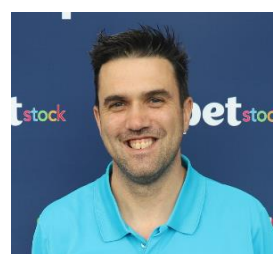
Date: 12<sup>th</sup> March 2021



David Young

**Managing Director**

Date: 12<sup>th</sup> March 2021



## 2. Our Structure, Operations and Supply Chains

PETstock was founded in Ballarat, Victoria and its Support Office and flagship stores still operate in Ballarat. PETstock derives its revenue from the sale of pet products and services through its retail stores, ecommerce and the operations of veterinary facilities. Since 2012, PETstock has operated as a franchise organisation and now has over 170 sites and three support offices across Australia and New Zealand.



Our retail stores provide pet products and services. Our product range includes food, healthcare, grooming, apparel, accessories, training, cages, tanks and clean-up for cats, dogs, horses, fish, small animals, reptiles, chickens and birds. PETstock Franchise also provides training, human resources, retail management, marketing, IT and administration services to franchisees.

 <b>DOG PRODUCTS</b> food, bedding, clothing & accessories, toys, vet products & home medication, health products, training aids, travel gear, prams and carriers, cleaning supplies, books & videos	 <b>FISH PRODUCTS</b> live fish, tanks, plants, decorations & accessories, food, heating & lighting, pond care, air pumps & filters, health products	 <b>CAT PRODUCTS</b> food, bedding, clothing & accessories, toys, vet products & home medication, health products, carriers, cleaning supplies, litter	 <b>BIRD PRODUCTS</b> cages, food & treats, toys & accessories, health & grooming, cleaning supplies
 <b>HORSE PRODUCTS</b> rug, accessories & grooming, food, health, saddlery & rider apparel	 <b>SMALL ANIMAL PRODUCTS</b> food & treats, litter & bedding, health & grooming, toys & accessories, houses	 <b>REPTILE PRODUCTS</b> live animals, tanks & décor, heating & lighting, accessories, food (dry, frozen & live)	 <b>CHICKEN PRODUCTS</b> coops, feeders & waterers, food & health



PETstock Vet operates veterinary facilities within some of our PETstock stores. These services grooming, hydro bath and puppy schools. PETstock also partners with FurLife Vet Clinics in select regional locations around Australia. Our pet service range includes grooming, DIY Wash, puppy school, pet adoption, cat boarding, pet ID tags, water testing, and dog daycare.



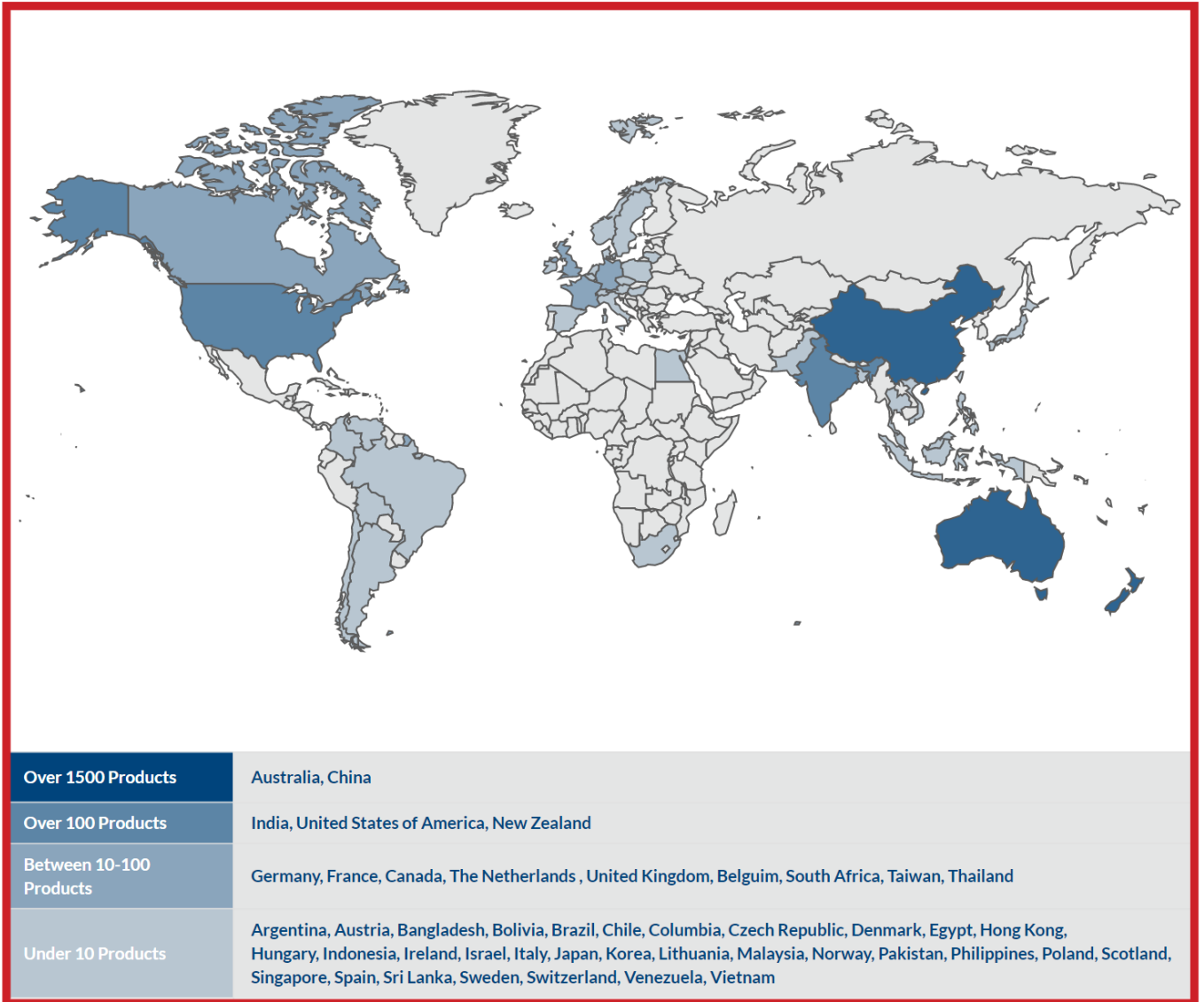
PETstock Assist is our charity foundation which is committed to making a long-term difference and positive change in the lives of pets and humans through education and raising awareness.

PETstock also sells through several eCommerce sites including Pet.co.nz and Petmarket.

## Our Suppliers

PETstock is involved in the direct manufacture of some own-branded PETstock products - our “Glow” range and some of our equine products.

PETstock mainly relies on third party manufacturers to produce our products for re-sale. Based on the review of our supply chain conducted during FY20, we have identified that PETstock mainly sources our products made in the following countries:



During our FY20 review, we identified that we source:

<p>OVER 1500 PRODUCTS FROM CHINA AND AUSTRALIA</p>	<p><b>Aquatic</b> supplies (including food, décor, tanks and tank accessories, gravels and substrates)  <b>Bird</b> supplies (including cages and accessories, toys, healthcare &amp; food)  <b>Canine</b> supplies (including apparel, bedding, accessories and toys, behavioural devices, cleaning products, grooming and healthcare products, gates, cages, collars and leads, food and treats)  <b>Equine</b> supplies (including apparel and accessories, grooming and healthcare products, food, saddlery and rugs)  <b>Feline</b> supplies (including bedding, accessories and toys, cleaning products, healthcare products, gates, cages, collars and leads food and treats, litter)  <b>Poultry</b> supplies (including coops and accessories, healthcare and feeding products)  <b>Reptile</b> supplies (including food, décor, tanks and tank accessories, gravels and substrates)  <b>Small animal</b> supplies (including bedding, accessories and toys, healthcare products, cages, food and treats, litter)</p>
<p>OVER 150 PRODUCTS FROM INDIA</p>	<p><b>Bird</b> supplies (feeders and accessories)  <b>Canine</b> supplies (bowls and feeders)  <b>Equine</b> supplies (including apparel and accessories, grooming and healthcare products, food, saddlery and rugs)  <b>Feline</b> supplies (bowls and feeders)</p>
<p>OVER 100 PRODUCTS FROM EACH THE US AND NZ</p>	<p><b>Aquatic</b> supplies (including food, décor, tanks and tank accessories, gravels and substrates)  <b>Bird</b> supplies (including cages and accessories, toys, healthcare &amp; food)  <b>Canine</b> supplies (including apparel, bedding, accessories and toys, behavioural devices, cleaning products, grooming and healthcare products, gates, cages, collars and leads, food and treats.)  <b>Equine</b> supplies (including apparel and accessories, grooming and healthcare products, food, saddlery and rugs)  <b>Feline</b> supplies (including bedding, accessories and toys, cleaning products, healthcare products, gates, cages, collars and leads food and treats, litter)  <b>Poultry</b> supplies (including coops and accessories, healthcare and feeding products)  <b>Reptile</b> supplies (including food, décor, tanks and tank accessories, gravels and substrates)  <b>Small animal</b> supplies (including bedding, accessories and toys, healthcare products, cages, food and treats, litter)</p>
<p>OVER 50 PRODUCTS FROM GERMANY</p>	<p><b>Aquatic</b> supplies (including food, décor, tanks and tank accessories, gravels and substrates)  <b>Bird</b> supplies (nesting and accessories)  <b>Canine</b> supplies (including apparel, healthcare products, collars and leads, treats)  <b>Equine</b> supplies (including apparel and accessories, grooming and healthcare products, saddlery and rugs)  <b>Feline</b> supplies (healthcare products, collars and leads, litter)  <b>Reptile</b> supplies (including food, tank accessories, substrates)  <b>Small animal</b> supplies (including bedding, healthcare products, treats,)</p>
<p>OVER 20 PRODUCTS FROM EACH OF CANADA, NETHERLANDS AND THE UK</p>	<p><b>Aquatic</b> supplies (tank accessories)  <b>Bird</b> supplies (food and toys)  <b>Canine</b> supplies (including bedding, accessories and toys, behavioural devices, grooming and healthcare products, gates, collars and leads, food and treats.)  <b>Equine</b> supplies (including apparel and accessories, grooming and healthcare products, saddlery)  <b>Feline</b> supplies (including toys, grooming products, gates, food and treats, litter)  <b>Reptile</b> supplies (including food, tank accessories, healthcare products, substrates)  <b>Small animal</b> supplies (including bedding, accessories and toys, food and treats, litter)</p>
<p>OVER 10 PRODUCTS FROM EACH OF BELGIUM, SOUTH AFRICA, THAILAND AND TAIWAN</p>	<p><b>Aquatic</b> supplies (including live animals, food, décor, tank accessories)  <b>Bird</b> supplies (including cages and accessories, toys, healthcare &amp; treats)  <b>Canine</b> supplies (including bedding, accessories and toys, behavioural devices, cleaning products, grooming products, gates, cages, collars and leads, food and treats.  <b>Equine</b> supplies (including apparel and accessories, grooming and healthcare products, saddlery)  <b>Feline</b> supplies (including accessories and toys, food and treats, litter)  <b>Reptile</b> supplies (substrates)  <b>Small animal</b> supplies (cages)</p>

**Note:** We have not traced supplier details past tier 1 Australian and New Zealand wholesalers for over 1500 of our products, and we do not (as yet) have consolidated information about the countries in which over 3000 of our other products are made. Our ongoing supplier review process is described in this statement.

## Our Large and International Brand-Name Product Suppliers

Like most large Australian retailers, many of PETstock's main suppliers are large international suppliers of pet food and pet products, which have either completed their own modern slavery statements or have made some ethical sourcing and sustainability information about their businesses publicly available. Where these suppliers have made statements or other ethical sourcing information available, we have linked to that information below - for ease of reference. It should be noted that we have not independently verified any claims made by these businesses or brands to date, but that we always aim to work with suppliers that focus on ethical and sustainable sourcing. We have listed some of our main suppliers in the interests of transparency, and for the purposes of describing and illustrating our complex supply chain and operations. Some of our larger suppliers include:

	<p>Ebos is a marketer and distributor of the following brands that supply PETstock – <b>Lyppard, Masterpet (Vitapet, Aristopet, Blue Planet, Trouble and Trix, Yours Drooly, Joy and Blackhawk) and Animates</b>. Its modern slavery statement can be accessed <a href="#">here</a>.</p>
	<p>Mar's Pet food brands include <b>Pedigree, Whiskas and Royal Canin</b>. Mars issued a modern slavery statement in 2019 which can be accessed <a href="#">here</a>.</p>
	<p>Colgate Palmolive has operations in over 70 countries and sells its products in more than 200 countries and owns Hill's Pet Nutrition which supply <b>Hill's Science Diet and Hill's prescription Diet</b>. Colgate-Palmolive issued a modern slavery statement in 2019 which can be accessed <a href="#">here</a>.</p>
	<p>Nestle owns Nestle Purina Pet Care which supplier – <b>Purina, Purina One, Purina Alpo, Purina Felix, Purina Pro Plan, Purina Cat Chow, Purina Fancy Feast, Purina Chef Michael's, Purina Bakers, Purina Friskies, Purina Dog Chow and Purina Beneful and Purina Gourmet</b>. Nestle has issued a statement <a href="#">here</a>.</p>
	<p>Boehringer Ingelheim provides preventive <b>animal healthcare products and vaccines, parasiticides and animal pharmaceuticals</b>. Its ethical sourcing information can be accessed <a href="#">here</a>.</p>
	<p>Bayer supply PETStock with flea, tick and worming products including <b>Advocate, Kiltix, Drontal, Seresto, Advantage, Profender and Advantix</b>. Bayer's modern slavery statement can be accessed <a href="#">here</a>.</p>
	<p>Based in South Africa, Rogz supply PETstock with collars, leads, bowls, car safety belt clips, treat dispensers and other products.</p>
	<p>Ridley Corporation Limited, through its subsidiaries, operates stockfeed mills, which produce and distribute animal feed products for the beef, dairy, pig and poultry industries. It a provider of provider of animal nutrition solutions (dog food, chicken feed), it supplies the following brands <b>Barastoc, Cobber and Primo</b>. It has published social responsibility information <a href="#">here</a>.</p>
	<p>Hagen Group provides PETstock with aquatic products, fish food, biological enhancer, products for tanks and habitats, bowls, feeders, disposable diaper for pets and training pads. Hager Group provides PETstock with a range of products including those from the brands <b>Fluval, Fluval Sea, Marina, Exo Terra, Zoe, Catit, Dogit, Living World, ZooMed and Glo</b>.</p>
	<p>Elanco provide animal health solutions such as <b>antibacterials, anticoccidials, and parasiticides</b> and products that prevent and treat disease, improve and extend quality of life, and improve the type of care that pets receive.</p>
	<p>Canidae are a US based pet food company that supply PETstock with dry cat and dog food.</p>
	<p>MSD is a large animal health company that supplies PETstock with <b>Bravecto</b> flea and tick treatments. Their modern slavery statement is available <a href="#">here</a>.</p>

## Our Local Wholesalers and Other Product Suppliers

PETstock is in the process of fully identifying and tracing our smaller local and overseas suppliers, manufacturers and wholesalers with a view to improving our supply chain transparency and further identifying our modern slavery risks. PETstock sources a large number of its products for resale through large locally based wholesalers and our speciality product suppliers based in Asia, Australia and New Zealand. Some of our main local and smaller overseas suppliers include:

	<p>PETstock Asia supplies PETstock stores with products sourced from 38 factories across China and India. These products include pet carriers, pet bedding, pet toys, crates, pet pens, scoops, pet waste bags, collars, bowls and feeders.</p>
	<p>Based in Hong Long, Vanilla Sugar helps create, design, manufacture and supply tailor made private label products to PETstock.</p>
	<p>Blackdog Pet Food Company is an Australian company specialising in the manufacture, distribution and marketing of pet treats.</p>
	<p>Ezydog Australia supplies leashes, harnesses, collars, float vests, backpacks, leather products and accessories.</p>
	<p>Ziwi Peak Ltd is a New Zealand based supplier of quality dog and cat food. Ziwi Peak have published information about the origin, quality and sustainability their seafood – which they advise is sourced in New Zealand. More information is <a href="#">here</a>.</p>
	<p>Australian supplier of aquatic plants, driftwood creations, live food and frozen feeders.</p>
	<p>The Kent Pet Group supply PETstock with cat litter products and have published their responsible business practice statement <a href="#">here</a>.</p>
	<p>Provide of 4000 + pet food products, toys, health and accessories. Brands sourced include IAMs, Hill Science Diet, Advance, Kong, Bayer, Boehringer Ingelheim and equine products.</p>
	<p>Eastern Distributors is a Victorian based stockfeed and petfood supplier.</p>
	<p>SVS NZ clinical Support provides veterinary supplies, consumables, equipment &amp; instruments.</p>
	<p>PETstock also sources some of its saddlery and equine products, managed through Equine Holdings Pty Ltd (trading as Europa Saddlery).</p>
	<p>Syd Hill &amp; Sons are Australian-based and supply PETstock with a range of saddlery products.</p>



### Suppliers of Goods and Services Not for Re-sale

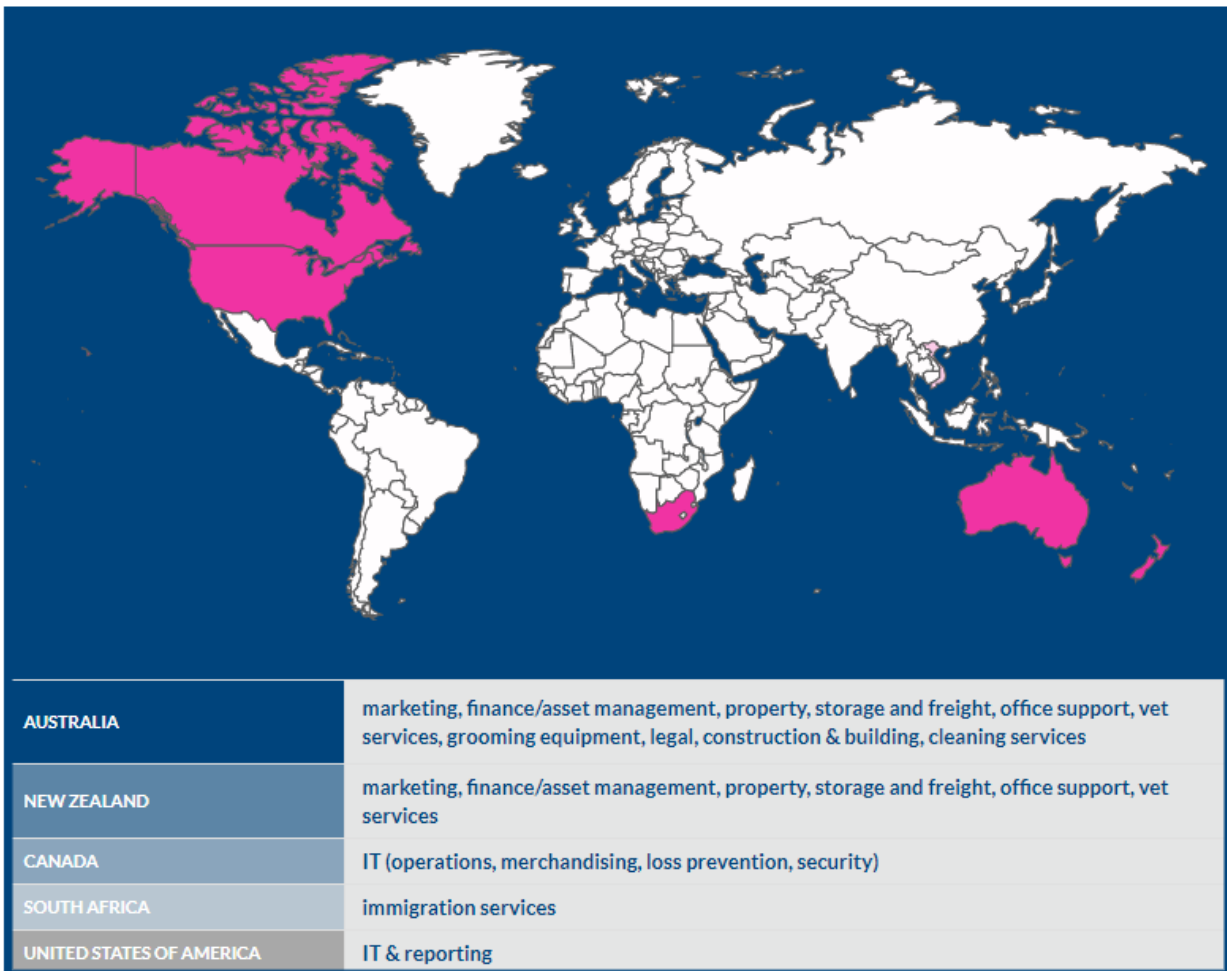
PETstock sources goods and services to support our stores, support office and to fulfil our other logistical requirements. In this reporting period we concentrated on our modern slavery risks associated with product sourcing from high-risk geographies. During FY21 we will continue this work and also focus our attention on the goods and services ‘not for resale’ that we acquire.

During FY21 we will continue this supplier risk mapping, and also identify and review our suppliers in:



Our modern slavery team has developed a list of key priorities for us to address and work on in FY21, with improvement in supply chain transparency as our main focus.

Some of the countries we source goods and products not for resale from include:



### 3. Risks of Modern Slavery Practices

We understand that modern slavery exists across all large businesses and retail sectors and is also therefore likely to exist in some parts of our supply chains and operations. Given the complex nature of our corporate structure and supply chains, the task of mapping our supply chains and operations is a difficult one. We understand however, that it is important for us to continue our work in this area, to ensure that we do not inadvertently allow modern slavery to exist in our operations. These include the modern slavery risks that are associated with:

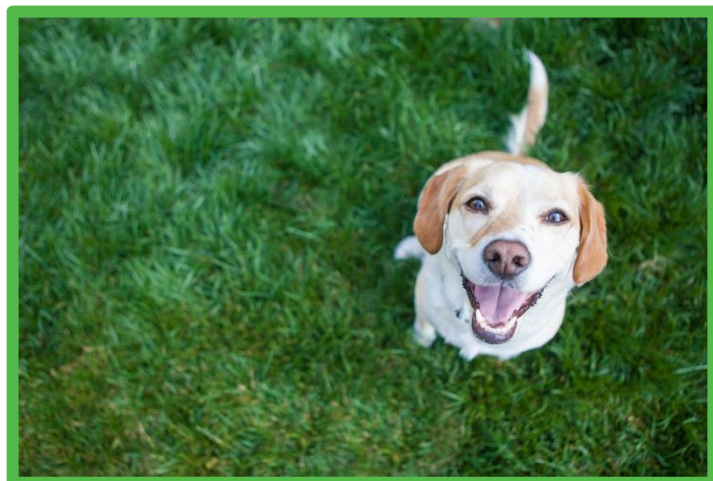


The challenge of working towards our first year of modern slavery reporting has been exacerbated by the impact of COVID 19 during FY20, and the need for our staff to focus on business imperatives and changes to our processes that have been required to meet the ‘new normal’. We are also aware that during the COVID 19 pandemic, the risks of modern slavery in our supply chain may have increased, and that there would have been less opportunity for this to be monitored or addressed by us (and our direct suppliers) due to travel restrictions.

PETstock has however conducted an initial risk assessment on its supply chain and operations during FY20 and has identified several its modern slavery risks relating to **Supply Chain Transparency**, **Geographic Risk** and **Sector Risk**.

#### Supply Chain Transparency

The products that PETstock sells are at the end of a complex supply chain, and PETstock is only at the start of its process of identifying and reviewing all its first tier (and some second tier) suppliers. Many of the products PETstock sells are sourced through agents and wholesalers in Australia and New Zealand, and so PETstock does not have full visibility over its supply chain (in terms of where those products are



made or sourced from). We have not tracked supplier details past tier one Australian wholesalers for over 1500 of our product lines, and we do not (as yet) have consolidated information about the countries from where over 3000 of our other products are made. This review is a detailed and time intensive process, and we are working hard on this task. Investigating the source countries for each of these 4500 plus products will require an extensive supplier review process that we have started planning and will continue during FY21. As a starting point to improving transparency over our supply chain, and for the purposes of this first year’s statement, we have focussed on a review of our suppliers-based China, India and Pakistan – and the manufacturers of some of our pet and equine products – where we have some visibility over the actual factories that produce our products.

## Geographic Risk

PETstock’s National Support Office is located in Ballarat, Victoria. As most of our staff are employed in Australia, this lowers the risk of modern slavery risk in regard to our local workforce. This is due to the strong Australian regulatory framework which includes the *Occupational Health and Safety Act 2004* and the *Fair Work Act 2019*. We are however aware that there may be modern slavery risks for us when we source and contract externally for cleaning services, security arrangements, freight, distribution, construction, store fit outs and logistics. We know that these service providers often rely on a workforce that includes migrants, low-skilled workers or people from cultural or linguistically diverse backgrounds. PETstock may also rely on recruiters or third-party labour hire services, which we understand increases our modern slavery risks.

PETstock sources materials, products and services from countries that have been identified by organisations such as the Walk Free Foundation (*Global Slavery Index 2018*) as having a high prevalence of modern slavery and human rights violations. The majority of the products that PETstock sources or sells are made in China, India and Pakistan. The Global Slavery Index reports that within the Asia Pacific Region, North Korea, Afghanistan, and Pakistan were the countries with the highest prevalence of modern slavery, however India, China, and Pakistan had the highest absolute number of people living in modern slavery (which accounted for 60 percent of the victims in the region)<sup>1</sup>.



PETstock is aware that as a responsible corporate citizen it needs to take steps to identify and manage this risk. We are aware of the widely published allegations of forced labour of minority groups in Xinjiang and Dandong and have included content on this in our PETstock Supplier Code of Conduct.

The equine products that PETstock sells are sourced mainly through our suppliers, Europa Saddlery and Syd Hill & Sons. Our

equine team deals with suppliers from China, India, Pakistan, Germany, and Taiwan. In terms of risk evaluation, we are aware of reports that millions of workers in the Indian leather industry often face unacceptable working conditions including the use of toxic chemicals used in tanneries (leather

<sup>1</sup> <https://www.globallslaveryindex.org/2018/findings/regional-analysis/asia-and-the-pacific/>

production), wages below the stipulated minimum wage, child labour, the exploitation of home-based workers, restrictions on trade unions and the discrimination of Dalits ('outcastes').



It will be an ongoing process for PETstock to be able to gather more detailed information from all its overseas suppliers on where the products it sells are actually made (regions, countries), so that we can work to manage our risks. To date, PETstock has only been able to gather detailed information from some of its linked and direct suppliers out of Asia. As most businesses would find, many suppliers and other first tier contacts who procure and supply

products are not always open to the sharing of their factory and local country contact information. This is often due a perceived threat that large retailers may take steps to 'cut out the middle-man' or cause offence or other issues with suppliers. PETstock understands however, that gathering detailed information about its supply chains and risks, back as many tiers as possible, is essential to the process of addressing its exposure to modern slavery risk.

During FY20, we have been able to gather and review some relevant information from one of our direct overseas suppliers - PETstock Asia. During FY20, PETstock Asia onboarded twelve factories, six of which were audited by quality assurance and quality control staff in China. These audits were planned (rather than unannounced) as they were all first-time factory audits for new suppliers. During FY20 there were also another 6 factories who supplied PETstock Asia with third party audit/inspection reports such as those prepared using BSCI and SEDEX. It is the current practice that if these third- party inspection reports are supplied, a PETstock Asia specific Factory Audit does not take place. As expected, PETstock Asia have advised that factory audits have not been conducted during COVID-19 but will commence once travel restrictions are lifted. PETstock Asia also requires its factories to complete a Modern Slavery Due Diligence Questionnaire and also sign the PETstock Asia Supplier Code of Conduct.

### Sector Risk

PETstock is aware that there are modern slavery risks that are inherent in the pet food and product industry, relating to the sourcing of raw materials such as meat and seafood, and the production of many pet related products in the Asia Pacific.

For our pet products that use meat, leather and seafood – identifying the source of those products is very difficult, which presents a modern slavery risk for PETstock. We will work on further identifying our sector risks during 2021.



## 4. Actions taken to Address Risks

PETstock has taken the following actions in FY20 to address our identified modern slavery risks. We will continue to review and address the modern slavery risks in our operations and supply chains moving forward.

### Board Level Commitment

The Board and management of PETstock is aware of its social and corporate responsibility to work to identify and address any modern slavery or serious exploitation that may be present in its operations and supply chains. PETstock has established a modern slavery working group and committed resources to continuous improvement in this space.



### Development of Modern Slavery Training for Staff and Suppliers –

During FY20, PETstock has engaged consultants to develop online Modern Slavery Training modules for our relevant staff or suppliers to complete. This training is designed to assist staff and suppliers to understand modern slavery and reporting requirements, and to allow the identification of modern slavery related issues and risks in PETstock’s supply chain and operations. The roll out of this training to key staff has commenced, and this will continue to happen during FY21. We will keep a record of all training offered and completed by its staff, and possibly some key suppliers, during the full training roll-out in FY21. This modern slavery statement will be circulated internally and made available to our key suppliers to ensure that they are made aware of our obligations and ongoing work in this area.

### Supplier Review and Audit Processes

In order to prepare for the submission of its first modern slavery statement, PETstock has begun the process of reviewing its list of overseas suppliers, including goods for re-sale and goods and services not for resale. This process is ongoing, and transparency has only been achieved in relation to our first tier and a limited number of second tier suppliers.

## Update and Development of Internal Policies and Processes

During FY20, and in preparation for the preparation of this statement, PETstock undertook a review of the range of corporate and social responsibility policies that it has in place. It was established that one of our direct suppliers in Asia, PETstock Asia had introduced a Supplier Code of Conduct and Supplier Questionnaire which covers modern slavery related requirements and issues. We also worked on the development of a PETstock Supplier Code of Conduct which sets out fundamental requirements for all our suppliers and business partners (including all authorised sub-contractors or raw materials suppliers) – with a view to rolling this out to all our Australian and overseas suppliers during FY21. During FY21 we will be asking our suppliers (starting with the smaller suppliers that do not have their own processes in place) to sign and agree to this Code and return a signed supplier commitment.



We will also continue work on the development of a set of PETstock Global Sourcing Principles which set out the fundamental requirements and minimum standards that must be followed by our suppliers. We will aim to roll these out during FY21. We will also be developing Supplier Remediation Guidelines to provide general guidance to PETstock staff, suppliers and its auditors if there is a need to remediate or address issues that are identified as non-compliance with the fundamental requirements of the PETstock Code of Conduct or Principles. We will also work on updating our Whistleblower Policy to ensure that staff, suppliers and workers are made aware that PETstock supports the disclosure by individuals of modern slavery or other wrongdoing that may be occurring within PETstock's operations and supply chains.

## 5. Assessment of the Actions Taken to Address Risks

PETstock is working to establish effective processes by which we can measure and evaluate the effectiveness of the actions we have taken to address our modern slavery risks. Given we are at the early stages of our supplier review and modern slavery risk identification process, this will be something that we will need to work on in the coming years. Assessing and evaluating the steps that we take in this space will continue to be our focus moving forward and we are committed to:

**Working on open communication and transparency within our business** - to ensure that our Board and Management are well informed about our ongoing modern slavery risks and challenges and the importance of the work required to address these risks.

**Developing stronger and more open relationships with our suppliers** - to foster free communication and transparency about their operations and the manufacture of products that PETstock sources and sells. We will also be taking steps to monitor and address the risk of modern slavery practices associated with sub-contracting and will be taking steps to review and address this if required.

**Monitoring the effectiveness of our modern slavery training modules** – including keeping track of the number of staff that have completed and seeking staff feedback on the effectiveness of the training program and their level of engagement. We will also review our training program to determine if the online training should be rolled out to additional staff, and possibly to some of the suppliers with whom we have direct dealings.

**Closely monitoring the audits and supplier checks** - that are being conducted by our main direct suppliers in Asia and our factories, to determine if these are effectively identifying risks of modern slavery or if there is need to improve this process. It has been noted in this statement that where some of our overseas suppliers undertake a self-assessment process (e.g. BSCI and Sedex reports) they are not always subject to physical audits or factory visits. We will be working to review the audits and other assessments that are done by our suppliers, and by our buyers and procurement teams (when we deal with factories directly) to make sure that these audit processes are effectively addressing modern slavery issues, and genuinely assisting in the process of mitigating our modern slavery risks.

**Developing new partnerships with local and overseas community organisations** - which will allow us to further understand our obligations and role and will allow us to seek feedback on the progress we have made so far, and to gather evidence about where we can go next.

**Our Whistleblower process** - and the investigation of any issues that come to our attention. We will also work on ways to provide and promote an avenue for workers to bring any issues of non-compliance with our Supplier Code of Conduct to our attention and to encourage an open culture and feedback.

**Improving our online corporate and social responsibility presence** – during FY21 we will be working on the publication and transparency of our supply chain and making the processes and policies that have developed available to our customers and the world at large. We consider that this will allow our customers to confirm that they are dealing with a responsible supplier of pet products, which is committed to the process of eradicating modern slavery from its supply chains and operations.

## 6. Supplier Relationships and the Impact of COVID 19

PETstock's procurement teams and other staff work hard to develop strong, mutually beneficial and ongoing relationships with our suppliers. We consider our supplier relationships to be valued partnerships. We hold regular account meetings with our key suppliers and host an annual National Conference, where all suppliers are invited to attend or participate in sponsorship opportunities. During the conference, suppliers are provided with an update from our General Managers, our Country Manager (New Zealand) and OurVet operations team and a PETstock Assist Board member on our:

- Business Growth;
- Ecommerce initiatives;
- Innovations in products and services;
- Staff appointments, culture and people.
- Learning and Development; and
- Corporate and Social Responsibility Initiatives.

During the conference we announce our Suppliers of the Year – for Australia and New Zealand. PETstock also runs separate Management Briefing Sessions for our suppliers, and in 2020 due to the travel restrictions imposed as a result of COVID 19, these were done as online briefings.

During FY20 we have considered the impact of the COVID-19 pandemic on our operations and supply chains. We are aware that this crisis may have elevated our modern slavery risk, as a result of pressure being placed on our suppliers and factories, with flow on effects on workers.

In order to address and mitigate these risks, we have continued to source products as usual during

uncertain times, and we have clearly and regularly communicated with our suppliers during this period. These discussions have centred around the general impacts of the pandemic, factory shutdowns and the need for revised processes for deliveries. We have also taken steps to review processes around factory visits, to ensure the safety of our teams.

During FY21, we will continue to monitor and address these risks and will report on our actions and initiatives in our next statement.

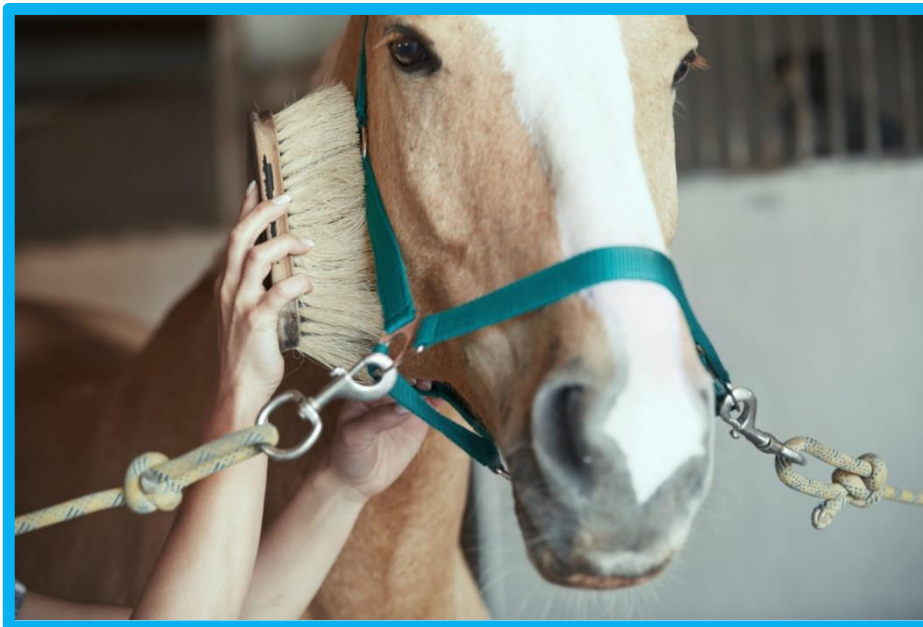




## 7. Moving Forward – Our Modern Slavery Goals

Our modern slavery team has developed a list of key priorities for PETstock to address and work on in FY21, with improvement in supply chain transparency as our main focus. We are also committed as a business to:

- modern slavery training for our Board and Senior Management;
- modern slavery training for targeted staff who procure from at-risk geographies or sectors;
- monitoring of our Whistle-blower contact email and prompt remediation of any modern slavery related issues;
- review of our supplier contracts to include modern slavery clauses and a reference to modern slavery compliance;
- sign on of our new and current suppliers to our PETstock Supplier Code of Conduct;
- planning ways to incorporate modern slavery considerations into our sourcing decisions - e.g., pricing, lead times, supplier review;
- working with our identified first-tier suppliers to ensure that proper modern slavery checks are being done at the factories we source from;
- inclusion of modern slavery issues on our risk register which will be regularly reviewed by PETstock's risk team;
- annual review of PETstock's response to modern slavery risks by senior management, the results of which will be reported to the Board; and
- a survey of current suppliers in a high-risk geographic areas, to ensure that they are aware of our modern slavery position and requirements.



We will also continue to work on our due diligence and supply chain review, further supplier engagement, engagement with relevant modern slavery organisations and the development of PETstock's online corporate and social responsibility presence.

## **Appendix A**

The *Modern Slavery Act 2018* section 16 mandatory criteria and reporting requirements and where they have been addressed in our statement:

### **1. Identification of the reporting entity**

This is addressed in the content and footnote on pages 2-4.

### **2. Description of our structure, operations, and supply chain**

This is addressed on pages 4-9.

### **3. Description of the risks of modern slavery practices in our operations and supply chains and any entities we own or control.**

This is addressed on pages 10-12.

### **4. Description of the actions we have taken to assess and address these risks (including due diligence and remediation processes)**

This is addressed on pages 13-14.

### **5. How we assess the effectiveness of our actions**

This is addressed on page 15.

### **6. Description of the process of consultation with any entities the reporting entity owns or controls.**

This is addressed on page 2.

### **7. Any other relevant information**

This is included on pages 16-17 where we discuss the development of supplier relationships, the impact of the COVID 19 pandemic and our goals moving forward.

