

Petspiration Group Modern Slavery Statement FY 2022

1. 2022 Petspiration Group Joint Modern Slavery Statement

This joint modern slavery statement is made by PETstock Pty Ltd (ABN 80 098 394 588) on behalf of the Petspiration Group (**Petspiration Group, we, us, and/or our**)¹.

This statement has been published in accordance with the *Modern Slavery Act 2018* (Cth) and reports on the actions taken by group to identify, assess and address potential modern slavery risks in our operations and supply chain during the report period ending 30 June 2022 (the **Reporting Period**).

The Petspiration Group is made up of PETstock Pty Ltd and all other entities over which PETstock Pty Ltd has control of for accounting purposes, including its controlled entities, businesses, related brands and digital services. Due to the timing of the acquisition, Best Friends Group² (**BFG**) will publish a separate Modern Slavery Statement for the Reporting Period.

This Statement addresses the mandatory reporting criteria of the *Modern Slavery Act 2018* (Cth) in the following sections:

Modern Slavery Act Requirement	Page
1. Identification of the Reporting Entity	1
2. Description of our structure, operations and supply chains	3 - 4
3. Description of the risks of modern slavery practices in our operations and supply chains and in any entities we own or control	6-8
4. Description of the actions we have taken to assess and address these risks (including due diligence and remediation processes)	9-10
5. How we assess the effectiveness of our actions	8, 11-12
6. Description of the process of consultations with any entities the reporting entity owns or controls	2
7. Any other relevant information	

This modern slavery statement was approved by the Board of PETstock Pty Ltd on **24 November 2022**.

¹ This Joint Modern Slavery Statement is made by the Petspiration Group on behalf of each of the entities set out in Appendix 1 (each a **Petspiration Reporting Entity** and together the **Petspiration Group Reporting Entities, we, us and/or our**). PETstock Pty Ltd (ACN 098 394 588) is the ultimate holding company of the Petspiration Group Reporting Entities. Collectively, and for the purposes of this Modern Slavery Statement, all of the Petspiration Group Reporting Entities are referred to as the **Petspiration Group**.

² Best Friends Group is made of Best Friends Holdings Pty Ltd (ABN 54 159 280 412), Best Friends Finco Pty Ltd (ACN 629 422 028) and Best Friends SecurityCo Pty Ltd (ACN 629 421 594), Best Friends Retail Pty Ltd (ABN 73 159 053 399), Best Friends Support Services Pty Ltd (ABN 93 159 054 645), Best Friends OPCO Pty Ltd (trading as My Pet Warehouse) (ABN 80 629 454 406), Pet Imports Pty Ltd (ABN 50 155 148 367), Pet Wise Investments Pty Ltd (ABN 48 166 845 423), Out Vet Pty Ltd (ABN 66 126 436 628) and Our Vet Tweed Heads Pty Ltd (ABN 47 153 249 168).

Consultation

The Petspiration Group has policies, systems and procedures that apply broadly across the Petspiration Group Reporting Entities. Additionally, our executive leadership team and the Board has responsibility and oversight and management over all of the Petspiration Group Reporting Entities.

Our Modern Slavery Steering Committee (**Steering Committee**) is made up of members of our executive leadership team and has responsibility for establishing a framework of risk management and oversight across the entire Petspiration Group (including the Petspiration Group Reporting Entities).

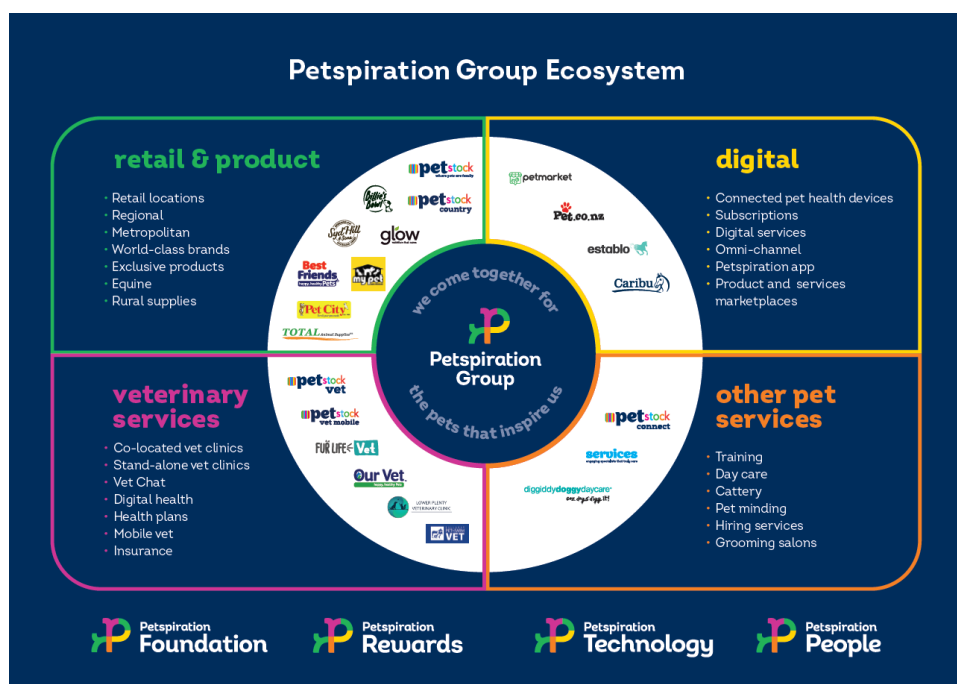
The Steering Committee governs the Modern Slavery Working Group (**Working Group**), and together they have consulted relevant management, procurement and buying teams from Petspiration Group Reporting Entities to gather information about our supply chains and operations, to assess modern slavery risks and to ensure consistency across the entire Petspiration Group.

This Modern Slavery Statement was approved by the Steering Committee prior to being put to the Board of PETstock Pty Ltd for review and approval.

2. Our Structure, Operations and Supply Chains

A Petspiration world is one where anything is possible for the health and wellbeing of our People, Pets and Planet.

The Petspiration Group is a family founded, owned and operated business which since its beginnings in regional Victoria in 1991, has grown into a diverse network of pet care brands and businesses across both Australia and New Zealand.



The Petspiration Group believes that we come together for the pets that inspire us. Since our foundation at our flagship PETstock retail store in Ballarat, Victoria, Australia in 2002, we have grown into a large network of pet retail, care services and brands across both Australia and New Zealand. We now employ over 3,650 staff across our 200+ retail stores, 32 veterinary clinics, doggy day care centres, support offices, cattery and our distribution centres.

It is our vision that, together with charity foundation the Petspiration Foundation, that empowering the bond between pets and people, can create a better future for the People, Pets and the Planet.

Our Operations

Our operations are categorised across the following sectors, with examples of our operations include:



Retail & Product

- Retail Stores (PETstock & PETstock Country)
- Rural Supplies
- Equine
- Glow



Veterinary Services

- Veterinary Clinics (co-located & stand alone)
- mobile vet
- FurLife Vet Clinics
- pet health services



Pet Services

- Grooming
- Day Care
- Puppy School



Digital

- petmarket
- pet.co.nz

All of our operations are supported by our support offices and distribution centres across the network. Our support offices perform a number of functions to support our operations, including marketing, human resources, finance and legal, administration services, IT support and customer experience. Our distribution centres and warehouses ensure the timely supply of products across our entire eco-system.

Our Supply Chains

We source a range of products and services from around the world. We also have many other indirect suppliers. We are currently building awareness understanding our direct and indirect supply chain and developing internal management systems to support a focus on sustainability and modern slavery in the supply chain.



Direct Suppliers

are those suppliers who provide us with products or manufacture products or services to be purchased within our business (and includes our private label products). For example, those who provide us with pet food for resale



Indirect Suppliers

are those suppliers who are not suppliers of product and contribute to our business through other means such as transport and distribution, cleaning, consulting

3. Risks of Modern Slavery in our Operations & Supply Chains

Given the large and complex nature of our corporate structure and supply chains, we understand that it is likely that our supply chain and operations are exposed to the risks of modern slavery.

We have begun to undertake due diligence activities to better understand the nature and extent of the risks of modern slavery that may exist within our supply chains and operations.

During this Reporting Period, we completed an in-house risk assessment of our suppliers and our internal operations to better understand the modern slavery risks within our supply chain.

Modern Slavery Risks in our Operations and Supply Chains

The approach to identify and prioritise any risks within our internal operations involved conducting a desk top analysis of each of the departments within the Petspiration Group. The outcome of our departmental desktop analysis revealed that there are risks of modern slavery across our entire network, with some departments having a higher risk than others owing to the nature of the suppliers that they are engaging with to carry out their duties and responsibility on behalf of the Group.



The departmental desktop assessment provided a high level overview of the potential prevalence of modern slavery in our supply chains and operations and determined our path forward to conducting further due diligence with respect to modern slavery.

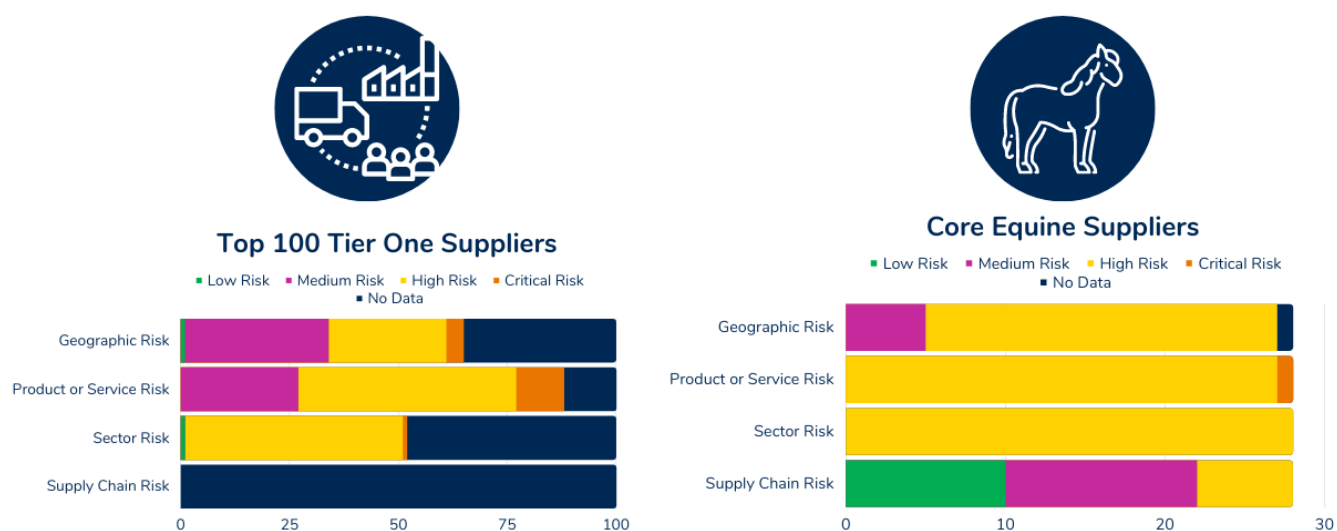
A desktop assessment of the suppliers to merchandise department identified that throughout the Reporting Period, we had over 1,300 Direct Suppliers within our network. Given the large number of suppliers within our network, we prioritised our assessment on our largest suppliers - most of whom are large international suppliers of pet food and pet products, have established modern slavery practices and their own modern slavery reporting obligations.

We have undertaken a review of our Top 100 Tier 1 suppliers³, together with our Core Equine suppliers to identify where risks of modern slavery risks were most significant. This was to prioritise an assessment of modern slavery risks within our largest suppliers, a category of suppliers who we feel we would be able to have the most impact with when mitigating the risks of modern slavery in our supply chains. The risk assessment was undertaken by using common risk indicators for modern slavery according to the *Commodity Atlas*, *Global Slavery Index* and *Freedom House*.

³ Top 100 Tier One Suppliers according to expenditure

Risk Assessment Summary – Suppliers

The results determined, as expected, that many of our Top 100 Tier 1 and Core Equine suppliers had a medium-high risk of modern slavery practices, according to the risk indicators used, namely geographic risk, product or service risk, sector risk and supply chain risk.



Based on these risk results, we undertook a deeper dive to screen five of our core and high-risk categories to gain a clearer understanding of these complex networks beyond the suppliers. We also used this information to help raise our buying team's knowledge and awareness of modern slavery risks within their own networks.

The five categories selected included Pet food, apparel and textiles, leather products and Pet care and Rubber goods. Further due diligence on these high risk supply chains will be undertaken in future.

Risk Assessment Summary – Product



Pet Foods (fresh, frozen, dried, canned)

Geographic Risk

Brazil, China, Thailand, Vietnam

Product Risk*

Meat: offal, fresh, chilled, canned, dried or frozen beef, poultry, pork
Fish and Seafood: fresh, canned, frozen

Sector Risk

Agriculture, farming, livestock
(Degrading work, repetitive, forced labour, child labour)

Supply Chain Risk

Complex Supply Chains that rely on meat production, fishing industry



Apparel & Textiles

Geographic Risk

High Risk: China, India, Philippines, Pakistan

Medium Risk: Spain, Australia, USA, South Africa

Product Risk

Rugs
Apparel
Bedding

Sector Risk

Textiles industry, cotton production, farming

Supply Chain Risk

Dependence on the cotton production supply chain



Leather Products

Geographic Risk

High Risk Countries: China, India, Taiwan

Medium Risk: Spain, USA, South Africa, UK

Product Risk

Collars
Harnesses
Saddlery

Sector Risk

Farming, Cattle, Livestock

Supply Chain Risk

Dependence on the meat production supply chain

*Labour right violations have been identified as key challenges with the fish and seafood supply chain representing a risk. (Global Slavery Index)

Beef Meat : Cattle and beef from Brazil are reportedly produced with forced labour and/or child labour (Commodities Atlas). Leather is used in a variety of pet accessories.



Pet Care Products

Geographic Risk

High Risk Countries: China, Pakistan, Brazil, Puerto Rico,
Medium Risk: South Africa, France, Ireland, Germany, Canada, Hungary, Lithuania, USA

Product Risk

Pharmaceuticals, Supplements, Pet and Equine Health, Shampoos, Parasiticides, Hoof Care

Sector Risk

Pet Health, Pet Care, Pharmaceuticals

Supply Chain Risk

long and complex supply chains



Rubber Products

Geographic Risk

China

Product Risk

Equine Products

Sector Risk

Rubber Farming

Supply Chain Risk

Dependence on the rubber farming

Throughout the next reporting period, it is our intention to continue to build on our work to address these risks, with a particular focus on high-risk materials and countries. In particular we intend to:

- improve visibility over lower-tier suppliers and better identify mitigation measures for more complex supply chains;
- review workplace requirements (for example, if the workforce is isolated or required to work excessive overtime or workers are forced to work);
- identify precise food ingredients in the supply chain of our products – this presents unique challenges and we will need to work directly with our suppliers to see what actions they are taking to identify this.

4. Actions taken to Address Modern Slavery Risks in our Operations & Supply Chains

We have now developed a strong and systematic approach to identifying and mitigating modern slavery risks in our operations and supply chains by embedding a Modern Slavery Governance Structure. Our Modern Slavery Governance Structure provides that all team members of the Petspiration Group have a role to play in identifying, assessing and addressing modern slavery in our business.

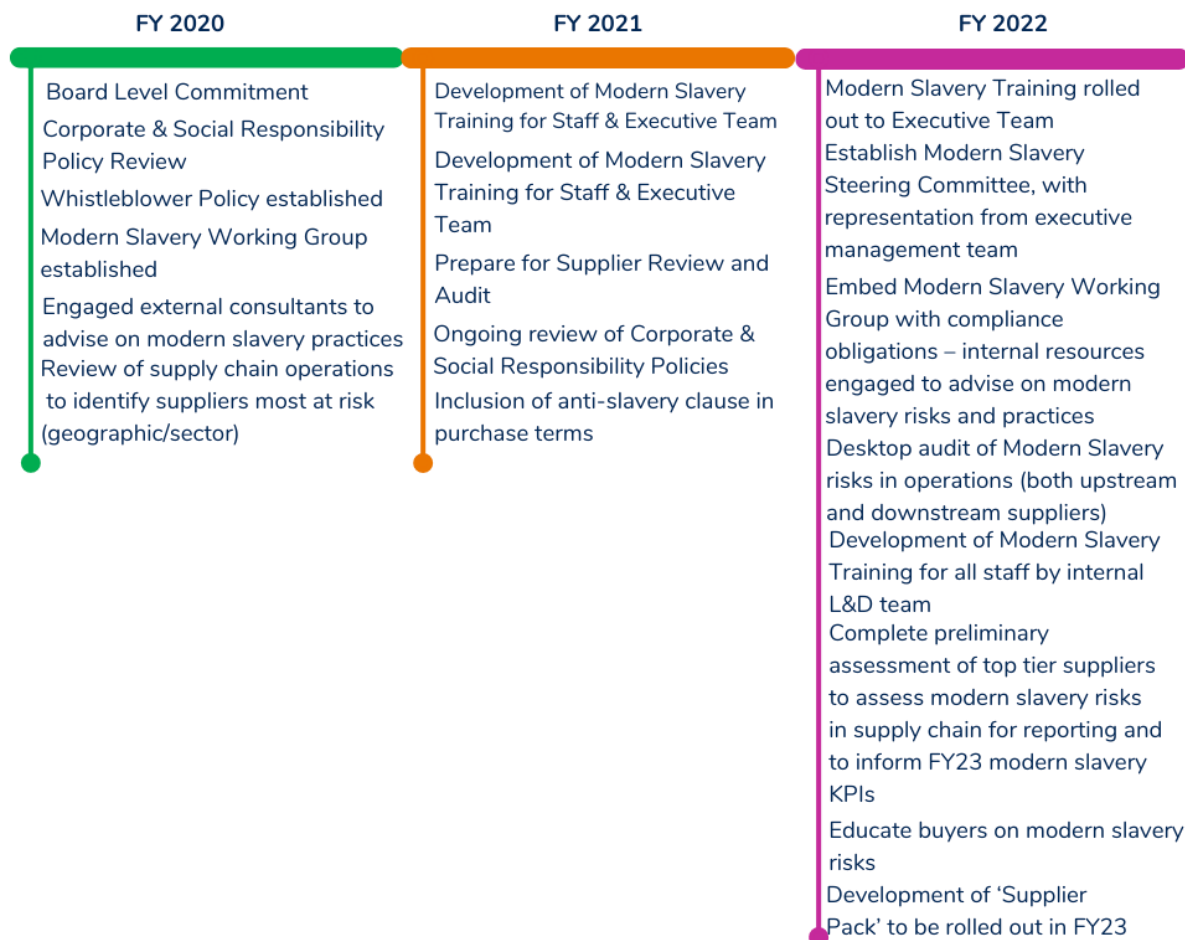
Our Modern Slavery Governance Structure



Whilst this is our third reporting period, we consider that we are still in the early stages of developing and embedding processes to reduce the risk of modern slavery in our operations and supply chains. It is our vision to create a better world for People, Pets and the Planet, and we recognise that embedding strong processes and initiatives to reduce modern slavery in our business has the potential to impact on the prevalence of modern slavery practices in the pet retail, care and services industry.

We are firmly of the view that the establishment of our strong modern slavery governance structure, together with the actions taken over previous reporting periods, has enabled us to set up processes that properly identify the risks of modern slavery in our operations and supply chains and help us to develop a strategy all of which will have a meaningful and long lasting impact on reducing our exposure to modern slavery risks across our network.

Timeline of actions taken to address Modern Slavery



5. Assessment of the Effectiveness of our Actions to Address Modern Slavery Risks in our Operations & Supply Chains

We have previously developed a set of Modern Slavery Key Performance Indicators' (KPIs) which allow us to measure and evaluate the effectiveness of our modern slavery risks going forward. The KPIs identified in our FY21 Modern Slavery Statement were as follows:

1. Roll out our modern slavery training module to all relevant staff during FY22

Modern slavery training was rolled out to our Board and Executive Leadership team in FY22. Our assessment that our entire network was exposed to potential modern slavery risks led to a determination that modern slavery training should be provided to all of our team members, with a focus on Support Offices initially.

2. Obtain approval of our Supplier Code of Conduct and provide our suppliers and business partners with a copy of the Code for them to sign and agreed to during FY22

We are determined to improving sustainability across our entire business. During FY22, we committed resources for the purpose of improving our approach to sustainability. In doing this, we revisited our Supplier Code of Conduct and developed a *Supplier Pack* to be rolled out during FY23.

3. Conduct a full review of the Petspiration Group's suppliers of products for resale (now referred to as Direct Suppliers)

An initial review of our Direct Suppliers revealed that we had over 1,300 suppliers, making a full review of all our suppliers within one reporting period difficult without significant expenditure on third party software and/or infrastructure to facilitate same. Accordingly, a preliminary review of our Top 100 Tier One and Core Equine suppliers was undertaken, with those suppliers identified at most risk of modern slavery practices to undergo a full audit during FY23.

4. Prepare for a review of the Petspiration Group's suppliers of goods not for re-sale (now referred to as Indirect Suppliers)

In light of the volume of our Direct Suppliers, it was not possible to prepare for a review of our Indirect Suppliers during FY22. We did however conduct a desktop audit of the prevalence of modern slavery risks for those Indirect Suppliers across all of our departments, which helped us to identify those departments most at risk of engaging both Direct nad Indirect Suppliers with modern slavery practices.

5. Roll out updated terms and conditions to all suppliers which expressly refer to modern slavery requirements during FY22

Our updated purchase terms were rolled out to new suppliers, where applicable during FY22. The updated purchase terms are included as part of the new *Supplier Pack*, which we intend to rollout during FY23.

6. Identify opportunities to collaborate with groups from existing networks that are focused on the management and eradication of modern slavery

Throughout FY22, we consulted with a number of groups and businesses who have developed tools and strategies to manage and mitigate modern slavery risks within businesses. We intend to continue to collaborate with these groups as we take steps to reduce our exposure to modern slavery in the coming years.

7. Prepare draft FY22 Modern Slavery Statement for Board approval

We have actioned this KPI.

We believe that the actions we have taken during this Reporting Period have resulted in us establishing a clear process and framework (through the establishment of the Modern Slavery Steering Committee) that demonstrates significant improvement in our commitment to reducing modern slavery risks across our networks on previous years, and has embedded a process which allows us to better monitor, assess and improve on our actions in the future.

6. The Path Forward

The Board of PETstock Pty Ltd (ABN 80 098 394 588) recognises that as a leader in the pet retail, care and services industry, it can impact on the prevalence of modern slavery practices across both the industry and the planet.

We have previously developed a set of Modern Slavery KPI's which allow us to measure and evaluate the effectiveness of our modern slavery risks going forward. As identified in this statement, we are of the view that achieving those KPI's is not possible without first establishing clear processes and guidelines surrounding modern slavery issues across the Petspiration Group.

During this Reporting Period, we embedded a modern slavery framework through the establishment of our Modern Slavery Governance Framework, which resulted in a commitment to dedicating internal resources focused on developing strategies to both assessing and mitigating modern slavery risks in both our operations and supply chains.

In the next reporting period, we will:

1. roll out training for all Petspiration Group Team Members on recognising and preventing modern slavery – to coincide with a relaunch of the Petspiration Group Whistleblower Policy;
2. roll out of Petspiration Group Supplier Pack;
3. conduct an audit of the suppliers of whom we have identified expose us to higher risk of modern slavery practices in our supply chain in the risk assessments which were carried out during this Reporting Period;
4. develop a strategy for commencing an assessment of our complex network of direct and indirect suppliers;
5. continue to develop mechanisms to identify breaches of our Supplier Code of Conduct or Terms and Condition and mediate risk through the development of Action Plans, to be rolled out in the next few years. We anticipate to further streamline our processes and action plans as part of our ongoing review of the Petspiration Group's overall Corporate & Social Responsibility obligations.

We are a proud, family run business who understands that we have responsibility to address community orientated problems, such as poverty alleviation, which we can achieve through responsible sourcing in our supply chain and operations. Whilst we have shown considerable improvement on understanding and addressing our risks during this Reporting Period, we believe that the establishment of our Modern Slavery Governance Framework will assist the Petspiration Group to go even further in fully understanding and reporting on our risks going moving forward – creating a better world for People, Pets and the Planet.



Shane Young
Chief Executive Officer
Date: 24 November 2022



David Young
Managing Director
Date: 24 November 2022

Appendix One – Petspiration Group Reporting Entities⁴

Equine Holdings Pty Ltd ACN 633 418 078	Petstock (Taylors Lakes) Pty Ltd ACN 144 866 768
Genuine Range Pty Ltd ACN 604 821 696	Petstock (Townsville) Pty Ltd ACN 151 976 635
Hart Retail Group Pty Ltd ACN 112 460 401	Petstock (Tuggerah) Pty Ltd ACN 609 948 503
Jahaps Pty Ltd ACN 635 102 126	Petstock (Vermont) Pty Ltd ACN 127 746 490
Pet Market (Australia) Pty Ltd ACN 637 079 595	Petstock (West Gosford) Pty Ltd ACN 604 821 463
Pet Post (Australia) Pty Ltd ACN 633 073 177	Petstock ACT Pty Ltd ACN 131 907 045
Pet Source Pty. Ltd. ACN 120 944 505	Petstock Baldivis Pty Ltd ACN 126 086 708
Petbiz Pty Ltd ACN 127 260 413	Petstock Holdings Pty Ltd ACN 614 533 809
Petspiration Group Pty Ltd Pty Ltd ACN 147 974 409	Petstock Industries Pty Ltd ACN 613 033 159
Petspiration Insurance Pty Ltd ACN 657 486 523	Petstock Inner East Melbourne Pty Ltd ACN 636 839 677
Petspiration Pty Ltd ACN 653 273 315	Petstock Investments Pty Ltd ACN 634 401 148
Petstock (Altona North) Pty Ltd ACN 600 092 171	Petstock Joondalup Pty Ltd ACN 130 831 097
Petstock (Ashmore) Pty Ltd ACN 119 636 458	Petstock Mini Pty Ltd ACN 166 638 811
Petstock (Balcatta) Pty Ltd ACN 134 643 137	Petstock NDC Pty Ltd ACN 639 172 991
Petstock (Ballarat) Pty Ltd ACN 051 338 295	Petstock North Qld Pty Ltd ACN 603 250 853
Petstock (Bathurst) Pty Ltd ACN 167 386 469	Petstock North Sydney Pty Ltd ACN 160 875 052
Petstock (Belmont WA) Pty Ltd ACN 613 017 931	Petstock Property Pty Ltd ACN 149 178 094
Petstock (Bendigo) Pty Ltd ACN 128 486 742	Petstock Provincial Pty Ltd ACN 614 040 809
Petstock (Braeside) Pty Ltd ACN 128 414 095	Petstock QLD Pty Ltd ACN 146 411 092
Petstock (Brighton) Pty Ltd ACN 167 386 487	Petstock Retail Pty Ltd ACN 127 690 466
Petstock (Bunbury) Pty Ltd ACN 123 322 805	Petstock Rural Pty Ltd ACN 645 712 223
Petstock (Caboolture) Pty Ltd ACN 610 198 528	Petstock Tasmania Pty Ltd ACN 649 144 589
Petstock (Cannonvale) Pty Ltd ACN 618 353 709	Petstock Toowoomba Pty Ltd ACN 127 794 432
Petstock (Capalaba) Pty Ltd ACN 130 773 232	Petstock Vet (Bennetts Green) Pty Ltd ACN 645 824 184
Petstock (Chelsea) Pty Ltd ACN 111 785 534	Petstock Vet (Bunbury) Pty Ltd ACN 661 279 401
Petstock (Coffs Harbour) Pty Ltd ACN 159 851 064	Petstock Vet (Carrum Downs) Pty Ltd ACN 622 186 618
Petstock (Craigieburn) Pty Ltd ACN 166 638 482	Petstock Vet (Clyde North) Pty Ltd ACN 648 697 536
Petstock (Darwin) Pty Ltd ACN 605 038 293	Petstock Vet (Essendon) Pty Ltd ACN 614 669 135
Petstock (Dural) Pty Ltd ACN 126 160 861	Petstock Vet (Gregory Hills) Pty Ltd ACN 615 558 319
Petstock (Erina) Pty Ltd ACN 129 430 208	Petstock Vet (Lilydale) Pty Ltd ACN 620 312 316
Petstock (Essendon) Pty Ltd ACN 167 814 093	Petstock Vet (North Lakes) Pty Ltd ACN 607 523 197
Petstock (Geelong) Pty Ltd ACN 103 220 524	Petstock Vet (Robina) Pty Ltd ACN 621 175 219
Petstock (Hervey Bay) Pty Ltd ACN 159 035 462	Petstock Vet (Rouse Hill) Pty Ltd ACN 603 905 764
Petstock (Hoppers Crossing) Pty Ltd ACN 105 361 868	Petstock Vet (Toowoomba) Pty Ltd ACN 619 337 227
Petstock (Indooroopilly) Pty Ltd ACN 127 745 626	Petstock Vet (Waurin Ponds) Pty Ltd ACN 619 378 237
Petstock (Kawana Waters) Pty Ltd ACN 127 590 318	Petstock Vet Pty Ltd ACN 128 415 734
Petstock (Kilmore) Pty Ltd ACN 630 592 737	Petstock WA (1) Pty Ltd ACN 127 754 205
Petstock (Kingsford) Pty Ltd ACN 165 271 189	Petstock WA CO Pty Ltd ACN 600 108 656
Petstock (Mitcham) Pty Ltd ACN 121 089 521	Petstock Wagga Wagga Pty Ltd ACN 163 732 821
Petstock (Mornington) Pty Ltd ACN 128 338 072	Petvet Altona North Pty Ltd ACN 600 301 139
Petstock (MP) Pty Ltd ACN 124 069 629	Petvet Brighton Pty Ltd ACN 168 114 627

⁴ As at 23 November 2022

Petstock (Noosa) Pty Ltd ACN 164 948 789

Petstock (Rouse Hill) Pty Ltd ACN 603 905 586

Petstock (Services) Pty Ltd ACN 106 261 956

Petstock (Shepparton) Pty Ltd ACN 132 045 5563

Petstock (Sunbury) Pty Ltd ACN 603 307 937

Petstock (Sunshine) Pty Ltd ACN 127 364 087

Petstock (Swan Valley) Pty Ltd ACN 635 557 149

Petstock (Tamworth) Pty Ltd ACN 608 715 608

St Arnaud Equity Pty Ltd ACN 648 750 707

Syd Hill & Sons Pty Ltd ACN 627 716 018

PS Daycare Ballarat Pty Ltd ACN 655 793 632

New Zealand Subsidiaries:

- (1) Petstock NZ Limited company number 5721473
- (2) Vetland NZ Limited company number 6270296
- (3) Establo Limited company number 7625376
- (4) Petmarket NZ Limited company number 8308126

Petvet Craigieburn Pty Ltd ACN 601 406 946

PHIL Ventures Pty Ltd ACN 167 481 192

PS Centre of Excellence Pty Ltd ACN 639 584 357

PS Doggie Daycare Pty Ltd ACN 633 073 300

PS Equine Pty Ltd ACN 620 228 588

PS NSW Group Pty Ltd ACN 149 212 322

PS Tech Holdings Pty Ltd ACN 660 033 581

PSD Rural Pty Ltd ACN 648 355 113

PSM Retail Group Pty Ltd ACN 658 275 220

Total Animal Supplies Pty Ltd ACN 637 966 691

Wandoo Great Pty Ltd ACN 149 200 439