

Human Rights and Modern Slavery Statement 2024



This is the Pets at Home Group's eighth statement made under section 54 of the Modern Slavery Act 2015 ('Act') and constitutes our Group Modern Slavery Act Statement for the financial year 2023/24. It outlines the key activities we have undertaken during the year and aims to provide information to demonstrate our commitment as a responsible business to reduce the risks of modern slavery. We take seriously any allegation of human rights abuse in all its forms in any part of our organisation or our supply chain.

We recognise our responsibility to face into this global problem that tragically affects millions of people. Ensuring that all people in our business and supply chains are treated with dignity and respect is a key way that we can live our purpose of creating a better world for pets and the people who love them. We have made progress during the year, investing in more internal resource, particularly in our Hong Kong sourcing office and in the creation of new Modern Slavery training materials and a new Responsible Supplier Exit policy. There is still much to do and we are committed to continuing our focus on this important area.

We continue to assess ourselves against the IASC Modern Slavery Maturity Framework and have progressed in the category 'Evolving Good Practice'.

About Us

Pets at Home Group PLC is the UK's **leading pet care** business.

Our pet care centres, grooming salons, small animal veterinary practices and online platform provide the best products and services to guide owners through their pet care journey.

Pet food and pet accessory products are available online or from our 458 pet care centres, 346 of which includes a grooming salon. Pets at Home operates the largest branded network of veterinary practices in the UK, with a total of 447 practices made up of Joint Venture and company managed practices. We also offer round-the-clock veterinary telehealth advice and triage so clients can access all their pet healthcare needs whenever they need to. More than 16,000 colleagues are employed either directly or indirectly (via Joint Venture Companies). We operate two distribution centres in house and have a fleet of leased HGVs and vans. Our growing home delivery network is supported by carefully selected carrier partners.

458 **Pets**
at Home
pet care centres

346 **Pets** Grooming
grooming salons

447 **Vets for Pets**
Companion Care
vets
small animal veterinary practices

>16,000
products in our extended online range

Our key own label brands



16,000+
colleagues across our group

1
Regional Sourcing Office in Hong Kong

1
UK Support Office in Handforth

2
Own Operations Distribution Centres. One located in Stafford and one located in Northampton
Two located in Stoke-on-Trent were exited by May 2024

Our Supply Chain

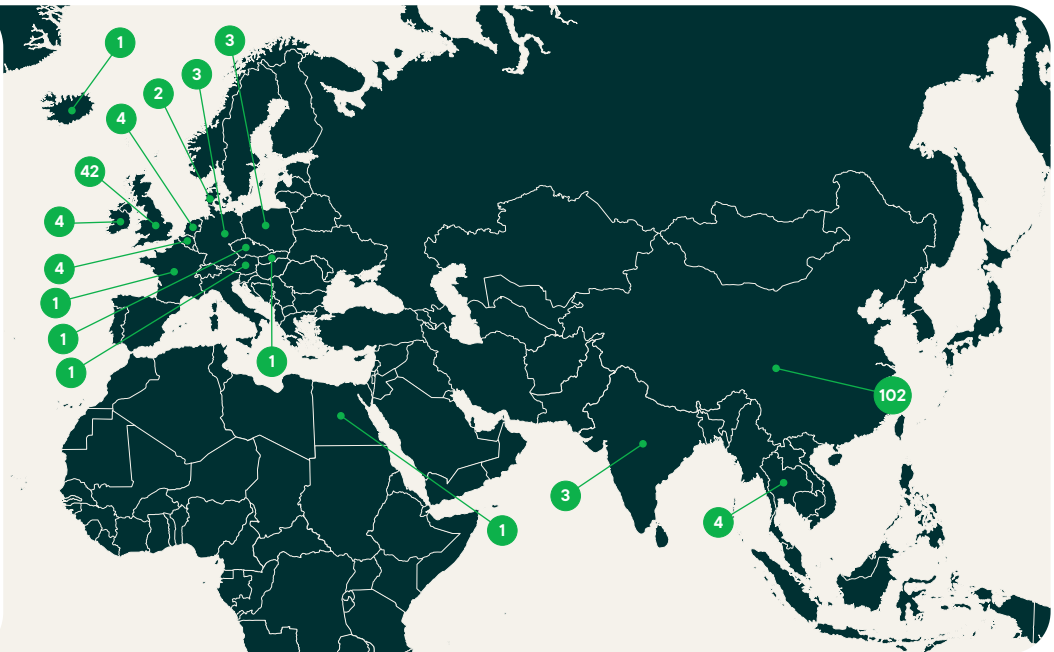
We have a **clear supplier strategy** which supports our commitment to responsible sourcing:

1. We carefully select business partners who share our values and commitment to uphold and continuously improve labour and environmental standards.
2. We seek to build long term stable supplier relationships and use our buying power to influence improvements in workplace and supply chain standards.
3. We set clear expectations for supplier standards and provide guidance and support to help our supplier partners to achieve these standards.

135
suppliers of
Pets at Home own
label products
supplying from

177
manufacturing
sites located in

16 countries



33,000
Over 33,000 workers in the first tier of our own label supply chain.

51%
Over 51% of workers in the first tier of our own label supply chain are female.

30%
Over 30% of workers in the first tier of our own label supply chain are migrant workers*.

260+
In addition to our 135 own label suppliers there are over 260 suppliers of supplier label products into our retail operations.

35+
Key suppliers of products and services for our small animal veterinary practices sourced by our Vet Group.

800+
Suppliers of products and services not for resale used across our retail, distribution and support office operations.

We recognise the **importance of transparency in demonstrating our accountability for standards in our supply chain** and helping us to identify and remediate human rights violations. We continue to publish a **list** of our first tier (final production) own label product manufacturing sites.

What's next?
For high risk areas, we are continuing to work with our suppliers to map and gain better visibility of our upstream supply chain for components, primary processors and raw materials sources.

* Defined as having moved either domestically or across country borders for work. Last year this was incorrectly reported as over 50% and has now been corrected from FY24

Policies



Policies

We have group policies which outline our commitment to upholding human rights and preventing modern slavery. We keep all policies under regular review to ensure that we are recognising best practice and driving continuous improvement in our operations and in our value chain.

Human Rights Policy

Our **Human Rights Policy** confirms our commitment to respect internationally recognised human rights in line with the International Bill of Human Rights, the International Labour Organisation Conventions, the UN Guiding Principles on Business and Human Rights and the Children's Rights and Business Principles.

Supplier Code of Conduct

Our **Supplier Code of Conduct** outlines our expectations of suppliers in relation to human rights, environmental, ethical and legal standards. Additional elements include supply chain transparency, business ethics, trade sanctions and animal welfare.

Responsible Sourcing Handbook

Our **Responsible Sourcing Handbook** brings our Supplier Code of Conduct to life with detailed implementation requirements, guidance and signposting to additional resources. We provide insight into how we embed these principles into our own operations and make commitments to our suppliers on how we conduct business; inviting them to tell us (confidentially if preferred) if we ever fail to uphold these commitments.

Supplier Terms and Conditions

Our responsible sourcing requirements form a key part of our contractual agreements with suppliers.

Child Protection Procedure

Our **Child Protection Procedure** sets our commitment to a child-centred response to child labour. It provides clear guidance on how to investigate concerns, escalate for support, immediate steps for safeguarding and principles for successful remediation.

Supplier Exit Guidance

We have a new Responsible Supplier Exit policy which outlines our approach to exit suppliers in a responsible way that seeks to mitigate the risks to suppliers and ultimately to vulnerable workers.

Whistleblowing mechanism

We want our suppliers to promote positive and open dialogue with their workforce but if things do go wrong, to also have mechanisms in place which allow for whistleblowing disclosures and worker grievances to be reported in confidence. We require our suppliers to have internal procedures in place to investigate colleague (and wider stakeholder) concerns and resolve any issues in conjunction with worker representatives, whenever possible. However, where issues have not been resolved or individuals feel unable to report concerns within their organisation, it is important that the people in our supply chain have a mechanism to reach out to us. We therefore require all our own label manufacturing sites to display a colour copy of our **whistleblowing poster** in a prominent location onsite so that it is accessible to their workforce. A documented whistleblowing procedure detailing how we will respond (including specific actions for safeguarding vulnerable persons) is in place to support the investigation of any reports. During the year we received 3 whistleblowing disclosures via this route and have extended the language options available to cover key sourcing regions. We continue to ensure that the poster is displayed during all supplier visits. We also take the opportunity during colleague listening groups, completed routinely as part of our Responsible Sourcing audits, to check colleague's awareness of this mechanism and explain its purpose.

What's next?

It is two years since we published our Responsible Sourcing Handbook. We will be reviewing the handbook to include new policies that have been developed since, for example the Responsible Supplier Exit policy. We will also review our implementation guidelines to ensure that they reflect current best practice.

Governance

Acting responsibly and sustainably is at the heart of our business and four years ago we formally launched our sustainability strategy, Our Better World Pledge. This strategy outlines how we ensure that we operate our business sustainably and ethically whilst also applying high standards of governance. The Board, led by the Chair, Ian Burke, has ultimate responsibility for our sustainability strategy including our approach to uphold human rights and prevent modern slavery. Our ESG Committee meets at least three times a year to review and approve the implementation of Our Better World Pledge. The Group Executive management team is supported by a number of management committees that oversee different areas of the agenda. The Responsible Product Committee, which meets approximately every eight weeks, is responsible for developing the strategy for managing the environmental and ethical impacts of our products in our value chain which includes Human Rights. Our ESG Committee and Executive Management Team receive an annual briefing on our modern slavery risks and our strategy.

ESG Governance



Our Responsible Product Committee has developed a product sustainability framework to support the implementation of our environmental and social requirements across our teams and with our suppliers. Supply chain human rights is a key workstream under the products sourced responsibly pillar.

Internal Responsible Sourcing Resource

The role of Responsible Sourcing Specialist was created in 2021, and is embedded within the technical and product development team while also working closely with the ESG Director and the Company Secretary on our Group wide Human Rights strategy and approach. The role of Ethics and Sustainability lead has been created, based in our Hong Kong sourcing office, and was on boarded in April 2024. This colleague is experienced in Human Rights and Ethics and responsible for conducting Responsible Sourcing audits and any required remediation in factories in that region and for implementing our Responsible Sourcing strategy. The role of Sustainability lead has also been developed to sit in the UK team reporting to the Responsible Sourcing Specialist and supports with the implementation of our Responsible Sourcing strategy for suppliers managed from the UK offices. The ESG Director has overall responsibility for the Human Rights strategy and during the year will be focused on updating this strategy and in particular on reviewing our approach to the operational and GNFR elements of the business.

Due Diligence

Ethical Audit Programme: Own label products

We require new and high risk suppliers to undergo third-party ethical audits which assess labour standards, health & safety and environmental compliance. All suppliers have to provide a third-party audit at a maximum interval of 24 months. We work closely with our suppliers to close out areas of non-compliance. However, we recognise that these audits are not always the most effective tool in identifying the most egregious human rights violations and so we have launched a programme of Responsible Sourcing audits conducted by our in-house Responsible Sourcing Specialist and by our newly appointed Ethics and Sustainability lead based in our Hong Kong sourcing office. These audits may be completed instead of, or in addition to a third-party ethical audit. They will include current and prospective factories. The aim of these Responsible Sourcing audits is to not only assess and improve labour conditions in our suppliers' direct operations but to support capacity building for identifying and mitigating human rights and environmental risks upstream in our supply chain.

Data

We are a retailer member of Sedex. Sedex enables us to manage our audit data and corrective action plan close out more efficiently. We are linked with suppliers who are SEDEX members, we use the risk tool and forced labour reports to support our prioritisation of supplier visits and provide insights to our suppliers on key sourcing risks. We have rolled out our new collaboration supply chain platform CBX which enables us to manage the end-to-end product and supplier compliance process more efficiently and control data much more effectively.

Both these tools enable us to record more information about our suppliers and the makeup of their workforce. This insight enables us to understand more about the people in our supply chain so we can focus support and compliance activity on those that are most vulnerable.

	FY24	FY23
Number of third-party audits completed and reviewed	117 covering 117 sites	115 across 109 sites
Number of Responsible Sourcing audits completed	32 covering 32 sites	34 across 32 sites

Audit results

In August 2023, after two years of COVID travel restrictions into China, our Responsible Sourcing Team were able to implement the planned approach of supplementing our third-party audit requirements with more effective in house visits. We completed visits of 5 prospective suppliers and 5 current suppliers. While 2 factories met our required standards a range of findings were identified across the other factories.

These findings included excessive working hours, minimum wage violations, double books, undocumented temporary workers, undisclosed accommodation and health and safety issues. In the prospective new factories there were additional findings concerning evidence of children onsite and fire safety issues. Where significant findings were identified at a prospective supplier, we have disengaged with the prospective supplier after providing feedback on the results. Please see page 07 for more information on how specific issues were handled.

Findings were identified at four current factories. We have worked with all four of these factories to oversee remediation. In one of these factories we made the decision to exit, aligned to our Responsible Exit policy. Final orders were planned to enable raw materials to be used and we worked closely with the factory to ensure that expectations on worker impacts were understood. In the three remaining current factories where there were findings we have worked alongside the factories to progress to a position of transparency and we have a remediation plan in progress with each factory addressing the specific findings.

Internal audit of our human rights approach

Our internal audit team commission an audit on our human rights and modern slavery approach on a cyclical basis, it is delivered by our external audit partner. An audit was carried out during 2023 which was five years after the previous audit. Additionally in 2020 we engaged an external consultancy to produce a review and assessment of salient human rights risks. The audit in 2023 was an incredibly helpful exercise and concluded with 14 recommendations, six of these were for management response and action within six to 12 months. Included in these findings was the recommendation to increase internal resource which was actioned (please see internal resource section on page 05 for more details) and a recommendation to conduct an updated risk assessment which was presented to management committees in September 2023.



Risks

During 2023, our risk review for current and prospective countries and regions was updated to reflect the latest research and our own findings from Responsible Sourcing audits.

Unauthorised Subcontracting

To ensure that human rights are safeguarded, we must know where our products are made. Given the heightened exposure and potential for poor labour standards and exploitation to occur in hidden supply chains, we have communicated a zero tolerance approach to unauthorised subcontracting to our suppliers. We've also reviewed our risk assessment to identify particular industries and suppliers who present the greatest risk of subcontracting and are working to understand how we can better assess supplier capability and capacity to identify hidden subcontracting.

In 2023/24 we identified two cases of unauthorised subcontracting in China in prospective suppliers. The cases were identified through our own Responsible Sourcing audits. Although these factories were not part of our supply chain, we took appropriate steps to investigate and provide feedback to these factories along with other findings and we did not proceed to onboard these suppliers.

Child labour

The current economic downturn has exacerbated the root causes of child labour including poverty, limited access to quality education and a lack of decent employment opportunities for working adults. Furthermore, displacement caused by armed conflict, climate change and environmental disasters is predicted to fuel an increase in migration, which we know will put even more children at risk of exploitation. We have comprehensive processes and procedures in place for preventing, improving detection of and responding to child labour.

This includes a **Child Protection Procedure** which provides clear guidance and actions to be taken in the event of identifying or suspecting child labour. We have also developed detailed supplier guidance within our Responsible Sourcing Handbook to support our suppliers in assessing child labour risk in their own operations and lower tiers of the supply chain. To ensure we keep up to date with the latest information and insights relating to child rights, we have joined The Centre for Child Rights in Business (CRIB) working group and attended various sessions. The working group brings together brands to collaborate and share best practice and also enables us to access The Centre's rapid response service. In August 2023, a Responsible Sourcing audit identified evidence on one prospective factory that children may be on site. This factory was not progressed due to this and other findings. Although this factory was not part of our supply chain, we ensured that we communicated requirements, the corrective actions needed and how to implement them as documented in our Responsible Sourcing Handbook.

Xinjiang

There are ongoing concerns of human rights violations and forced labour of Uyghur Muslims and other ethnic minorities in both Xinjiang, and throughout China through exploitative labour transfer schemes. Whilst we are not sourcing any products directly from Xinjiang, we have identified the risk that a small number of food and fibre raw materials could originate from the region.

We are working with our suppliers to achieve full traceability for high risk raw materials and we are committed to re-sourcing if we identify any commodities originating from Xinjiang.

Where we are not able to obtain credible supply chain transparency back to raw materials, we are committed to reducing risks by re-sourcing to use different materials or utilising material certification schemes. We have not identified any suppliers who are using Xinjiang labour transfer schemes but we recognise the limitations of traditional ethical audits in identifying this issue.

Migrant labour and recruitment fees

In 2023, we completed a mapping exercise to understand where cross-border migrant labour is present in our supply chain. We have been working with relevant suppliers to conduct a deep dive into their recruitment practices to ensure we and they understand risks and to ensure there is adequate oversight of recruitment agents.

In 2023 we identified one supplier employing migrant workers who pay directly for work permits, visas, passport fees, health checks and some travelling costs.

All other costs associated with the recruitment process is borne by the supplier. We have worked with the supplier to ensure that workers are compensated for any direct costs they incurred through the initial recruitment process or when work permits require renewal. Our requirements on responsible recruitment practices aligns with the employer pays principle. We are now managing a responsible exit from this supplier.

What's next?

Our priority now that we have our Ethics and Sustainability lead in our Hong Kong sourcing office is to structure a program of Responsible Sourcing audits across our manufacturing sites in this region and to continually prioritise our efforts on a risk based approach.



Training

All our support office colleagues are required to complete our bespoke online training course on modern slavery. Completion of mandatory training, which includes this module, forms part of all colleagues personal objectives and is a requirement for colleagues to be eligible for inclusion in the annual bonus scheme.

During the year new training materials were developed specifically for priority teams. This training has been successfully delivered in an interactive workshop in the autumn of 2023 to the UK Quality and Technical teams.

Our Responsible Sourcing Handbook provides best practice guidance to suppliers and also signposts to training resources. As we conduct our own Responsible Sourcing audits, we set specific action plans where training needs are highlighted.

What's next?

For our colleagues
We will roll out our interactive modern slavery workshop to other priority teams.

For our suppliers
We will launch our modern slavery training developed this year to suppliers beginning with suppliers managed from our Hong Kong sourcing office. This will be supported by the new Ethics and Sustainability lead based in that office.

Partnerships & Collaboration

We recognise the importance of collaboration and partnerships for sharing insights and developing industry best practice for tackling modern slavery.



We are an active member of the British Retail Consortium's Ethical Labour Working Group. This group is part of the BRC's wider CSR Community and provides a platform for retailers to share insights, influence ESG policies for industry and facilitate engagement with UK Government and regulators.



We have joined The Centre for Child Rights in Business (CRIB) Working Group to ensure we keep up to date with the latest information and insights relating to child rights. The working group brings together brands to collaborate and share best practice.



Sedex helps us assess and manage social and environmental supply chain risks. Sedex also provides a community for collaboration in the development of guidance, tools and industry standards.



Elevate are an LRQA company that we have used to conduct semi announced audits in China supported by worker voice surveys during 2022 when we were not able to travel into China. We have not commissioned new activity during FY24. We would partner with them again for example, in new territories where we do not have local presence.



We have joined meetings hosted by the Seafood Ethics Common Language Group. This group brings industry and other stakeholders together to discuss the key ethical issues faced by the international seafood industry including human trafficking, labour abuses, child labour and recruitment fees. This is an area we have been focused on since we discovered the use of recruitment fees in a factory in Thailand manufacturing pet food using fish as a main ingredient.

What's next?

We will continue to engage in partnerships and collaborative opportunities that help us to understand best practice and improve our approach to modern slavery risks.



Looking Ahead

We are committed to identifying and addressing modern slavery and human rights risks in our business and throughout our supply chain. Within this statement we have highlighted the key priorities for the financial year ahead which includes: Updating our Responsible Sourcing handbook; extending our updated modern slavery training to all priority colleagues; launching our new modern slavery training with our suppliers; creating a program of Responsible Sourcing audits for suppliers managed from our Hong Kong sourcing office, actioning the additional recommendations from the internal audit from 2023.



The Pets at Home Group PLC Board of Directors approved this statement at a meeting of the Board on 18 September 2024.

A handwritten signature in black ink, appearing to read 'Lyssa McGowan', written over a circular stamp or seal.

Lyssa McGowan
Chief Executive Officer

This statement applies to Pets at Home Limited and Companion Care (Services) Limited, which fall within the scope of section 54(2) of the Modern Slavery Act 2015.