

Ethical Sourcing Policy

April 2018

If there are any questions in relation to this Policy, please refer to the Company Secretary.

Ethical Sourcing Policy

Greencross Ltd and its subsidiaries (the Company)

1. Introduction and Purpose

1.1 Background

The Company is committed to ethical, socially responsible and environmentally sustainable business practices in all aspects of its operations. This includes the Company's commitment to the purchase of products and services that are manufactured and supplied in a way that respects responsible health and safety practices, human rights, sustainable development and the environment.

1.2 Purpose

The purpose of this Ethical Sourcing Policy (**Policy**) is to:

- (a) implement rules and procedures that establish a minimum standard in respect of human rights, environmental protection and ethical business practices;
- (b) to the extent possible, ensure compliance to these rules and procedures;
- (c) implement a program to monitor compliance with this Policy; and
- (d) work with the Company's suppliers to support their compliance with the standards outlined in this policy.

It is expected that Employees will report known, suspected or potential breaches of this Policy. Failure to raise issues could result in disciplinary action.

1.3 Definitions

Capitalised terms used in this Policy have the following meanings:

Employees include any director, secretary, officer, employee, secondee or contractor of the Company.

Executive means the senior executives of the Company from time to time, including:

- (a) Chief Operating Officer, Retail;
- (b) Chief Operating Officer, Veterinary Services;
- (c) Chief Operating Officer, Business Development;
- (d) Chief Merchant;
- (e) Chief Veterinary Officer;
- (f) Chief Financial Officer;
- (g) Chief Human Resources Officer; and
- (h) General Counsel & Company Secretary.

Minimum Standards means the standards outlined in 3.1(a) below.

2. Scope

This Policy applies to:

- (a) all business units of the Company;
- (b) all Employees; and
- (c) to the extent possible, all suppliers of the Company.

3. Policy

3.1 Principles

All business units of the Company must adopt procedures to ensure that suppliers engaged by the Company to supply goods for resale by the Company are:

- (a) contractually required to take all reasonable steps to comply with all local, national and other applicable laws and regulations in the areas in which they operate, and in particular comply with the minimum standards of:
 - (i) no forced or bonded labour;
 - (ii) no child labour;
 - (iii) wages and benefits for work which comply with applicable local laws;
 - (iv) working hours which comply with applicable local laws;
 - (v) no discrimination;
 - (vi) no harassment or abuse;
 - (vii) working conditions which comply with applicable local laws;
 - (viii) no bribery; and
 - (ix) local, national and any applicable international environmental laws, (together, **Minimum Standards**); and
- (b) encouraged to exceed the Minimum Standards and promote best practice and continuous improvement.
- (c) In addition to 3.1(a) and (b) above, suppliers should familiarise themselves with the Company's Environmental Policy and Anti-bribery Policy and make reasonable efforts to support the Company in the successful execution of those policies.

3.2 Monitoring and review

Each business unit of the Company must regularly monitor suppliers for compliance with the Minimum Standards through supplier assessment processes. If a supplier is found or suspected to be non-compliant with the Minimum Standards, this must be reported to the immediate Executive of the business unit. The Executive will investigate the claim further and escalate it to the Chief Executive Officer if there has been a significant material infringement of the Minimum Standards or a high risk that such infringement will occur. In the event that a supplier is unable or unwilling to work towards full compliance with the

Minimum Standards, the Chief Executive Officer will have the right to terminate the relationship with the supplier as outlined in 3.4 below.

Additionally, each business unit must monitor and regularly review the effectiveness of the Minimum Standards in 3.1 above, having regard to all relevant risk factors including country risk and product risk. Where a business unit considers that the Minimum Standards do not fully support the Company's commitment to ethical, socially responsible and environmentally sustainable business practices, the business unit must raise this with their immediate Executive who may investigate the claim further and suggest to the Chief Executive Officer any appropriate changes, including that the Minimum Standards be amended.

3.3 Sub-contractors

The Company should require all suppliers to implement their own policies and procedures to ensure that their sub-contractors and suppliers of materials or labour in the manufacture of goods or the provision of services comply with standards that are consistent with the Minimum Standards.

3.4 Termination rights

The Company may choose not to do business with suppliers that do not meet the requirements outlined in this Policy, including the Minimum Standards. Without prejudice to the terms of any agreement between the Company and the supplier, the Chief Executive Officer may choose to immediately terminate any agreement with a supplier if the Company determines that the supplier does not comply with this Policy.

4. Other matters

4.1 Amendment of policy

This Policy can only be amended with the approval of the Chief Executive Officer.

4.2 Adoption of Policy and Company review

This Policy was adopted with effect from 18 April 2018.

The Company will review this Policy periodically. The Company Secretary will communicate any amendments to employees as appropriate.