

## Veterinary Purchasing Company Limited Report on Fighting Against Forced Labour and Child Labour in Supply Chains Act (Fiscal 2024)

### 1.0 STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

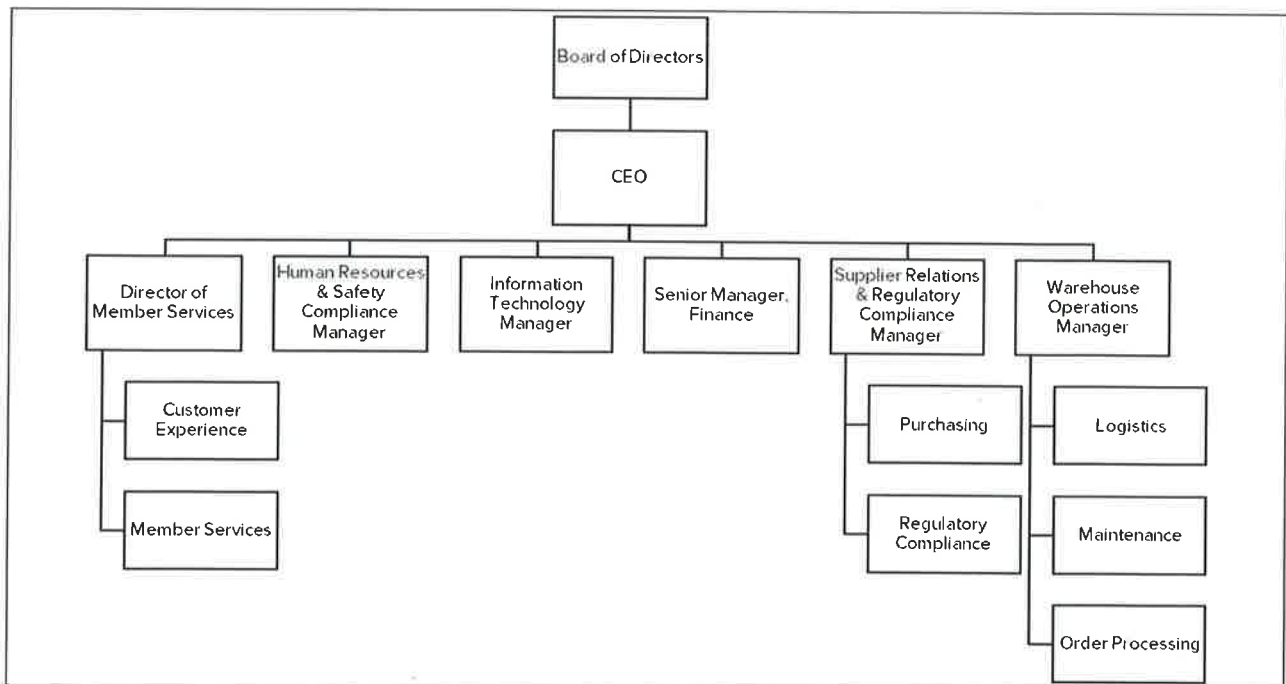
#### 1.1 Overview

Veterinary Purchasing Company Limited, incorporated in 1972, is a veterinarian owned distribution company, located in St. Marys, Ontario, that services the business needs of our veterinary practice members through reliable delivery of pharmaceuticals, vaccines, medical supplies, pet nutrition, retail, and consumable items. Through our consistent and transparent pricing structure, customized business services, dedicated customer service, and unique shareholder-owned business model, we serve over 2,000 loyal member practices in Ontario, Quebec, and the Atlantic Provinces.

We are led by a five-member Board of Directors and our CEO. The Board of Directors are all licensed veterinarians and active shareholders. A shareholder must be a licensed Doctor of Veterinary Medicine, in good standing, practicing within the Province of Ontario, and an owner or part owner (10% or more) of a practice accredited by the College of Veterinarians of Ontario.

#### 1.2 Organizational structure (i.e., departmentation, chain of command, etc.)

Veterinary Purchasing's Leadership consists of our Board of Directors, our CEO and six senior leaders. Departments are comprised of Finance, Human Resources, Information Technology, Warehouse Operations (including Maintenance), Member Services, Purchasing, and Regulatory Compliance. Refer to Figure 1 below. There are approximately 265 employees with 94% working onsite and 6% working remotely/hybrid within Ontario and Quebec.



**Figure 1. Veterinary Purchasing Organizational Structure**

### **1.3 Organizational Mandate**

We collaborate with our members, suppliers and service providers to provide a mutually beneficial business environment. Member practices place one order and receive one invoice for everything needed to run their veterinary practices, supported by exceptional customer service, receiving the same pricing for all members regardless of practice size or volume, and profits are shared in the form of rebates.

### **1.4 Activities**

Veterinary Purchasing wholesales supplies for veterinary practices. This includes pharmaceuticals, vaccines/biologics, medical supplies, pet food, toys, treats, and consumables. We ship approximately 1,700 orders per business day.

### **1.5 Supply Chain**

Veterinary Purchasing is a Canadian company that wholesales in Ontario, Quebec, and Atlantic Provinces. We source over 9,500 stocked products from approximately 240 suppliers strictly within Canada (94%) and the United States (6%). These products are roughly categorized into pharmaceuticals and nutraceuticals (30%), pet food (15%), diagnostics and devices (5%) and other supplies (50%).

We utilize many different types of service providers, with just over 20 headquartered outside of Canada. All these non-Canadian providers are located within the United States and provide information technology, logistic or insurance services.

## **2.0 POLICIES AND DUE DILIGENCE PROCESSES**

Veterinary Purchasing has implemented a specific policy for all employees regarding VP's fight against Forced Labour and Child Labour in our Supply Chain. The policy covers both external interactions with our suppliers and contractors as well as internal interactions with our hiring and labour practices. This policy is in addition to our policies on anti-bribery, anti-corruption, and compliance with the Ontario Human Rights Code.

As a wholesaler, it is important for us to gather and consolidate information from our suppliers with regards to their risks as related to forced and child labour. We have generated standard wording to incorporate into our distribution and contract agreements. Our procedures will continue to be revised to incorporate our commitment to this act including responsibilities, risk identification, risk mitigation, communication, and effectiveness tracking.

## **3.0 FORCED LABOUR AND CHILD LABOUR RISKS**

Veterinary Purchasing is taking a risk-based approach to identify potential risks of forced labour or child labour. As a wholesaler, the majority of our suppliers are reporting entities under this act. Therefore, our risk-based approach started by mapping our suppliers by country of origin from where we receive the product.

We have contacted all product suppliers based in the United States regarding Veterinary Purchasing's commitment against forced and child labour. All have indicated that the products they supply have not been manufactured or supplied wholly or in part using forced or child labour to their knowledge.

## **4.0 REMEDIATION MEASURES AND REMEDIATION OF LOSS OF INCOME**

Within this reporting period (financial year, July 1, 2023 to June 30, 2024), Veterinary Purchasing has not identified any risks of forced or child labour, therefore, no measures have been taken to remediate forced or child labour, or remediate potential loss of income for vulnerable families.

*Members know  
the difference.*



## 5.0 TRAINING

Within the fiscal reporting period, Veterinary Purchasing provided initial policy training to the majority of employees to cover forced or child labour under this act. We also began to inquire with third-party providers to assess training options that addresses potential risk of forced or child labour.

## 6.0 EFFECTIVENESS

For this report, no actions have been taken to assess the effectiveness in preventing and reducing risks of forced and child labour. Within the 6-month period between implementing of the act (January 1, 2024) and our fiscal year end (June 30, 2024), we have focused on development of policies and initial conversations with our suppliers. As Veterinary Purchasing continues to complete our risk-based assessment and develop our corresponding policies/procedures, effectiveness checks incorporated.

## 7.0 APPROVAL

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for Veterinary Purchasing Company Limited. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

A handwritten signature in blue ink, appearing to read 'Pat Hinnegan', is written over a horizontal line.

Pat Hinnegan, Chief Executive Officer

A handwritten date 'Sept 27/24' in blue ink is written over a horizontal line.

Date