



Modern Slavery Statement

2022/23

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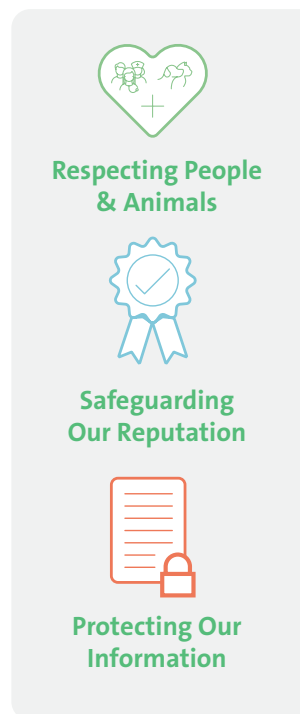
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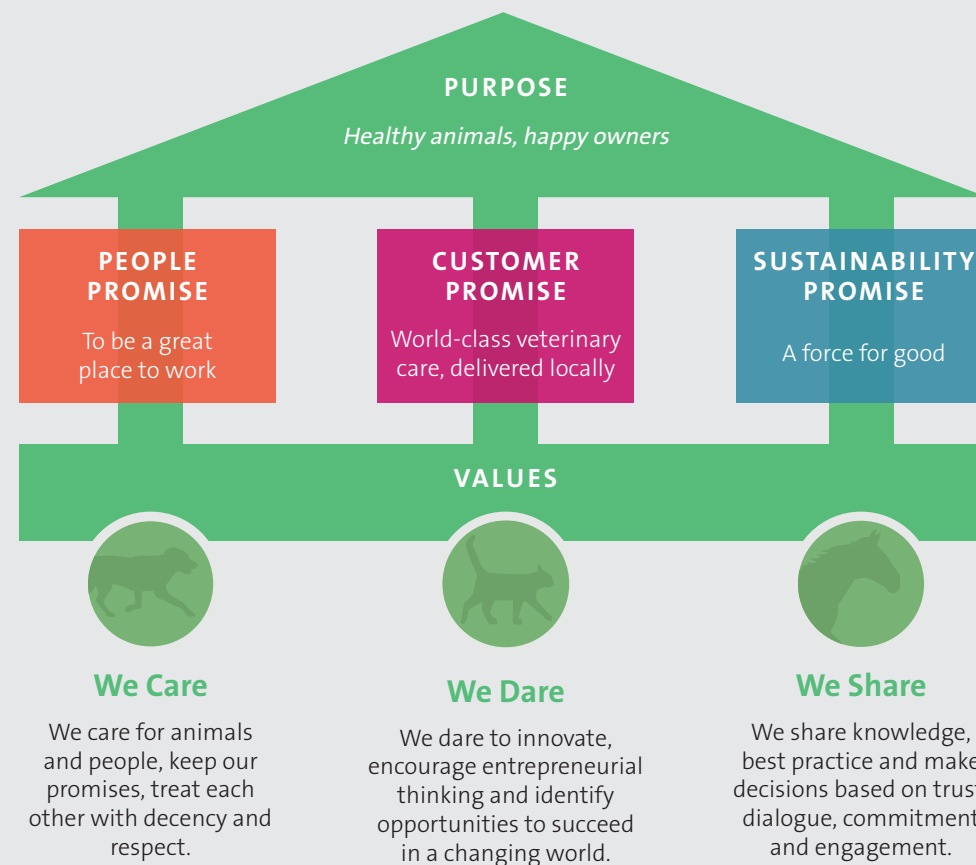
Our Commitment

This is our fourth Modern Slavery Statement published in accordance with the Modern Slavery Act 2015 (MSA).

One of the key principles in our Code of Conduct is “Respecting People and Animals”. We do not differentiate between those people who work within IVC Evidensia and those within our supply chain.



Our vision for IVC Evidensia is to be the best veterinary group in the world



This Statement is made pursuant to the MSA. The statement is made by IVC Evidensia group that includes companies mentioned in Appendix 1. The statement outlines the steps IVC Evidensia has taken to assess and reduce the risk of slavery and human trafficking occurring within our business and supply chain during the financial year 2021/22. The statement outlines our ongoing commitment to continue to mitigate the risk.

The data included in this statement covers IVC Evidensia’s financial year to the 30th September 2022 and covers all of our owned operations unless otherwise stated.

The prevention, detection and reporting of modern slavery throughout of our business and supply chain is the responsibility of everyone at IVC Evidensia.

Slavery, servitude, forced labour, bonded labour, and human trafficking are issues of increasing global concern, affecting all sectors, regions, and economies. Modern slavery is a crime and a violation of human rights and is fundamentally unacceptable. Combatting Modern Slavery is an important element of our overall approach to business and human rights. We are committed to respecting, protecting, and championing the human rights of all those who come into contact with our operations, including employees, supply chain workers, clients and local communities.

We accept our responsibility to support transparency; to find and resolve problems, to regularly review our business practices, and to collaborate with others to protect the rights of workers, particularly those who are most vulnerable to abuse such as modern slavery. IVC Evidensia has expanded rapidly over the last five years. We are committed to an ongoing assessment and improvement of our processes to ensure we comply with the laws wherever we operate and uphold our key Code of Ethics principle “Respecting people & Animals”.

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes IVC Evidensia’s slavery and human trafficking statement for the financial year commencing October 2021 and ending September 2022.

This Statement has been approved by the Group Board of IVC Evidensia Group.



Simon Smith
Chief Executive Officer,
30th November 2022



Strategy & Governance

Strategy

Our approach as set out in our Code of Conduct and Positive Pawprint is to mitigate against the risk of modern slavery by structuring our activity around the five key areas outlined here. Our statement covers each of these in turn.

Our strategy considers best practice and utilises a number of key sources including:

- The Home Office statutory guidance;
- The Chartered Institute of Procurement and Supply (CIPS);
- The International Bill of Human Rights;
- International Labour Organisation Standards;
- The French Devoir de Vigilance Law;
- The Dutch Child Labour Due Diligence Law;
- EU Charter of Fundamental Rights; and
- The United Nations Guiding Principles on Business and Human Rights.



Strategy & Governance Timeline

2017-2020

- Standard template Modern Slavery statement published

2020/21

- Compliance Function setup
- Ethics & Compliance Manager appointed
- Code of Conduct launched in UK
- Basic risk assessment completed in UK
- Business relevant Modern Slavery statement published

2021/22

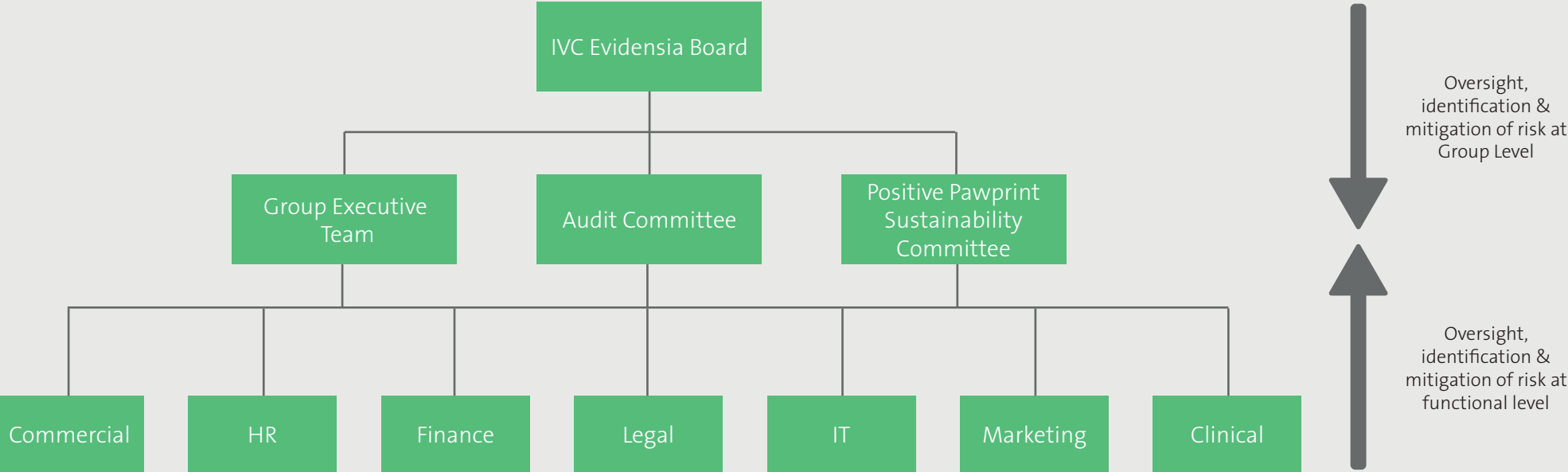
- Employee Code of Ethics replaced Code of Conduct & globally
- Global Supplier Code of Conduct launched
- Supplier Assessment Form launched
- Whistle-blower policy & platform launched globally
- Human Rights policy launched
- Procurement policy drafted awaiting Board signoff
- Supplier contracts updated to include governance, legal and human rights clauses
- Group Commercial development Director appointed to focus on supplier due diligence.
- Procurement Team have undergone modern slavery and due diligence training.
- UK Practices have been trained on red flag warning signals of modern slavery
- LMS platform launched in 11 countries



Governance

Our Positive Pawprint Sustainability Committee doubles as our modern slavery and human rights working committee. Our Group Commercial Director has overall responsibility for our approach to modern slavery. The Board provides oversight and signs off on our approach annually and where there are any major changes. The Group Executive Team are responsible for the day-to-day compliance and oversight of operations.

Responsibility for the preparation of our Modern Slavery Statement sits with the Board of Directors. The Audit Committee provides independent oversight and challenge. A number of departments and functions are responsible for the devising of policies and processes which will support IVC Evidensia’s human rights responsibilities.



Organisational Structure, Operations and Supply Chain

Structure

IVC Evidensia is a group of privately owned limited liability company registered in England and Wales. We are primarily a veterinary care provider across Europe. The term “IVC Evidensia” as used in this statement refers collectively to IVC Evidensia and its group companies which cover other services including pet crematoriums and clinical waste disposal, pet pharmaceuticals, animal hospitals and direct debit services.

Our registered head office is in Keynsham and we have a distribution centre located near Bristol for our online pet pharmaceutical business. We have approximately 2518 clinics and hospitals across the UK and mainland Europe. The Group has a global annual turnover of circa £2.84bn and employs 42,000 people working part and fulltime on different contracts across veterinary practices, crematoriums, warehouses, animal hospitals and support offices throughout the UK, mainland Europe, US and Canada.

Operations

Our operations are located across 20 countries: UK, Republic of Ireland, France, Germany, Spain, Norway, Sweden, Denmark, Finland, Latvia, Estonia, the Netherlands, Belgium, Switzerland, Austria, Canada, Poland, Czech Republic, USA and Portugal. Each country is supported by corporate functions providing services in Human Resources, Finance, Marketing, IT and Procurement.

The continuous fast paced growth of the business and uncertain political environment has identified the need for us to take steps to evaluate our broadening supply chain. To find out more about the nature of our business, click ivcevidensia.co.uk

42,000 Total Employees



16,300

Support



11,000

Vets

14,700

Veterinary Nurses



2518

Clinics / Hospitals

157

Crematoriums



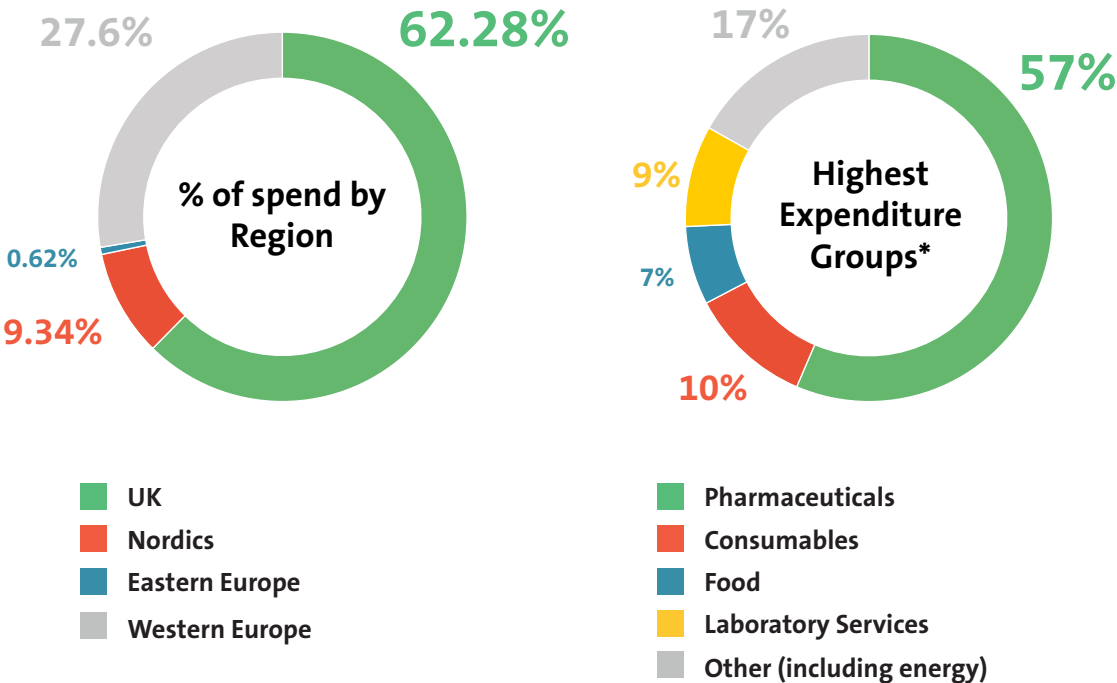
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Distribution Centres (own operated)

Our Supply Chains

Our procurement function is accountable for the purchasing of goods and services that support the operations of our practices and services to our clients. We have appointed a Group Commercial Development Director to ensure that responsible sourcing is a key focus

The location of circa 62% of our supply base is in the UK with the rest predominantly in European countries therefore the geographical risk of modern slavery occurring is low, however we do source certain products, including medical consumables, from higher risk countries.



*This does not include rent or energy
**Canada is not included

In order to provide veterinary services, we work with a range of suppliers.

We divide our Supply Chain into three separate areas:

- 1

Products we purchase to provide Veterinary services in our practices and hospitals
- 2

Products for re-sale on our websites including own brand and third party brands
- 3

Services and non-stock items, including outsourced deliveries, logistics, technology, cleaning and catering

The Group has centrally negotiated procurement contracts across the main procurement categories. All veterinary pharmaceuticals are purchased through three main wholesalers (under direct supply agreements). In several of our largest markets the clinics purchase veterinary products through wholesalers we have contracts in place with (UK, Ireland, Canada, Benelux, France, Finland). In those markets where there are no wholesalers, the Group has direct supply contracts in place with the major suppliers of veterinary products (e.g. pharmaceuticals, nutrition, lab, medical consumables) and these are negotiated at Group level with the contracts being either at Group or country level.

Our supply chain also includes medical consumables and equipment, animal drugs and feeds, office supplies, marketing materials, IT hardware and software, services such as cleaning, energy, waste management, office fixtures and fittings during fit out, refurbishments and maintenance, uniforms and catering, hospitality services such as hotels for conferences and training events, vehicles and accommodation, security systems and couriers as well as recruitment agents, insurance brokers, legal support and temporary staff provision.

Contracts for these categories are typically negotiated in country or by region.

The supply chain for these items is much more varied and includes a vast number of individual, SMEs and multi-national companies. The new financial year will see us focused on consolidation of these categories and broadening our Supplier Assessment process to include these suppliers.

We spend over £866m a year through our supply chain and work with 31 supply chain partners who account for over 80% of our contracted spend within our associated Group companies to deliver our operations responsibly.

We are committed to working collaboratively with our suppliers to engage and communicate our expectations and to gain insight and confidence in the steps they are taking to mitigate this risk.

We are using our risk assessment findings to ensure we target suppliers operating in the high-risk locations and sectors through our Supplier Assessment Process (see Risk Assessment section). We have identified 80% our contracted spend with modern slavery acknowledged risk sectors including pharmaceuticals and medical supplies and have completed an extensive due diligence process with these suppliers.

We have created a clear Supplier Code of Conduct which sets out the key principles and behaviours we expect our suppliers to agree to and work within. This has been formally communicated on a priority basis according to spend, sector, location and other risk factors as part of our supplier due diligence process. It includes an expectation that all employees in our supply chain are always treated fairly; ensuring their working conditions, working hours and wages always comply with the UN International Labour Organisation (ILO) standards.

So far suppliers accounting for over 80% of our overall contracted spend have signed up to Our Code.

Policies, Principles & People

IVC Evidensia has implemented a number of policies and governance measures to support the fight against modern slavery and trafficking. These policies are reviewed annually as part of our governance programme.



Code of Ethics (Employees)

IVC Evidensia have recently updated and amended their Code of Conduct into a new Global Code of Ethics which highlights our zero-tolerance approach to modern slavery, and our commitment to implement effective systems to mitigate the risk of modern slavery and ensure there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chain. We expect the same high standards from all of our contractors, suppliers and other business partners.

Our Code of Ethics launched globally in March 2022 and encompasses our cultural values and principles clearly stating the behavioural standards and expectations we have of our employees and associated persons. The Code of Ethics is primarily aimed at employees but is also provided as part of the Supplier Assessment where our suppliers are expected to sign up to our Code or demonstrate that they have a comparable Code and standards.

IVC Evidensia attach real importance to the welfare of our employees and those employed by our suppliers in line with our first principle “Respecting People and Animals”.

Our Code makes it clear that the prevention, detection and reporting of modern slavery in any part of our business or supply chain is the responsibility of everyone at IVC Evidensia.

IVC Evidensia employees are required to stay alert for any behaviour that might suggest modern slavery and red flags can be found in the Risk Assessment section of this statement. We pledge to engage third parties on fair terms and in accordance with IVC Evidensia policies and procedures and expect our suppliers to do the same.

Our Code of Ethics can be found here: <https://ivcevidensia.com/policies/>

Code of Conduct (Suppliers)

Our Supplier Code of Conduct has been published and rolled out alongside our Supplier Assessments. The Code includes our key principles and rules of engagement as well as our standards and expectations relating to:

- Human and social rights
- Modern slavery
- Legal & ethical obligations

The Code also includes a declaration which requires the supplier to acknowledge that they will adhere to our requirements and ensure appropriate actions are in place. The Code will be an integral part of the tender process this financial year.

The Code of Conduct for suppliers can be found here: <https://ivcevidensia.com/policies/>

Supplier Assessment

We operate a Supplier assessment Process to complement our Code of Conduct and this forms part of our supplier selection process with all suppliers expected to demonstrate their compliance with the Modern Slavery Act 2015 and outline their approach to tackling this issue. The areas which they are requested to outline include risk assessment, supplier due diligence, training awareness and recruitment processes.

Now the assessment is in place we are more aware of the actions our suppliers are taking and can make more informed decisions when selecting preferred suppliers.



Procurement Policy

This year we have drafted a Procurement Policy to ensure that the processes in place to acquire our products and services are efficient, transparent, and in line with regulatory and ethical requirements with clear accountability.

The procurement policy includes: standards, requirements, approval thresholds, authority, management, due diligence, risk assessment, resilience planning, legal requirements, contract end, change management and reporting.

Completion of our Supplier Assessment Process forms part of these requirements. Due diligence will be completed in line with a matrix which takes into account supplier sector, location and value of contract. Our policy will be communicated during FY23 as part of our ongoing work to improve the transparency of our procurement assessments.

Speak-Up Policy

The Speak-Up (Whistleblowing) Policy was rolled out globally in November 2021 to support the implementation of the European Whistleblowing Directive. The policy offers employees a number of reporting options including:

-  Line Management
-  A member of the Group Executive
-  speakup@ivcevidensia.com
(an email to the Ethics & Compliance Manager)
-  An external reporting company which has both webpage and phone options and enables anonymous reporting.

The policy reinforces our commitment to zero tolerance of any retaliation. Summary reports from Speak-Up reports are provided to our Group Head of Compliance and subsequently reported to the Group General Counsel and the Audit Committee.

So far we have not received any disclosures in relation to modern slavery issues. The adoption of the whistleblowing platform has been positive and has been utilised by most countries.

Human Rights

The Human Rights Policy was launched in FY21/22 and is focused on ensuring that we support and respect all internationally recognised human rights and ensure that our colleagues and business partners are informed of our commitment to human rights and adhere to our expectations in this area.



Breaches and Non-compliance

IVC Evidensia will not tolerate forced labour, slavery or human trafficking within our operations or supply chain. If we identify, or are made aware of, any non compliance then we will work with our suppliers to address these unless the risk is such that we feel that we cannot continue with the relationship. In those instances where we give suppliers an opportunity to address concerns but effective action is not taken within the agreed timescale then we may terminate the contract.

Employees who breach the principles set out in our policies may be subject to disciplinary procedures.

Actions Completed 2021/22

Code of Ethics (including modern slavery red flags section) launched globally



Developed the Procurement policy and e-learning



Launch of the Speak-Up (whistleblowing) policy and e-learning



Whistleblowing facility launched & good engagement



Devised and launched a Human Rights Policy



Risk Assessment & Due Dilligence

Risk Assessment

IVC Evidensia is continuing to evaluate the nature and extent of our exposure to the risk of modern slavery on an ongoing basis.

Despite modern slavery being illegal in all countries, and low risk in those we operate within, the evidence shows it is as prevalent as it ever was so we cannot afford to be complacent.

Our supply chains are complex due to our business model and rapid growth, for this reason we have broken down the areas of focus required and will tackle different areas each year. Our focus areas for implementation have been key policies, training and setting the standards for supplier relationships with the launch of the Code of Conduct.

Actions Completed 2021/22

Introduced tighter regulatory and governance controls within our contracts	✓	Recruitment of a role responsible for the corporate governance aspects of supplier	✓
Conducted risk assessments on targeted areas of the organisation	✓	Launched the Supplier Code of Conduct	✓
Used the supplier assessment to improve our overall due diligence	✓	Launched the Supplier Assessment form	✓
Risk rated the supplier assessment information	✓	Consolidation of the supplier base to reduce the overall number	✓
Used the supplier assessment to support informed decision making and improve standards	✓	Established a permitted sourcing list of acceptable countries to source from	✓

Supplier Relationships

The Group Commercial Director is accountable for supplier relationships. Procurement Managers are responsible for the relationships within their specific product division. If there are concerns over performance these individuals will escalate to the appropriate director and Legal to determine whether we continue to do business with that supplier.

Due Diligence



Suppliers

IVC Evidensia are working on a strategy to ensure alignment and consistency with our approach to tackling modern slavery across the Group, with a particular focus on engagement, awareness and supplier due diligence.



We operate a supplier policy and maintain a preferred supplier lists in all of our countries of operation however our risk assessment identified there is a high degree of autonomy in this area and addressing this is part of a wider procurement plan over the next 12 months. We have also undertaken a review of all purchase and concluded that we do not source from Russia and are in regular contact with our key partners to ensure any risk in the supply chain is identified.

We have now launched our electronic Supplier Assessment Process an assurance means which will be used across the Group for all new suppliers going through the tender process. The rollout programme takes a tailored approach to ensure the process is relevant and reflective of supplier size, sector and location and includes an affirmation from the suppliers that they have received, reviewed and understood it, and that the information they have provides is a true and accurate reflection of their operational approach to complying with the Modern Slavery Act 2015.

They are required to sign up to our Code of Conduct or to provide their own which must have equivalent standards. Through the application of a standardised and automated system, we are able to access and assess high-risk supplier categories across all of our businesses, and not limit our approach to specific perceived risk areas. This due diligence provides insight into awareness of our higher-risk suppliers, including the approach they take to minimise risks of modern slavery within their organisations.

Further, in the coming 12 months we will be establishing our extended due diligence process, this will either be due to perceived high risk due to size, sector and location or activated when areas of our standard Supplier Assessment Process have triggered a high-risk flag.



Employees

IVC Evidensia's recruitment strategy is focused on attracting, developing and retaining the best talent to help us deliver on our purpose of *healthy animals, happy owners*. In line with our People Promise to be a great place to work, we want our colleagues to feel part of our family and share the same purpose, values and ethics.

As part of our recruitment practices we ensure all employees have a written contract of employment and complete basic compliance checks - right to work -for all workers, including temporary employees. We have risk assessed our practices across our main IVC Evidensia business in the UK and have identified that there are some countries where we need to ensure that we have the relevant flags in place to identify any employees with red flag issues such as shared bank accounts, addresses or next of kin. There will be focus on this in the coming year.



Audit & Evaluation

Covid Response

As part of our response to Covid our committee met on a regular basis to discuss the impact of Covid on our operations, clients and supplier and to determine any actions required on areas such as furlough, supplier invoices, payment terms and resourcing. Health and safety of our employees and clients have been paramount. We are aware that Covid has impacted the risk sector profile and that the pharmaceutical sector has increased in risk.

We opted not to delay any supplier payments or rephase rental payments. The only payments we delayed were statutory ones as permitted under government guidelines.

Key Performance Indicators

IVC Evidensia determined a number of Key Performance Indicators (KPIs) for FY21/22 to enable us to monitor and report on the effectiveness of our actions to mitigate against modern slavery. Progress has been made however we have not fully achieved what we set out to do. This has been down to a number of factors, including rapid growth and reorganisation. This has meant emerging risks have taken priority over those which have been identified already and has lead to reprioritisation.

Key KPIs for 2022/2023:

TARGET	MEASURE	FY21/22	FY22/23
Engagement survey to establish the level of employee awareness of how they can do the right thing relating to modern slavery and reporting wrongdoing.	Survey responses	Not included this year	75% of respondents to know where to report
Suppliers to have signed up to the IVC Evidensia Supplier Code of Conduct.	75%+ of contracted spend	80%	85%
Raise awareness on modern slavery red flags & reporting mechanisms	No. of reported allegations	0	No target as the objective is raised awareness
Modern slavery	75% of Board, Executive and Senior Leadership (Exec plus 1, Country Manager plus 1) trained by FY 2022.	100% on red flags	85% across group for full modern slavery training modules

Actions Completed 2020/21

Suppliers accounting for over 80% of supplier spend have signed up to our Supplier Code of Conduct



Whistleblowing platform launched, 0 reports received have related to modern slavery concerns.



Right to audit included within new standard template contracts.



Training & Awareness

We have invested in a Group learning management system which will enable us to educate our employees in recognising the risks of modern slavery and human trafficking within our business and supply chains.

Modern slavery training material has been devised and were due to form part of our annual training programme and new starter induction in 2021/22. We have include red flag indicators of modern slavery into our new Code of Ethics which was launched to all employees globally in March 2022.

There have been additional steps taken throughout the year to improve awareness and eradicate risk.

We are aware that agriculture is considered high risk and therefore members of our workforce could be exposed to modern slavery situations whilst acting in a veterinary capacity. We want our employees to be able to spot red flags and report accordingly. Therefore we have communicated the key red flag list identified by the ILO to our practice teams so they can be on the alert both on external visits, but also from clients visiting the practices. We have also provided clear guidelines on national minimum wage, work experience and internships to ensure that we respect human rights and prevent exploitation.

Actions Completed 2021/22

Annual modern slavery training programme content devised



Procurement Team have undergone modern slavery training



LMS training platform launched in 11 countries



85% of employees have completed training on modern slavery red flags



Ongoing Commitment

As our business continues to grow, we will continue to evaluate our priorities for reducing the risk of modern slavery within our workplace and supply chain. During the FY22/23 we will be expanding the scope of our assessment outside of our UK business and evaluating processes within other geographic locations in line with best practice guidelines and our risk based approach. We believe our approach is proportionate to our risk and we are committed to continually reviewing and tailoring our approach to the evolving risks within our business. As a business that has, and continues to, expand rapidly we recognise the constant need to focus our efforts in this area as we enter new markets and sectors and will continue to evaluate and respond to emerging risk.

Focus for 2022/23



Organisational Structure & Supply Chain	Continue to consolidate the supplier base
Policies, People & Principles	Devise and launch a remediation policy
	Make the whistleblowing facility accessible to clients and suppliers
Risk Assessment & Due Diligence Review	Include the whistleblowing options within the Supplier Code of Conduct & make the platform accessible to our suppliers
	Implement flags within our HR systems to identify where more than one employee shares an address, next of kin or bank accounts – all of which are possible indicators of modern slavery
	Review locum recruitment processes
	Review any localised cash in hand transactions e.g. gardening, building, cleaning & formalise protocols.
	Ensure all new contracts tendered £100k complete the Supplier Assessment and go through due diligence
	Review processes for working with formal labour providers

Audit & Evaluation	Risk assess modern slavery practices within our crematorium businesses
	Ensure all new contracts signed have the right to audit and other governance clauses included
Training & Awareness	Launch the LMS platform in the outstanding existing countries
	Launch modern slavery training globally



Appendix I

The following companies are commercial organisations which are part of the IVC Evidensia Group and which carry on business in the UK, where (i) business gives rise to global turnover of more than £36 million:

- Independent Vetcare Limited
- Vets Now Emergency Limited (indirect subsidiary of Independent Vetcare Limited)





www.ivcevidensia.co.uk