

McBratney Family Trust (2019)

Reporting for Bill S-211

Fighting Against Forced Labour and Child Labour in Supply Chains in Canada

For the Fiscal Year Ending October 31st, 2023

Reporting Entities

McBratney Family Trust (2019), trust# T36-9666-76.

The McBratney Family Trust (2019) consists of the following companies:

Pan Pacific Pet Limited (BN# 104061965 RC0001)

Pacific Veterinary Sales Limited (BN# 892064544 RC0001)

BRAT Investments Ltd. (BN# 133240333 RC0001)

The McBratney Family Trust (2019) is owned by the McBratney family, consisting of George Thomas McBratney, Claudia Jane McBratney, Trevor McBratney and Lia Neufeld.

All companies have the same fiscal year: November 1st – October 31st

Management and Control

Controlling interest of the companies is held by George Thomas McBratney.

Management of the companies is as follows:

George Thomas McBratney	President
Phillip Klaassen	Chief Executive Officer
Elaine Price	Chief Financial Officer
Ken Kasdorf	Chief Sales Officer
Nick Norbury	Chief Technology Officer
Trevor McBratney	Executive VP

Pan Pacific Pet Limited www.pacificpet.net

Pan Pacific Pet Limited ('Pan') is a pet food distributor head officed in Abbotsford, BC with warehouses in Abbotsford, BC and Rocky View County, AB. Pan is currently operating out of three locations, two in Abbotsford and one in Rocky View.

Pan is a pet food and pet accessory distributor that specializes in small/companion animals (dog, cat, rabbits, critters, etc.). Pan sells to Pet Specialty retailers in Western Canada (BC, AB, SK, MB, YK, NWT) only. Customers of Pan include PetSmart, Global Pets, Petland, Homes Alive, Pet Valu, and many other independent pet specialty retailers. Pan also sells product to animal shelters and breeders, but does not sell directly to consumers.

Pan has been doing business since 1986 and currently has over 200 brands that it distributes across western Canada. Many stores have product delivered weekly with others receiving product bi-weekly or monthly, depending on their ordering.

Pan's vendors include Canadian vendors, as well as many international vendors, including large multi-national corporations (MARS, Colgate, etc.). Pan is the importer of record for some of these vendors.

Pacific Veterinary Sales Limited www.pacificvet.ca

Pacific Veterinary Sales Limited ('PVS') is a distributor of veterinary products to veterinary clinics in Western Canada. Products include veterinary exclusive pet food (Royal Canin), IV lines, fluid pumps, pet supplements, etc. PVS was incorporated in 1982.

PVS does not sell products directly to the veterinary clinics as all clinics purchase from a buying group/cooperative that supplies them with all their products, including medications. The buying groups PVS sells to are:

Associated Veterinary Products (AVP - Langley, BC)

Western Drug Distribution Centre (WDDC - Edmonton, AB)

CDMV (Calgary, AB/Brampton, ON/Quebec)

Veterinary Products (VP – Ontario)

PVS ships product to these companies and they will distribute the final mile to the clinic.

PVS has four sales representatives that visit clinics in Western Canada to present products to the clinics so that they can purchase from their buying group.

BRAT Investments Ltd.

BRAT Investments Ltd. ('BRAT') is a real estate holding company that owns warehouses for rent. BRAT was incorporated in 1992.

BRAT currently owns 4 buildings that are leased and is in the process of building another warehouse in Mission, BC. All four of the buildings owned by BRAT are occupied by related companies (Pan & PVS), with one of them also occupied by third party lessees.

Reason for Reporting

Determining whether an organization is an entity

The Act defines an **entity** as a corporation or a trust, partnership or other unincorporated organization that either:

- a. *is listed on a stock exchange in Canada; or*
- b. *has a place of business in Canada, does business in Canada or has assets in Canada and that, based on its consolidated financial statements, meets at least two of the following conditions for at least one of its two most recent financial years:*
 - i. *it has at least \$20 million in assets,*
 - ii. *it has generated at least \$40 million in revenue, and*
 - iii. *it employs an average of at least 250 employees.*

If a corporation or a trust, partnership or other unincorporated organization meets either of criteria (a) or (b) then it is an entity for the purposes of the Act.

McBratney Family Trust (2019) has determined it is required to report on Bill S-211 due to being an importer of goods into Canada and having met the following two criteria:

- having at least \$20 million in assets
- generates at least \$40 million in revenue

Current Policy

Pan, PVS and BRAT do not condone the use of Forced or Child Labour and has complied with BC and Alberta labour laws. The companies have also implemented the following policy:

Illegal Labour Policy – Bill S-211 - Fight Against Forced Labour and Child Labour in Supply Chains Policy

Intent

This document was developed to address child labour, forced labour, human trafficking, and slavery.

Guidelines

Pan Pacific Pet/Pacific Veterinary Sales (Pan/PVS) is firmly committed to protecting individuals from the exploitations of illegal labour practices, such as child labour, forced labour, slavery, and human trafficking; such practices are not tolerated by Pacific Veterinary Sales and are strictly prohibited in all forms.

Pan/PVS holds itself accountable to the highest ethical standards and complies with and exceeds all relevant and applicable local and international laws pertaining to illegal labour practices. In doing so, Pan/PVS never knowingly contracts with or carries on a business relationship with any organization or employer that does not adhere to the same standards or is in violation of any relevant or applicable labour laws.

Compliance

Pan/PVS continually monitors its own employment practices and those of its partners, vendors, suppliers, and all others conducting business on behalf of the organization in order to ensure compliance with ethical employment standards and protocols. In order to ensure compliance with the standards of this policy, Pan/PVS audits its own employment practices, as well as those of companies the organization contracts with or maintains a business relationship with, at least annually.

Where a supplier, vendor, or contractor is found to be in violation of this policy, Pacific Veterinary Sales takes prompt remedial action in order to address the violation. Remedial measures may include termination of the business contract with the organization that committed the violation.

Employees receive training and practical education to inform them about the harm that illegal labour practices can cause, as well as provide the information and guidance necessary to notice or determine whether illegal labour is used at any point in a supply chain.

All real or suspected instances of noncompliance with this policy must be reported to (Elaine Price, Chief Financial Officer) immediately.

Current Review

Management has reviewed suppliers and determined the priority is suppliers of products purchased for distribution for Pan and PVS. Suppliers of goods used in the operations of the companies is not material, outside of vendors of capital assets.

Goods purchased by the companies Pan and PVS are primarily pet food, treats, and accessories. Pet food and treats includes dry kibble, canned food, dehydrated food and treats, freeze-dried food and treats, and frozen food and treats. Accessories includes hard goods including pet clothing, pet crates, pet beds, pet drinking fountains, pet supplements, pet shampoos, etc.

For the fiscal year ending October 31, 2023, a total of 26.5% of goods purchased were purchased from outside of Canada.

Country of Origin	% of Total Purchases
New Zealand	1.6%
Thailand	2.3%
USA	21.0%
Canada	73.5%
All others	1.6%
Total	100.0%

Action Plan

Based on the concentration of goods purchased from outside of Canada, Pan and PVS will send out questionnaires to these vendors to determine if there is any risk of Forced or Child Labour with these goods. This will commence in 2024 and the results will be presented in our 2025 reporting.

Pan and PVS will also start sending out the following Commitment Letter to vendors in 2024 for our existing vendors and include it in our vendor setup for any new vendors.

Pan/PVS Statement of Commitment Memo (Fighting Against Forced Labour and Child Labour in Supply Chains Act)

To: (Insert name)

From: (Insert name)

Date: (Insert date)

Re: Commitment to Fighting Forced Labour and Child Labour in Our Supply Chain

Pan Pacific Pet/Pacific Veterinary Sales (Pan/PVS) is committed to fighting forced labour and child labour in our supply chains. To meet this commitment, the company continually monitors its structure, activities, and supply chains to assess and reduce risks associated with forced labour and child labour. When an activity is found to have the potential for such risks, measures are taken to remediate the problem and assist with the recovery of loss of income for individuals affected by the elimination of forced labour or child labour.

To further support this commitment, Pan/PVS has implemented a Illegal Labour Policy – Bill S-211 - Fight Against Forced Labour and Child Labour in Supply Chains Policy to establish a framework for managing related processes. Employees who may be exposed to instances of forced labour or child labour in supply chains receive training to inform them about the harm forced labour and child labour can cause, as well as provide the information and guidance necessary to notice or determine whether forced labour or child labour is used at any point in a supply chain.

Pan/PVS also meets all legislative requirements related to reporting the parts of our supply chains that carry risks of forced labour and child labour being used, and the steps we have taken to prevent and reduce such risks.

Establishing supply chains free from forced labour and child labour is a shared effort, and we are committed to working with the necessary parties to make it a reality. For more detailed information on associated policies, plans, and training programs, please contact Elaine Price, CFO.

If you have any questions, please do not hesitate to contact me.

*Elaine Price
CFO*


Attestation

Fiscal 2023 Reporting for Bill S-211

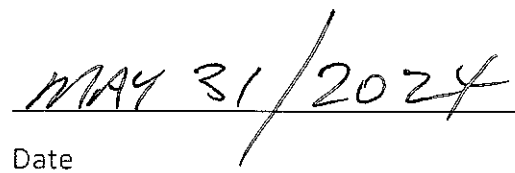
McBratney Family Trust (2019)

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 the entity or entities listed above. 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.

I have the authority to bind the McBratney Family Trust (2019).



George Thomas McBratney, President



Date