

Best Friends Group

Modern Slavery Statement

FY22





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1. OUR MISSION

Our mission at Best Friends Group (BFG, we, us or our) is to support a happy, healthy life for pets. This overarching philosophy guides the decisions we make, the initiatives we introduce, the processes we adopt and the partnerships we foster.

At BFG, we understand that doing what we can to ethically source the products we sell benefits our business, our customers and the people who produce those products.

We have been working to train our team and improve the transparency we have over our supply chains during the FY22 reporting period.

During 2022, BFG was acquired by PETstock Pty Ltd ABN 80 098 394 588) (the **Petspiration Group**) and became a member of the Petspiration Group. We will therefore be reporting on our modern slavery work as part of the Petspiration Group moving forward.



Shane Young
Chief Executive Officer
PETstock Pty Ltd
24 November 2022



David Young
Managing Director
PETstock Pty Ltd
24 November 2022

This modern slavery statement was approved by the Board of the PETstock Pty Ltd as parent entity of BFG on 24 November 2022.



2. REPORTING

This modern slavery statement, published in accordance with the *Modern Slavery Act 2018* (Cth), sets out the steps taken by Best Friends Group to identify and address its modern slavery risk over the period 1 July 2021 - 30 June 2022 (FY22). This joint statement has been prepared on behalf of the following reporting entities:

- Best Friends Holdings Pty Ltd (ABN: 54 159 280 412);
- Best Friends Finco Pty Limited (ACN: 629 422 028); and
- Best Friends SecurityCo Pty Limited (ACN 629 421 594).

This statement also includes information in relation to the other wholly owned members of the Best Friends Group, including:

- Best Friends Retail Pty Ltd (ABN: 79 159 053 399);
- Best Friends Support Services Pty Ltd (ABN: 93 159 054 645);
- Best Friends OPCO Pty Ltd (trading at My Pet Warehouse) (ABN: 80 629 424 406);
- Pet Imports Pty Ltd (ABN: 50 155 418 367);
- Pet Wise Investments Pty Ltd (ABN: 48 166 845 423);
- Our Vet Pty Ltd (ABN 66 126 436 628); and
- Our Vet Tweed Heads Pty Ltd (ABN: 47 153 249 168).

References to 'BFG', 'our' and 'we' in this Statement are references to the **Best Friends Group**.

In 2022, BFG was acquired by the Petspiration Group (PETstock Pty Ltd - ABN 80 098 394 588) (the **Petspiration Group**). Due to the timing of the acquisition, the Petspiration Group will publish a separate report for the period ending 30 June 2022.



3. CONSULTATION PROCESS

BFG operates as an integrated group of companies with policies, systems and approaches that apply broadly across the group. To prepare this joint statement, Best Friends Holdings Pty Ltd consulted with each of the reporting entities and together we consulted the entities we own or control.

In addition, our modern slavery working group covers each of the reporting entities and consulted relevant management, procurement and buying team from Best Friends, My Pet Warehouse and OurVet.

We gathered information about the supply chains and operations for each of the reporting entities and entities that we own or control and reviewed the processes that they have in place to monitor and address modern slavery risk. This modern slavery statement was also circulated to the leadership team for comment prior to being put to the Board of PETstock Pty Ltd for review and approval.

4. MODERN SLAVERY STATEMENT OVERVIEW

We have addressed the mandatory criteria detailed in the *Modern Slavery Act 2018* as follows:

Identification of the reporting entity

This is addressed on page 4.

Description of the process of consultation with any entities the reporting entity owns or controls

This is addressed on page 5.

Description of our structure, operations, and supply chain

This is addressed on pages 7-9.

Description of the risks of modern slavery practices in our operations and supply chains and any entities we own or control

This is addressed on page 10.

Description of the actions we have taken to assess and address these risks (including due diligence and remediation processes)

This is addressed on page 11-13.

How we assess the effectiveness of our actions

This is addressed on page 14.





5. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Best Friends Group has over 900 employees in Australia. The registered office of Best Friends Holdings Pty Ltd is Cnr Rosamond Road and Sloane Street, Maribyrnong VIC 3032.

Our Products

We supply a range of products and services for dogs, cats, birds, small animals and reptiles including:

- pet supplies
- toys and bedding
- dog foods and treats
- cat foods and treats
- small animal food
- fish and reptile food
- DIY dog washes
- I.D. tag engraving
- pet advice
- dog grooming
- puppy school
- pet adoptions
- veterinary supplies
- veterinary diets
- animal healthcare products
- pet care

We are proud to sell products and services in our stores across the ACT, NSW, QLD, VIC and WA from our vet clinics, grooming salons and e-comm stores:

- bestfriendspets.com.au
- mypetwarehouse.com.au



Our Services

Our stores also provide:

- grooming salons in every Best Friends store - services include washing and drying, nail trimming, ear cleaning, tidying of problem areas, breed specific haircuts, and more;
- a health and wellness centre with dog and cat prescription diets, skin and coat care, parasite prevention treatments;
- a Complete Care member program offering free vet consults, health checks and % off store discounts;
- a VIP program allowing customers instant access to everyday VIP discounts, offers and events;
- puppy pre-school where puppies and their owners learn socialisation from in store trainers; and
- kitten adoption program that has helped to re-home over 6000 shelter kittens.

Our Vet Clinics cover services including:

- advice, consultations, check-ups and vaccinations
- micro-chipping, desexing, dental care and prescription diets
- full surgery, anaesthesia, pathology including blood tests and X-ray
- treatment for intestinal worms, heartworm and fleas



Our Suppliers

We source over 40% of our extensive pet product range from suppliers who report that they make those products in Australia.

In order to meet our customer needs and demands, we also source pet products from valued supply partners in Austria, Belgium, Brazil, Canada, China, France, Germany, Holland, Ireland, Italy, Japan, Kenya, New Zealand, Philippines, Poland, Singapore, South Africa, Switzerland, Thailand, UK, and the USA.

During FY22, our focus has been on reviewing our Australian suppliers of products, with a view to identifying risks of modern slavery practices in these operations or supply chains. We have also continued our work on our review of suppliers of services (i.e., non-stock suppliers).

We have been focussed during this process on building meaningful partnerships with our suppliers and have provided them with support during this process. We understand that we have a shared responsibility with our suppliers to assess and address modern slavery risks in our operations and supply chains.

We will continue the review of our product and services supply chain during FY23 as part of the Petspiration Group.



6. RISKS OF MODERN SLAVERY PRACTICES

Our operations

We consider that our greatest risk of involvement in modern slavery is being indirectly linked to it through our supplier relationships and other third-party relationships.

Supply Chain Transparency

During FY22 we continued our desktop review of our supply chain in order to assist us to identify modern slavery risks that may be present in our supply chains.

The following indicators were the primary sources used to identify and assess potential supplier risk:

- sector and industry risk;
- product and services risk; and
- geographic risk.

Within BFG's supply chains, the following key products and services were identified as potential modern slavery and human trafficking risks:

- Finished goods - supplied by manufacturers in regions or countries with high modern slavery risk profiles such as China, India, Pakistan, Bangladesh and Vietnam;
- Cotton and textile products - such as pet beds and pet clothing;
- Leather Goods - such as saddlery, leads and collars;
- Pet foods and treats - made using meat, seafood, poultry, food additives and/or palm oil;
- Packaging for products;
- Rubber gloves, PPE and team member uniforms;
- Office furniture and supplies; and
- Cleaning services, security, construction, store fit outs and freight.

COVID 19 Associated Modern Slavery Risks

We are aware that the risks of modern slavery may have increased across our supply chains due to the ongoing impact of the COVID-19 pandemic during FY22.

We are aware that the pandemic has potentially:

- created new risks and potential for abuse of workers;
- increased worker vulnerability to slavery;
- worsened discrimination against some workers;
- increased risks for migrant workers; and
- caused disruption to modern slavery response efforts.

We are also aware that during COVID-19, visits to factories and other supplier checks may have been made more difficult for local Regulators or Governments, which may have increased the risks of modern slavery.

6. ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS

Supplier Review and Audit Processes

We continue to develop and implement our program to assess and address modern slavery risks in our operations and supply chains. We understand that supply chain mapping is critical to the process of identifying and addressing BFG's risk of being linked to modern slavery practices.

During FY22 we focused on mapping and reviewing our product suppliers with a view to identifying risks of modern slavery practices in these areas. We sent an '*Audit Check for Suppliers of Products*' to 90 suppliers to ask for relevant information about their business practices, their workers, and their own supply chains. This included questions designed to give BFG a better understanding of the workforce and workplace policies of the businesses that provide us with product. The Audit Check for Suppliers of Products document has been returned by 42% of the suppliers it was sent to.

We asked our suppliers to provide us with any current independent audit reports or certification documents that may demonstrate their compliance with the relevant requirements set out in the BFG Supplier Code of Conduct as well as providing us with detail in relation people governance policies and procedures. Many of our service providers are larger companies that are also required to prepare and submit an annual modern slavery statement. Some of these larger businesses have provided us with their modern slavery related documentation and policies.

We dealt with many of our smaller suppliers directly and have supported them throughout the process of responding to our review questions. As at 30 June 2022, 55% of BFG's suppliers had signed and returned the Supplier Code of Conduct, with more suppliers having returned the Code of Conduct after that date.

This process has been a valuable one for our business and we will continue to conduct our supplier review process as part of the Petspiration Group.

Supplier Onboarding and Due Diligence

During FY22, we also implemented a process that required our product and services suppliers to fill out and submit documentation to us for our reference and due diligence.

This verification checklist has been returned by some of our suppliers of products and services, and we will continue the process of working with the remainder of our suppliers as part of the Petspiration Group.



Modern Slavery Training

During FY22 we updated and delivered our tailored online modern slavery training module for our Leadership and Merchandise Teams.

The training also provided our teams with information about the business' reporting obligations under the *Modern Slavery Act 2018* and modern slavery legislation and initiatives around the world.

Remediation

BFG is proactively working with its suppliers and business partners to ensure compliance with our supplier Code of Conduct. However BFG understands that no business, region or industry is exempt from risks of modern slavery and understands the need to accurately record any information received about modern slavery risks in our operations and supply chains and to take the appropriate action to address the situation.

Remediation processes will be further developed as we continue our efforts to address Modern Slavery as part of the Petspiration Group.





7. ASSESSMENT OF THE ACTIONS TAKEN TO ADDRESS RISKS

During FY22 we developed a set of Modern Slavery KPIs to allow us to monitor our efforts to address our modern slavery risks as follows.

1. Supplier Review

BFG will continue work to identify and assess potential supplier risk based on sector and industry risk, product and services risk and geographic risk.

This was done during the reporting period.

2. Implementation of policies and processes

Update our training and continue our current Leadership and Merchandise Team training for those staff and new starters in FY22.

This was done during the reporting period.

3. Modern Slavery Risk Reporting

BFG will monitor modern slavery risks and take action as required to address these risks.

This work is ongoing. This work is ongoing and will be continued as a part of the Petspiration Group.

4. Partnerships and Collaborations

BFG will continue conversations with key suppliers on how we can collaborate to address modern slavery concerns and practices.

This work is ongoing and will be continued as a part of the Petspiration Group.

5. Modern Slavery Statement for FY22 to be submitted.

8. MOVING FORWARD - OUR MODERN SLAVERY GOALS

BFG is committed to taking practical steps where possible to address risks of modern slavery that may be identified in its supply chain.

As BFG is now part of the Petspiration Group, our goals will align with our new corporate structure moving forward.

