

# Best Friends Group

## Modern Slavery Statement FY21





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## 1. From Our CEO

Our mission at Best Friends Group (BFG) 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.

BFG is focused on doing what we can to ethically source the products that we sell. We understand that this will benefit our business, our customers and the people who make the pet products that we sell.

We have been working to train our team and improve the transparency we have over our supply chains during the FY21 reporting period. In FY22, we will continue this focus. We also developed a set of KPIs for FY21 to allow us to review our progress. These indicators and our business' performance against them, are detailed in section 7 of this statement.

*T. Morton*

**Tamalin Morton**

Chief Executive Officer - Best Friends Pets & My Pet Warehouse

06.12.2021

## 2. Reporting and Consultation Process

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 2020 - 30 June 2021 (FY21).

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.

### Consultation

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 Best Friends Holdings Pty Ltd for review and approval.

This modern slavery statement was approved by the Board of the Best Friends Holdings Pty Ltd as parent entity on 2 December 2021.

*A. Newmarch*

Alistair Newmarch, Director  
Best Friends Holdings Pty Ltd  
06.12.2021

### **3. 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 4.

#### **Description of our structure, operations, and supply chain**

This is addressed on pages 6 - 8.

#### **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 9.

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

This is addressed on pages 10 - 13.

#### **How we assess the effectiveness of our actions**

This is addressed on page 14.





## 4. 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](http://bestfriendspets.com.au)
- [mypetwarehouse.com.au](http://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 reported in our first modern slavery statement (FY20), that we identified that 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. We will continue the review of our product supply chain during FY22.

During FY21, our focus has been on reviewing our Australian suppliers of cleaning services, security, construction, store fit outs and freight to customers, with a view to identifying risks of modern slavery practices in these operations or supply chains.

We have done a significant amount of work on our review of suppliers of services (i.e., non-stock suppliers) and have set out the details of this process in section 6 of this statement. 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.





## 5. Risks of Modern Slavery Practices

### Our operations

We consider that our direct workforce, who are employed in Australia, is low risk to modern slavery, and believe our people and culture policies and practices further mitigate this risk. Accordingly, 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 FY21 we continued a 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 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. 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 FY21, we focused on mapping and reviewing our 'non-stock' suppliers - including cleaning services, security, construction, store fit outs and freight to customers - with a view to identifying risks of modern slavery practices in these areas.

We sent a questionnaire to our non-stock suppliers to ask for relevant information about their business practices, their workers, and their own supply chains and 70% responded. This supplier review included questions designed to give BFG a better understanding of the workforce and workplace policies of the businesses that we engage to provide services to support our business.

We took steps to tailor our questions and follow up requests to suppliers based on their risk profile - for example, we did not require some lower risk suppliers to undergo the same review process as suppliers that operate in a higher risk sector. Some of the modern slavery risk related questions we asked suppliers were:

1. Are workers on short term contracts?
2. What percentage of workers are on short term contracts and what percentage are permanent?
3. Are any workers sourced directly from overseas countries (using labour recruiters) or promised jobs with their business before they come to Australia?
4. Are any workers working to pay off a loan or debt to the business?
5. Does the business have a genuine worker grievance mechanism - where workers can make complaints about their working conditions or wages?
6. Does the business employ migrant/ student workers?

We also asked suppliers to confirm (if they could) that their business does not engage in sub-standard or non-compliant labour practices and to provide copies of relevant documentation (including audit reports, policies, and employment contracts).

We are still in the process of collating and reviewing the responses we have received from our non-stock suppliers. 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, and we have retained these for our records. We have also dealt with many of our smaller suppliers directly and have supported them throughout the process of responding to our review questions. This process has been a valuable one for our business.

## Internal Policies and Processes

During FY21, BFG further developed and updated our policies and processes to assist us to manage and mitigate our modern slavery risk. This included the finalisation and Board Approval of the **BFG Supplier Code of Conduct** which sets out the minimum standards of ethical and responsible behaviour from our suppliers. This Code is in the process of being rolled out to suppliers that supply goods or services to BFG.

The BFG Code of Conduct asks that our suppliers:

- agree to take steps to identify and eliminate:
  - slavery or forced servitude of any kind;
  - trafficking in persons;
  - forced labour;
  - debt bondage;
  - labour recruitment facilitated by any form of coercion or deception;
  - child labour;in all of the supplier's (and any authorised sub-contractor's) operations and supply chains;
- comply with all relevant local laws and regulations;
- adopt and adhere to conditions of employment for workers that ensures non-discrimination, respect and safeguards their rights under local labour laws and regulations;
- provide a safe and healthy workplace - which meets or exceeds the requirements of all relevant health and safety laws or requirements and is designed to prevent accidents or injury to workers;
- ensure that all workers are paid a fair living wage and all legally mandated benefits - which should be at least the minimum wage required by applicable local laws.
- ensure workers are not required to work in excess of the number of hours permitted by applicable local law;
- provide transparency in relation to any relevant supply chains and operations - including disclosure to BFG of sources of raw materials, manufacturing sources or other information relating to the supply of goods or services - upon request from BFG or its authorised representative;
- provide to BFG (upon request), information regarding sustainability, workforce, country of origin and other information relevant to the provision of services or the manufacture of products that are supplied to BFG;
- ensure third parties acting on their behalf comply with the BFG Code of Conduct;
- not enter into transactions with BFG that would create a conflict of interest;
- not offer excessive gifts or entertainment that would have an adverse effect on BFG's reputation;
- comply with all applicable local laws and regulations on corruption, bribery, prohibited business practices, competition and antitrust;
- maintain environmentally responsible and sustainable business practices that comply with all laws and regulations in the countries where the supplier operates; and
- comply with applicable privacy laws and secure confidential information and data against unauthorised access.

Current and new suppliers of products and services to BFG have been asked to sign and return the Code. At the time of drafting of this statement, this Code has been returned by a significant number of our suppliers of products and services, and we will continue the process of working with the remaining suppliers to sign this Code.

### **Modern Slavery Training**

During FY21 we developed and rolled out a tailored online modern slavery training module for our Leadership and Merchandise Teams. The BFG Modern Slavery Training module covers topics including:

- Why does BFG need to address modern slavery?
- What is modern slavery?
- COVID-19 and associated modern slavery risks
- The BFG Code of Conduct
- Practical things that our team can do to identify and address modern slavery risks
- The importance of knowing your suppliers
- The importance of knowing your risky products and services
- Product sourcing and how to gather information from providers of products and services

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.

Our team were also provided with the opportunity to ask questions and request more information about specific industry or product related modern slavery risks from our external modern slavery consultants when they completed the training module.

## Due diligence

Before engaging with a supplier, we ask that a supplier sign and return the Best Friends Group Code of Conduct and any current independent audit reports or certification documents that may demonstrate their compliance with the relevant requirements set out in the Best Friends Group Code of Conduct.

## Remediation

Best Friends Group is proactively working with its suppliers and business partners to ensure compliance with the Best Friends Group Code of Conduct. However Best Friends Group understands that no business, region or industry is exempt from risks of modern slavery. Best Friends Group 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.



## 7. Assessment of the Actions Taken to Address Risks

During FY21 we developed a set of **Modern Slavery KPIs** to allow us to monitor our efforts to address our modern slavery risks.

### **1. Provide modern slavery training to Leadership Team and Merchandise Team members.**

This training module was developed and completed by key Leaders and our Merchandise Team.

### **2. Develop a basic Supplier Code of Conduct (Board approved). Business Partners and Suppliers will be provided with a copy of the approved Supplier Code of Conduct before 31 December 2021.**

This Code was developed and approved by the Board and has been rolled out to suppliers of goods and services.

### **3. Conduct a review of Best Friends Pets and My Pet Warehouse's Australian suppliers of cleaning services, security, construction, store fit outs, freight to customers etc.**

This review was conducted and the details of this process are set out in section 6.

### **4. Identify opportunities to collaborate with groups from existing networks that are focused on the management and eradication of modern slavery.**

We have started conversations with key suppliers on how we can collaborate to address modern slavery concerns and practices.

### **5. Prepare draft FY21 Modern Slavery Statement for Board approval.**



## 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.

### Product Supplier Review

We will continue to review and further identify any modern slavery risks that may be present in our supply chains and assess potential supplier risk based on sector and industry risk, product and services risk and geographic risk.

### Modern Slavery Training

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

### Developing Partnerships and Collaborations

We will continue conversations with key suppliers on how we can collaborate to address modern slavery concerns and practices. We will focus on aligning partnerships with the industry risks and regions that we identify during our product supplier review.

