

# PEDAL GROUP

## MODERN SLAVERY STATEMENT 30 JUNE 2021

### Introduction

This Modern Slavery Statement is made on behalf of by Pedal Group Pty Ltd (“Pedal Group”) (ABN: 67 131 402 278) and its subsidiaries and the entities it owns and controls, including 99 Bikes Pty Ltd (“99 Bikes AU”) (ABN: 87 123 966 665) and Advance Traders (Australia) Pty Ltd (“ATA”) (ABN: 21 130 664 194), collectively referred to in this statement as “the Group”. Pedal Group, 99 Bikes AU and ATA are reporting entities under the Modern Slavery Act 2018 (Cth) (“the Act”).

The Statement has been prepared to meet the requirements of the Act and is the second Modern Slavery Statement the group has prepared.

The Group is committed to ethical and responsible business conduct in its operations. We believe in treating all our employees and those who work in our supply chains with dignity and respect and consider fair labour practices to be an important component of their human rights. We seek to engage with business partners that respect the protection of human rights and that demonstrate sound ethical practices. We expect our employees and all individuals who work for us, or on our behalf, to respect and uphold the human rights of others.

### Our organisational structure, operations & supply chains

Pedal Group is Australia’s largest bicycle company with vertically integrated wholesale and retail operations and ancillary activities including commercial property investment.

Pedal Group is underpinned by its flagship retail stores, 99 Bikes. 99 Bikes has grown from one store in 2007 to fifty three as of 30 June 2021 and is now one of the major companies in the bicycle retail industry in Australia.

The wholesale business of ATA distributes bicycles, bicycle parts and accessories via 99 Bikes and other independent bike shops. The company has Australian distribution rights with approximately thirty brands, including Merida, Norco, BMC and Met.

The property business (“PGP”) main purpose is to buy appropriate properties for the 99 Bikes Retail stores. PGP has two full time employees based in Australia who look after the purchasing, property management and sale of properties.

Pedal Group's operations were limited to Australia until the group expanded into New Zealand on 1 July 2020 opening five 99 Bikes retail stores and commencing wholesaling operations under the Advance Traders New Zealand brand.

As at 30 June 2021 all employees were employed in Australia and New Zealand with the majority employed under the General Retail Industry Award, which sets minimum pay and conditions for specific categories of workers. The remainder of our employees have individual employment contracts, which provide additional conditions for an individual employee, but cannot reduce or remove the minimum entitlements prescribed under the National Employment Standards. We undertake reviews of the General Retail Industry Award and employment contracts to ensure our workers' entitlements are being met. We undertake payroll reviews to ensure our workers are being paid correctly.

The Group sources products, parts and services from the following countries:

- Australia
- Taiwan
- USA
- Switzerland
- Austria
- New Zealand
- Hong Kong
- United Kingdom
- Italy
- Poland
- China
- Canada
- Germany
- Portugal
- Netherlands

The Group's supply chains include the various goods and services it procures that contribute to the services and products the group sells. The goods and services that we procure fall into the following categories:

- Bicycles and bicycle related products for resale
- Property
- Tools and equipment
- Office consumables
- Professional services and consultants
- Workshop consumables
- Utilities
- Technology products
- Transport and freight

### **The risks of modern slavery practices in our operations and supply chains**

Pedal Groups supply chain includes the supply of goods and services used in operations. This includes but is not limited to bicycles, bicycle parts and accessories such as clothing and footwear, car racks, helmets, tools and equipment.

Geographically Pedal Group operates in the low risk countries of Australia and from 1 July 2020 New Zealand. The partnerships the group has with its suppliers in the countries listed above are also reported to have a low risk prevalence of modern slavery by international standards.

Pedal Group seeks to partner with suppliers that ensure a fair and ethical workplace, where the highest standards of human rights are upheld. Parts and components are supplied by reputable companies, however there may be risks that manufacturer or supply of some parts and

components may contribute to modern slavery practices. Pedal Group is not aware of such practices.

### **Actions taken to assess and address modern slavery risks**

We have endeavored to understand modern slavery risks across our operations and supply chain. Pedal Group will continue to build expertise within its procurement teams and raise awareness among suppliers in relation to modern slavery issues.

Pedal Group screened suppliers for adverse media relating to human exploitation. Pedal Group is committed to not knowingly conducting business with any company or individual engaged in modern slavery, human trafficking or knowingly permitting such conduct to be carried out in any of our supply chains.

Since implementation of the Act, Pedal Group now includes anti-slavery and anti-human trafficking clauses in contracts with suppliers.

### **Measuring the effectiveness of our actions**

Pedal Group are committed to effective actions to address modern slavery risks. Pedal Group are measuring the effectiveness of our actions through:

- The level of awareness of the Act;
- Having informed and knowledgeable stakeholders; and
- The number of suppliers screened for adverse media relating to human exploitation.

### **Future Actions**

We recognise we have more work to do to identify and manage the risk of modern slavery in our organisation and supply chains.

Next steps include yet are not limited to:

- Continued monitoring of existing supply chain through supplier screening for adverse media relating to human exploitation;
- Develop policies and practices to identify and mitigate risk areas for modern slavery in our business and supply chains;
- Implementation of specific modern slavery questions into onboarding questionnaires for new suppliers;
- Collaborate with peers and industry groups understanding modern slavery risks and seek recommendations from industry experts;
- Further build expertise among our procurement teams through training to ensure our team members identify risks and implement our policies; and

- Anti-slavery and anti-human trafficking provisions in supplier contracts
- Implementation of a separate agreement for non - contracted suppliers.

This Modern Slavery Statement was approved by the Board of Pedal Group, on behalf of itself, 99 Bikes AU and ATA on 31 December 2021.

A handwritten signature in black ink, appearing to read "Matt Turner", with a long horizontal line extending to the right.

Matt Turner  
CEO  
31 December 2021

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