



## **Modern Slavery Statement**

### **1. Introduction**

This statement covers the reporting period of Pedders Shock Absorber Service from 1 July 2023 to 30th June 2024 and is made voluntarily, pursuant to the Modern Slavery Act 2018 (Cth).

Pedders is committed to ensuring Modern Slavery is not taking place in any part of our business operations, nor in any of our supply chains.

This statement details the actions Pedders has undertaken to assess and address modern slavery risks in its own operations and supply chains.

We are in the early stages of seeking to better understand the connection between Pedders and modern slavery risks. We will endeavour to continuously improve both our understanding of, and response to, these risks.

### **2. Our Structure, Operations, and Supply Chains**

#### **a. Structure**

Pedders Shock Absorber Services is a privately owned Australian corporation.

The Organisational Structure consists of:

- Managing Director and two Directors
- Chief and Executive Council members (12)
- Four operational areas
  - o Finance, Systems and Supply
  - o Product
  - o Sales and Operations
  - o Brand and Culture

#### **b. Operations**

Pedders is a market leading automotive parts supplier and undercar specialist for brakes, steering and suspension. Pedders products are primarily distributed to retail and trade markets through our Australian company, franchise, and dealer network. These outlets sell to retail customers and trade customers within their outlet's primary market area. We currently have over 120 outlets throughout Australia.



In addition, Pedders has an international distribution network that operates across Europe, North America, the Middle East, Africa and Asia Pacific.

Pedders also designs, manufactures, and sources suspension and brake products for third party businesses (domestic and global) which sell these products under their own company brands.

### c. Supply Chains

Pedders manufactures approximately 42% of its coil springs range via its facility in Keysborough, Victoria for its own Pedders branded products as well as other private labels. (Coil spring product represents 11.12% of total product quantity sold) Pedders Springs are made from Australian sourced steel supplied by Infrabuild, (a division of BHP).

Pedders third party supply (by quantity) was split 32.2% domestic and 67.8% overseas. Our top 10 Domestic Suppliers represented 95.0% of total domestic quantity supply received and our top 15 Overseas Suppliers represented 99.2% of total overseas quantity supply received.

Overseas supplied product (by quantity) is primarily sourced from China (82%), Malaysia (13%), and Indonesia (4.0%) with the balance (1% of total quantity) sourced from other countries.

We also source and distribute specific products using third party proprietary brands to complement our product offering. These represent 6.3% of products sold by the total Pedders network. We have approximately 4 Approved Third-Party proprietary suppliers (within our top 30 product suppliers used regularly).

## **3. Risks of modern slavery practices in the operations and supply chains**

### Risks in operation

We consider the risk of modern slavery occurring within our operations to be very low to non-existent. This is because our operations are conducted locally in Australia jurisdictions which the Global Slavery Index has deemed to have low prevalence of modern slavery.

Pedders employment policies and practices comply with the mandatory minimum requirements set out under the relevant awards and Australian laws and we maintain comprehensive workplace policies and procedures as outlined in the Pedders Better Employer Statement.



Further, our labour force is comprised of low-risk professions such as office administration and professionally trained and educated specialists, warehouse and site managers and automotive technicians.

#### Risks in supply chain

We acknowledge that there are modern slavery risks in our global supply chain. We recognise that we have limited direct access and visibility of our suppliers' operations. However, the Global Slavery Index and other studies show that the commodity and countries that we predominately import from are relatively low risk.

The vast majority of our product comes from China, Indonesia and Malaysia.

The 2023 Global Slavery Index estimates that 5.8 million people were living in modern slavery in China on any given day in 2021. This equates to 4 in every thousand people in the country. China, as one of the world's most populous countries, has the second largest estimated number of people in modern slavery in the world. It is ranked 19th in Asia and Pacific Region and 111th globally,

The 2023 Global Slavery Index estimates that 1.8 million people were living in modern slavery in Indonesia on any given day in 2021. This equates to 6.7 in every thousand people in the country. Indonesia is ranked 10th in the Asia and Pacific Region and 62nd globally.

The 2023 Global Slavery Index estimates that 202,000 people were living in modern slavery in Malaysia on any given day in 2021. This equates to 6.3 in every thousand people in the country. Malaysia is ranked 12th in the Asia and Pacific Region and 72nd globally.

Notwithstanding this, automotive parts, their components, and the raw materials used are not considered a high-risk product for modern slavery.

We acknowledge that the visibility of the risks of modern slavery practices in our full downstream supply chains is currently limited and there may be links to modern slavery further down the supply chain that are outside of Pedders control and that are not visible to Pedders.

#### 4. Actions taken to assess and address these risks.

Pedders is actively working to improve our policies and practices to address the risk of Modern Slavery in our supply chain, including, but not limited to, the following:

- Pedders have a Responsible Sourcing policy and Modern Slavery policy.



- All new Pedders Supplier agreements (contracts) include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery, servitude, or debt bondage, whether adults or children. Pedders explicitly expects that our Suppliers will hold their own suppliers to the same high standards.
- All Pedders Suppliers are required to sign and adhere to the Pedders Supplier Code of Conduct Acknowledgement (SCCA) that reflects **their** commitment to protecting human rights, including the prevention of Modern Slavery.
- Pedders has completed a Supplier “compliance evaluation review” during the period 2023/2024 - that includes a key document checklist requiring Suppliers to provide supporting evidence of their stance against child/forced labour, human trafficking and/or exploitation of workforce (refer table 1 below) – either via their own corporate policies presented, or as a signed/dated declaration provided by Pedders (SCCA). 33 of our top Suppliers in 2023 (representing 99.3% of annual spend) have complied with this request, along with 5 x new Suppliers recently onboarded over the last 6 months (not yet commenced traded with) – Total of 38 x Suppliers.
- Site Visits are scheduled for 2024/25 to enable us to witness firsthand the workplaces and conditions of the workers. We have developed a Site Visit Checklist for this purpose (Appendix One). Two supplier visits will take place in the second half of 2024 in Malaysia and Indonesia with more planned for 2025.
- Pedders is a founding member of the Australian Automotive Aftermarket Association (“AAAA”) Modern Slavery Consortium which seeks to establish more comprehensive strategies and systems in collaboration with our industry association and peers to identify and mitigate the risk of Modern Slavery abuses in our industry and supply base. This aims to provide an agile platform for assessments and management of supply chain Modern Slavery risk.
- We acknowledge that modern slavery risks to Pedders will change over time as operational requirements change, and our understanding of our supply chains improves.



Table 1: Supplier Compliance Tracker (2024) - Top 99% of Product Suppliers:

Supplier	Email Rollout Date 2023	Docs Received	1	2	3	4	5	6	7	8	9
			Rcvd	Rcvd	Rcvd	Rcvd	Rcvd	Rcvd	Rcvd	Rcvd	Rcvd
1	29-Mar-23	27-Feb-24	x	x		x	x	x		x	x
2	29-Mar-23	WIP	x	x	x	x	x	x		wip	x
3	29-Mar-23	06-Apr-23	x	x	x	x	x	x	x	x	x
4	29-Mar-23	22-Aug-23	x	x		x	x	x		x	x
5	29-Mar-23	14-Sep-23	x	x		x	x	x		x	x
6	29-Mar-23	15-Mar-24	x	x	x	x	x	x		x	x
7	29-Mar-23	18-Apr-23	x	x	x	x	x	x	x	x	x
8	29-Mar-23	09-Aug-23	x	x	x	x	x	x			x
9	29-Mar-23	21-Aug-23	x	x		x	x	x		x	x
10	29-Mar-23	25-Jan-24	x	x	x	x	x	x		x	x
11	29-Mar-23	18-Mar-24	x	x	x	x	x	x		x	x
12	29-Mar-23	09-May-24	x	x	x	x	x	x		x	x
13	29-Mar-23	09-May-25	x	x		x	x	x			x
14	29-Mar-23	01-Mar-24	x	x	x	x	x	x	x	x	x
15	29-Mar-23	02-May-24	x	x		x	x	x		x	x
16	29-Mar-23	05-Aug-23	x	x	x	x	x	x		x	x
17	29-Mar-23	WIP	x	x		x	x	x		wip	x
18	29-Mar-23	25-Mar-24	x	x	x	x	x	x	x	x	x
19	29-Mar-23	WIP	x	x		x	x	x		wip	x
20	19-Mar-23	WIP	x	x		x	x	x		wip	x
21	29-Mar-23	20-Apr-23	x	x	x	x	x	x	x	x	x
22	29-Mar-23	15-Dec-23	x	x		x	x	x		x	x
23	29-Mar-23	01-Jul-23		x		x	x	x			x
24	29-Mar-23	30-Apr-24	x	x	x	x	x	x	x	x	x
25	29-Mar-23	26-Feb-24	x	x		x	x	x	x	x	x
26	29-Mar-23	30-Apr-24	x	x		x	x	x		x	x
27	29-Mar-24	21-Mar-24	x	x		x	x	x	x	x	x
28	23-Feb-24	16-Apr-24	x	x	x		x	x	x	x	x
29	29-Mar-23	15-May-24	x	x	x	x	x	x	x	x	x
30	12-Dec-23	30-May-24	x	x		x	x	x		x	x
31	20-Dec-23	14-Mar-24	x	x		x	x	x	x	x	x
32	27-Feb-23	01-Apr-24	x	x	x	x	x	x	x	x	x
33	23-Feb-24	28-Feb-24	x	x		x	x	x		x	x
new	15-Oct-23	03-May-24	x	x	x	x	x	x	x	x	x
new	20-Dec-23	25-Jan-24	x	x		x	x	x		x	x
new	20-Dec-23	WIP	x	x		x	x	x		wip	x
new	22-Jan-24	20-Feb-24	x	x		x	x	x	x	x	x
new	31-May	WIP	wip	x	x	x	x	x	x	x	x

Status:

Provided	Not Provided	Pending
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Doc No.	Document/Evidence or Declaration Requested:
1	Supplier Code of Conduct Acknowledgment (Signed)
2	Corporate/Company Overview
3	Insurance & Liability Coverage
4	Anti-Bribery Compliance Policy
5	Modern Slavery Compliance Policy
6	Ethical Manufacturing/Sourcing Policy
7	ISO 14001 Environmental Management System Compliance
8	QMS Certification Compliance (with expiry date) - IATF16949:2016, ISO9001:2015 or equivalent
9	Confidentiality/Privacy/Intellectual Property Policy
21	Material Sourcing Declaration

#### 5. Assessing the effectiveness of these actions.

Pedders is committed to improving our practices to address the risk of modern slavery and we will review our policies and practices regularly to ensure best practice to minimize the risk of modern slavery in our supply chain and ensure compliance with modern slavery legislation and mandatory reporting requirements.

This is the beginning of our journey, but we are confident we are undertaking the necessary steps to help minimise the risk of modern slavery in our operations and supply chain.

In addition to planned visits to key suppliers by Pedders employees, we are also considering an independent third-party audit process for major international suppliers in the future. This would include, among other things, site visits/audits and an assessment of the modern slavery risk.

#### 6. Process of consultation

Modern slavery risks are currently managed by our Risk and Compliance Team comprising of our Managing Director, Director, Chief of Product, Chief of Sales and Operations, Chief of Brand and Culture, Chief of Finance and Senior Executive of Supply Chain.

This team is responsible for overseeing our modern slavery policy and procedures and reviewing them annually to ensure they continue to evolve and reflect community expectations.

This Modern Slavery Statement was approved by the Managing Director and Director on 10 September 2024.



Scott Pedder  
Managing Director

Mark Pedder  
Director



Appendix One



**SITE VISIT CHECKLIST - MODERN SLAVERY COMPLIANCE**

Supplier/Manufacturer: <i>(Name)</i>			
Site Visited: <i>(Location)</i>		Date of Visit:	
Peddars Staff present:	<i>(Attendees)</i>	Supplier Staff present:	<i>(Hosts)</i>
<b>Observations / Ratings:</b>			
Facilities: <i>(Description/rating)</i>		Workers (Staff): <i>(Description/rating)</i>	
Cleanliness (5s)	1 - Poor	Cleanliness	1 - Poor
Equipment/Machinery	2 - Below Par	Appearance/Presentation	2 - Below Par
Safety features/equip.	3 - Average	PPE equipment	3 - Average
Heating/Cooling	4 - Good	Engagement	4 - Good
Lunchrooms	5 - Excellent	Observed Mood	5 - Excellent
Bathrooms		Adherence to Safety	
Evacuation zones			
<b>General comments / Observations:</b>			
Supplier Transparency: <i>(Description/rating)</i>			

**Assessment completed by:**