

# PEDAL GROUP

## MODERN SLAVERY STATEMENT

Financial year ending **30 JUNE 2020**

### Introduction

This Modern Slavery Statement is made on behalf of 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), collectively referred to in this statement as “the Group”. Pedal Group and 99 Bikes AU 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 first Modern Slavery Statement the Group has prepared. It has been prepared by our Modern Slavery Act Working Group, a collaboration of representatives from across the Group’s businesses plus additional expertise and resources through our major shareholder’s (Flight Centre Travel Group Limited (ABN: 003 377 188)) Enterprise Risk and Financial Crime Compliance teams.

The Group is committed to ethical and responsible business conduct in its operations and supply chains. 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 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 the human rights of others.

### Our organisational structure, operations & supply chains

Pedal Group is an Australian bicycle company with vertically integrated wholesale and retail operations and ancillary activities including commercial property investment.

Pedal Group is underpinned by 99 Bikes AU’s flagship retail stores, 99 Bikes. 99 Bikes has grown from one store in 2007 to forty eight as of 30 June 2020 and is now one of the major bicycle retailers in Australia.

The wholesale business of Pedal Group's wholly owned subsidiary Advance Traders (Australia) Pty Ltd (ABN: 21 130 664 194) (AT) distributes bicycles, bicycle parts and accessories via 99 Bikes and other independent bike shops. AT has Australian distribution rights with approximately thirty brands, including Merida, Norco, BMC and Met.

The property business of Pedal Group (Pedal Group Property or PGP) main purpose is to buy appropriate properties for the 99 Bikes retail stores. PGP has one full time employee based in Australia who looks after the purchasing, property management and occasional sale of properties.

During the reporting period Pedal Group commenced expansion into New Zealand however full operations did not commence in New Zealand until after the end of the reporting period, with the opening of five 99 Bikes retail stores and wholesale operations under the Advance Traders New Zealand brand in July 2020.

As at 30 June 2020 all employees of the Group were employed in Australia with the majority employed under the General Retail Industry Award, which sets minimum pay and conditions for specific categories of workers. The remainder of the Groups 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
- New Zealand
- China
- Taiwan
- Hong Kong
- Canada
- USA
- United Kingdom
- Germany
- Switzerland
- Italy
- Portugal
- Austria
- Poland



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
- Workshop consumables
- Property
- Utilities and equipment
- Technology products
- Office consumables
- Transport and freight
- Professional services and consultants

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

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

Pedal Group has referenced the 2018 Global Slavery index in assessing the geographic risk of its operations and supply chains and has not identified any high risk in this category.

Pedal Group seeks to transact with suppliers that ensure a fair and ethical workplace, where the protection of human rights is respected and upheld. Best efforts are made to source products from reputable suppliers, however there may be risks that a manufacturer or supplier 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 chains. Pedal Group will continue to build expertise within its procurement teams and raise awareness among suppliers in relation to modern slavery issues.

We have a dedicated Modern Slavery Act Working Group with representatives from across the Group's businesses to ensure the Group upholds ethical and responsible business conduct in its operations.

Pedal Group has recently screened all suppliers used in financial year ending 30 June 2020 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 or human trafficking and to not knowingly permitting such conduct to be carried out in any of its supply chains.

Pedal Group's response to modern slavery risks that may be identified in its supply chains will vary depending on the nature of the risk and the amount of information provided or obtained. This may include engagement with suppliers, customers and other stakeholders. Steps will be taken to understand the issue(s) and the appropriate course of action. This may involve referring the matter to authorities (in the case of suspicions or allegations of modern slavery), or engaging with the entity about the areas of concern. It may also include the need to consider remediation processes and remedies if modern slavery is found to exist.

## Measuring the effectiveness of our actions

As described above, Pedal Group established a Modern Slavery Act Working Group to monitor its response to modern slavery risks. The Modern Slavery Act Working Group is also responsible for measuring the effectiveness of the Group's actions.

Pedal Group is committed to effective action to address modern slavery risks. Pedal Group is measuring the effectiveness of this action through:

- The level of awareness of the Act;
- Having informed and knowledgeable stakeholders;
- The number of suppliers screened for adverse media relating to human exploitation; and
- Identify human exploitation and make appropriate changes within our supply chain.

## Future Actions

Pedal Group is committed to identifying and remediating modern slavery risks in its supply chains and operations. This is an ongoing commitment and we recognise that we have more work to do to identify and manage these risks. Next steps include, but are not limited to:

- Continued monitoring of existing supply chains through supplier screening for adverse media relating to human exploitation;
- Developing policies and practices to better understand the risk areas for modern slavery in our business and supply chains;
- Implementation of specific modern slavery questions into onboarding questionnaires for new suppliers;
- Engaging with peers on modern slavery risks;
- Further building of expertise among our procurement teams; and
- Future contracts with suppliers to include anti-slavery and anti-human trafficking provisions.

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



Matt Turner  
CEO  
31 March 2021