



MODERN SLAVERY STATEMENT 2020

INTRODUCTION

WiggleCRC is committed to ensuring that there is no slavery or human trafficking in any part of our own business or supply chain. It is critically important that the human rights of our employees and of the workers in our global supply chains are respected and protected.

This statement has been published in accordance with section 54 of the Modern Slavery Act 2015. It sets out the steps WiggleCRC have taken to prevent modern slavery in our business and supply chain for the financial year ending 31st December 2020 and our plans to deliver on our commitment in 2021.

OUR BUSINESS STRUCTURE

Established in 1999, WiggleCRC is the world's largest online sports retailer, operating internationally in over 95 countries, with more than 800 employees.

Since 2011, WiggleCRC has been owned by the private equity investment company, Bridgepoint. In 2016, Wiggle and Chain Reaction Cycles merged, combining the two largest companies in the UK online cycle retail market. Wiggle and Chain Reaction Cycles remain separate brands and run separate websites, despite being integrated in terms of stock holding and finances. At the time this statement was published, June 2021, Huw Crwys-Williams had recently been announced as WiggleCRC's new CEO.

WiggleCRC is headquartered in the UK. We have over 800 employees across offices in Portsmouth (the UK), Belfast (Northern Ireland), and Yuanlin (Taiwan). We run two ecommerce websites, operating in over 95 countries. Our two main product categories are 'hard goods' (which

includes bicycles, bike parts, wheels, tyres, tubes, and bike maintenance products) and 'soft goods' (which includes apparel, footwear, helmets, and bags). Our products are developed by our teams in Portsmouth, Belfast, and Yuanlin, manufactured at supplier factories globally, and shipped to our distribution centre in Wolverhampton. Our business sells products directly to consumers through our two e-commerce websites, one Chain Reaction Cycles store in Belfast, and one distributor.

KEY FACTS:

800+



EMPLOYEES IN 3 OFFICES

2



ECOMMERCE
WEBSITES
OPERATING IN OVER
95 COUNTRIES

3



dhb

BRAND WEBSITES

1



STORE

1



DISTRIBUTION CENTRE

1



DISTRIBUTOR

165



165 THIRD-PARTY
PRODUCTION SUPPLIERS

Our ecommerce websites:



Our brand websites



OUR SUPPLY CHAIN

WiggleCRC's supply chain is made up of three main categories of suppliers:

- Production suppliers, who are involved in the sourcing and manufacture of own-brand products.
- Third-party brands, whose products are available for sale on our ecommerce websites.
- Logistics and operational suppliers, who provide services such as shipping and transport services, warehousing and distribution, and non-product related services.

In 2020, our products were made at 165 factories in the following countries (alphabetical order): Bosnia & Herzegovina, Cambodia, China, Croatia, France, Indonesia, Italy, Pakistan, Portugal, Romania, South Korea, Spain, Taiwan, Tunisia, the UK, and Vietnam. These are our tier-one production suppliers, factories that assemble or manufacture our final products, as well as our key tier-two production suppliers, sites that manufacture our main technical components (for instance frames, wheels, and handlebars).

SUPPLY CHAIN

Bosnia & Herzegovina (1)
Cambodia (2)
China (59)
Croatia (2)
France (1)
Indonesia (1)

Italy (7)
Pakistan (1)
Portugal (2)
Romania (2)
South Korea (2)
Spain (1)

Taiwan (68)
Tunisia (2)
United Kingdom (10)
Vietnam (2)

OUR SUPPLIER CODE OF CONDUCT AND OTHER POLICIES

WiggleCRC's Supplier Code of Conduct sets out the standards that our suppliers must meet in relation to human rights and labour rights. It is based on international standards, including the International Labour Organization conventions. It includes a clause stipulating that employment must be freely chosen. WiggleCRC requires that suppliers must not use forced, bonded, or involuntary prison labour, and that workers have no restrictions on their movement and are free to leave their employment with reasonable notice. Our Supplier Code of Conduct is available in English, Traditional Chinese, and Simplified Chinese, reflecting the languages understood by most of our production suppliers.

In 2021, we intend to develop additional policies to support our Supplier Code of Conduct. We will add a clause in our Supplier Code of Conduct that requires tier-one suppliers to declare any subcontracting processes and to disclose tier-two supplier information on request. As we have a number of foreign migrant workers in supplier factories in Taiwan, we will also develop a Migrant and Agency Worker Policy. The purpose of this Policy will be to ensure that the recruitment of these workers is legal and keeps their best interests in mind, and to ensure fair employment

practices while they are working in their host country. Our vendor agreements stipulate that all suppliers must meet our ethical trading requirements.

We have a range of policies and procedures designed to protect the human rights of our own employees. These include our Whistleblowing Policy (which encourages our employees to report any concerns relating to our direct activities or our supply chains, including specific reference to modern slavery, human trafficking, and forced labour); Employee Assistance Programme (an internal procedure which aims to support employees during and following their compliance with our Whistleblowing Policy); Anti-Bribery and Corruption Policy; Anti-Trust Policy; Equal Opportunities Policy; and Anti-Harassment and Bullying Policy.

WIGGLECROC'S AUDIT HISTORY - FACTORY AUDITS CONDUCTED



*Note: Our ethical trading programme started in July 2017, half-way through the year. The Number of audits conducted in 2020 was lower than usual due to factory closures and restrictions on travel arising from the Covid-19 pandemic. We plan to increase the number of visits in 2021.

OUR RISK ASSESSMENTS

We have undertaken an internal risk assessment and we have chosen to focus our modern slavery prevention activities on our production suppliers as well as on our UK distribution centre.

Through our internal risk assessment and information gathered in our own audit reports, we have identified a number of potential risk factors for modern slavery in our production supply chain, including:

The use of foreign migrant workers in Taiwan, who may be more vulnerable to unequal employment terms, deceptive or coercive recruitment practices including trafficking, debt bondage, and restrictions on movement. 41% of our suppliers are in Taiwan (68 of 165 factories);

Factories located in China and other Asian countries. The International Labour Organisation claims that 56% of forced labour takes place in the Asia-Pacific region. In addition to Taiwan, China is our second largest sourcing country (36% of our suppliers, or 59 of 165 factories). 83%, or 137 of 165 suppliers are in the Asia sourcing region;

Factories with incomplete or inaccurate record keeping which could be an indication that they are withholding wages, not paying the legal wages, or are requiring employees to work excessive hours; and

Factories with poor human resources management practices and an absence of clear policies and procedures, for instance, missing personnel records, no contracts, or inadequate working hours records.

With regards to our own UK distribution centre, we believe the temporary workers that are recruited through temporary labour providers are potentially vulnerable to trafficking, forced labour, and other forms of exploitation. As such, WiggleCRC has strict procedures in place both internally and through our temporary labour providers to protect these workers (please see the previous section for more details).

EFFECTIVENESS OF OUR APPROACH

In the four years that we have been auditing supplier factories, WiggleCRC and The Reassurance Network have not identified any cases of modern slavery in our supply chain. In relation to the four risks we identified in the previous section:

Potential risk factors identified in our production supply chain	Update based on 2020 factory audits
The use of foreign migrant workers in Taiwan	WiggleCRC sources from 68 factories in Taiwan. 12 of these factories recruits and employs foreign migrant workers. In 2020, four of the factories we audited in Taiwan had foreign migrant workers. There was no evidence of modern slavery in any of these 12 factories.
Factories located in Asia	WiggleCRC sources from 137 factories in Asia. We have audited 110 of these factories at least once. In 2020, 35 of the 38 factories we audited were in Asia. There was no evidence of modern slavery in any of these Asian factories.
Factories with incomplete or inaccurate record keeping	Of the 165 factories we source from, we have audited 122 of these sites at least once. We have identified incomplete or inaccurate record keeping in 19 of these factories. In 2020, we identified 6 factories with incomplete or inaccurate record keeping. There was no evidence of modern slavery in any of the factories we have audited.
Factories with poor human resources management practices	Of the 122 factories that we have audited at least once, 95 of these sites had at least one non-compliance related to poor human resources management practices. In 2020, we identified 35 factories with at least one non-compliance relating to human resources management practices. There was no evidence of modern slavery in any of the factories we have audited.s.

Furthermore, in 2020, we did not find any cases of modern slavery in our UK distribution centre.

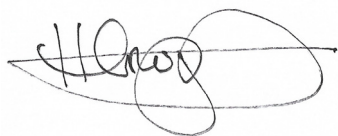
We will continue to review the effectiveness of our policies and procedures, including our modern slavery risk assessments, supply chain mapping, due diligence checks, and remediation of critical issues identified, and we will report on our progress annually.

OUR EMPLOYEE TRAINING

In 2021, we will conduct a formal modern slavery training to approximately 25 employees in Portsmouth, Belfast, and Yuanlin who work closely with our supplier factories (on sourcing, operations, product development, planning, design, and engineering). This training session will cover definitions of modern slavery, human trafficking, and forced labour; manifestations of modern slavery; risks of modern slavery in WiggleCRC's supply chain; case studies; and practical advice on how to identify red-flags of modern slavery when visiting supplier factories.

This statement was approved by the Board of WiggleCRC on 6 May 2021.

Signed

A handwritten signature in black ink, appearing to read "Huw Crwys-Williams", enclosed within a large, loopy circular flourish.

Huw Crwys-Williams
Chief Executive Officer
WiggleCRC
June 2021

