



MODERN SLAVERY REPORT 2023

INTRODUCTION

Wiggle is part of the Wiggle Chain Reaction (WiggleCR) portfolio. Wiggle CR 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 Wiggle CR have taken to prevent modern slavery in our business and supply chain for the period between 1st January 2022 through 30th September 2022 (partial financial year) and our plans to deliver on our commitment from 1st

October 2023 through 30th September 2023. Please note that our previous modern slavery statement covered the period 1st January 2021 through 31st December 2021. Our financial year recently changed and as a result, figures in this report are not directly comparable to the previous reporting period unless explicitly noted. Next year's statement will cover the complete 12-month financial year.



OUR BUSINESS STRUCTURE

Established in 1999, WiggleCR is the world’s largest online sports retailer, operating internationally, with approximately 750 employees.

WiggleCR is owned by the German retailer, Signa Sports United, which is listed on the New York Stock Exchange (NYSE). Our annual turnover during the 12-month period ending 30th September 2022 was £249m.

WiggleCR is headquartered in the UK. We have approximately 750 employees across offices in Portsmouth (the UK), Belfast (Northern Ireland), and Yuanlin (Taiwan). We run five ecommerce websites, operating internationally.

We offer a comprehensive range of products focused on the core sports of cycling, running, swimming, triathlon and outdoor pursuits. 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 five e-commerce websites, one Chain Reaction Cycles store in Belfast, and one distributor. In 2022, WiggleCR’s ESG committee, made up of about a dozen team members including the CEO, CFO, and senior and middle management, met on a quarterly basis to measure progress and ensure accountability against WiggleCR’s annual ESG targets, which cover human and labour rights, climate change, and other issues deemed material to the business and to society at large.

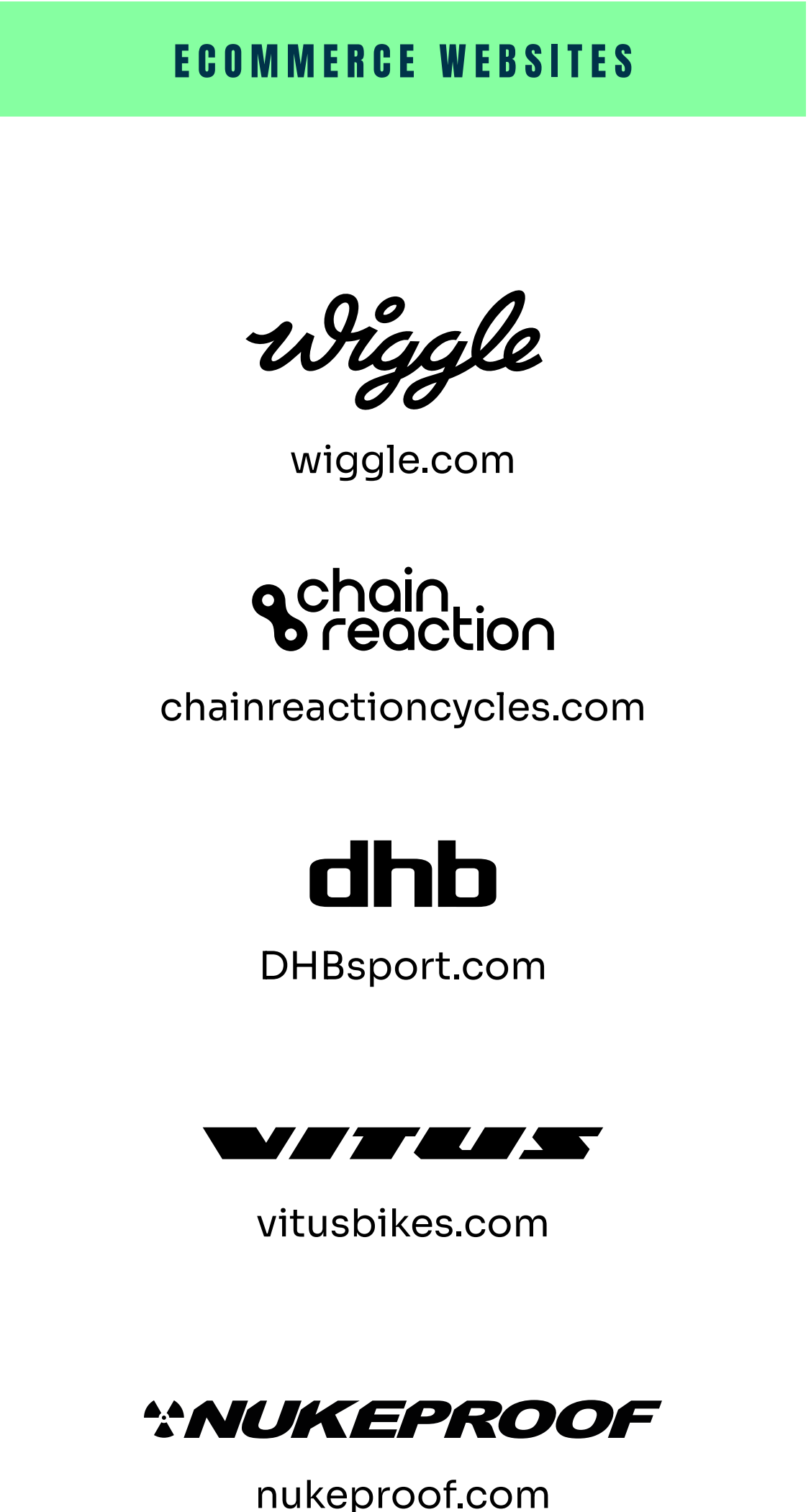
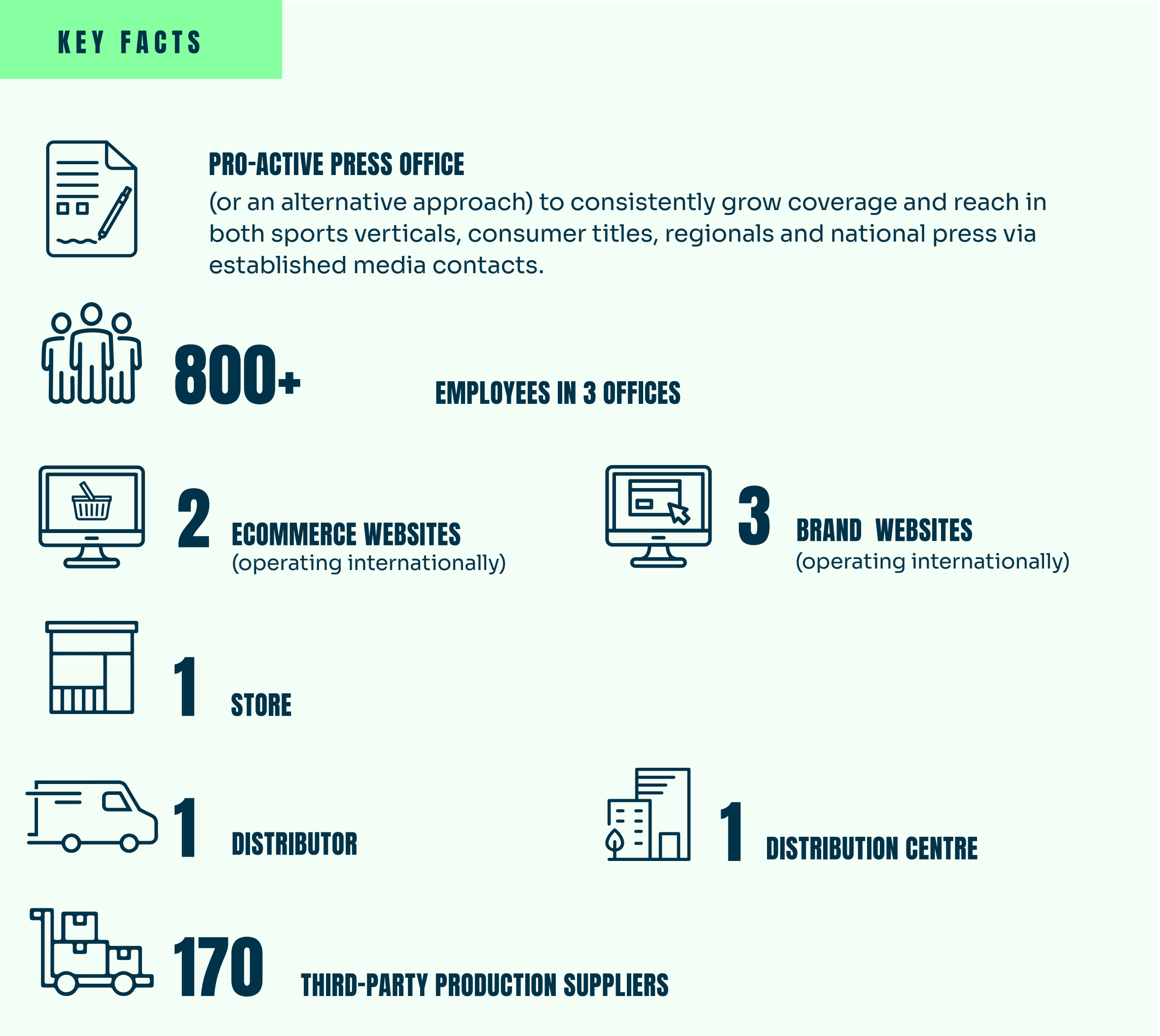


Key Facts:

- Approximately 750 employees in 3 offices
- 2 ecommerce websites and 3 brand websites operating internationally
- 1 store
- 1 distribution centre
- 1 distributor
- 154 third-party production suppliers

Our ecommerce websites:

- Wiggle.com
- Chainreactioncycles.com
- DHBsport.com
- Nukeproof.com
- Vitusbikes.com



OUR SUPPLY CHAIN

WiggleCR'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 2022, our products were made at 154 factories in the following countries (alphabetical order): Bosnia & Herzegovina, Cambodia, China, Croatia, France, Indonesia, Italy, Lithuania, Pakistan, Portugal, Romania, South Korea, Spain, Taiwan, Tunisia, Turkey, 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).



OUR SUPPLIER CODE OF CONDUCT & OTHER POLICIES

WiggleCR’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. WiggleCR 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 2022, we developed two additional policies to support our Supplier Code of Conduct. As we have a number of foreign migrant workers in supplier factories in Taiwan, we published our Migrant and Agency Worker Policy. The purpose of this Policy is 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. We also published our Child Labour and Young Worker Policy. Although we have not had any incidences of child labour in the past few years, we recognise this is a

real risk in global supply chains and we recognised the need for a policy which clearly stipulates best practice policies and processes that factories can adopt to avoid hiring child workers and best practice remediation should child labour be identified in any factory. These two new policies are available in English, Traditional Chinese, and Simplified Chinese.

In the next financial year, we plan to update our Supplier Code of Conduct to reflect advances in the industry with regards to the protection of supply chain workers. We will also 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. We also plan to develop additional policies to ensure our factories are respecting and protecting worker safety and human rights, including a set of Environmental Health & Safety Minimum Expectations; a Restricted Substances Policy; a Human Rights Policy; and a Cotton Sourcing Policy.

In addition to policies for our supply chain partners, WiggleCR have a range of policies and procedures designed to protect the human rights of our own

employees. These include our Employee Assistance Programme (an internal procedure which aims to support employees during and following their compliance with our ‘Speak Out Policy’ (Whistleblowing Policy); Equal Opportunities Policy; and Anti-Harassment and Bullying Policy. In 2022, we developed our Diversity Commitment to supplement our existing Equal Opportunities Policy. Our Equal Opportunities Policy sets out our responsibilities and commitments around protecting colleagues from discrimination or harassment. However, we know that to be a diverse and inclusive organization, we must go beyond this. Our Diversity Commitment sets out our philosophy and approach to encouraging diversity and creating inclusivity for everyone from the talent and people process on through to working environments, colleague engagement, data collection, management support and beyond.

In 2022, we adopted Signa Sports United’s Speak Out Policy, which replaces Wiggle’s former Whistleblowing Policy. We also adopted Signa Sports United’s Code of Business Conduct and Ethics, which covers a wide range of important topics including human rights and the environment, compliance with legal requirements, insider

trading, conflicts of interest, gifts and invitations, media and communications with investors, media and communications with employees, accurate books and records, fair dealing and competition, anti-corruption and bribery, anti-money laundering, equal treatment and non-discrimination, health safety and the environment, protection of property, privacy and data security, political activities and sponsorships, and how to report violations. This replaces Wiggle’s former policies (our Bribery and Corruption Policy and our Anti-Trust Policy).

OUR DUE DILIGENCE AND SUPPLIER AUDIT PROGRAMME

Due diligence checks for modern slavery are integrated into our ethical trading programme (which is focused on our production suppliers) as well as into our UK-based Human Resources procedures.

WiggleCR works with The Reassurance Network on ethical trading issues in our supply chain. WiggleCR are responsible for directing the programme, while The Reassurance Network’s local teams conduct audits and provide training and guidance to factories on improvement priorities and actions. We are in regular contact with our suppliers to schedule visits, to review audit reports and corrective actions plans, and to assess desk-based improvements. When we identify non-compliances with our policies, we work together with suppliers on improvement actions. This support is given remotely as well as through follow-up visits. Any critical non-compliances identified will be remediated in a timely and responsible manner, keeping worker safety and in some instances, anonymity, at the forefront.

In 2022, we conducted 47 audits in factories located in (alphabetical order): Bosnia & Herzegovina, Cambodia, China, Indonesia, Italy, Lithuania, Portugal, Romania, Spain, Taiwan, Turkey, the UK, and

Vietnam. As we wrote in last year’s statement, we increased the number of visits in 2022 to make up for the factory closures and restrictions on travel arising from the COVID-19 pandemic in 2021.

In 2022, we trialled 4 FORUM consultation visits in key factories in Cambodia, China, Pakistan and Vietnam. FORUM is a new approach to supplier engagement that promotes social and environmental improvement, developed by The Reassurance Network as a complement to traditional auditing. FORUM’s collaborative assessment methodology focuses on understanding the needs of the workers, the factory managers, and the brand as equal stakeholders. Instead of approaching a factory visit with the view of checking on compliance against a top-down, hierarchical set of standards, our hope is that by re-defining the standards according to human and business needs, we will be able to better understand whether the needs and expectations of our supply chain workers and partners are being met. FORUM’s methodology encourages collaboration with stakeholders to understand the full picture of business pressures and practices and to address root causes.

In the next financial year, we plan to continue with our factory audit programme and we plan to trial the FORUM consultation visits with at least three new factory visits and some follow-up visits as well.

WiggleCR also has a robust procedure in place to protect against risks of modern slavery in our own UK operations. Due diligence is performed as part of the recruitment process and throughout a worker’s employment within the business. We recruit workers through strictly vetted temporary labour providers that work with and follow the best practice guidance provided by the multi-stakeholder initiative, Stronger Together, which tackles forced labour, human trafficking, and worker exploitation. These temporary labour providers conduct their own checks and assist us in the performance of our own due diligence. This process includes the following aspects which are carried out both internally by our Human Resources team and by our temporary labour provider:

- A check of all IDs to ensure legitimacy of right to work documents. We use an electronic scanning system which checks all passports and identity documents to verify employee eligibility to work in the UK, in line with the current standard found in airports.

- An electronic system that recognises matching addresses and/or bank details, to ensure that payment is made directly to the employee and not to a third-party.
- Home visits when concerns are raised, to ensure that employees are indeed living at their stated address. If we find any instances of Houses in Multiple Occupation (HMO), this would be reported to the local councils and/or the relevant authority. Welfare meetings would be held as an additional check to ensure there is no potential exploitation.
- Temporary workers are shown videos as part of their inductions to understand the risks of modern slavery and have access to an eLearning platform which is available to them on their Learning Plus Platform.

WIGGLECR'S AUDIT HISTORY

NUMBER OF FACTORY AUDITS CONDUCTED



*Note: Our ethical trading programme started in July 2017, half-way through the year. The Number of audits conducted in 2020 and 2021 were lower than usual due to factory closures and restrictions on travel arising from the Covid-19 pandemic. The data in 2022 only covers January through September to reflect our new financial year.

**Note: In 2022 we introduced FORUM consultations to complement our audit programme. In 2022, we conducted 47 audits and 4 FORUM consultations.

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:	
POTENTIAL RISKS FOR MODERN SLAVERY	ACTIONS TAKEN
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. 40% of our suppliers are in Taiwan (66 of 154 factories or 43%).	In 2022, we published our Migrant and Agency Worker Policy. For more information, please see ‘Our Supplier Code of Conduct and Other Policies’.
The use of Uyghur ethnic minority workers from Xinjiang Uyghur Autonomous Region in Chinese supplier factories. Investigations by human rights organisations and journalists have exposed systemic forced labour in respect to Uyghur ethnic minority workers by the Chinese government.	In 2022, we continued to conduct audits and provide training and guidance to factories on improvement priorities and actions with a special focus on China and Taiwan. In 2023, we plan to develop a Human Rights Policy and a Cotton Sourcing Policy.
Factories located in China and other Asian countries. The International Labour Organisation’s latest figures show that 52% of global forced labour takes place in the Asia-Pacific region. After Taiwan, China is our second largest sourcing country (45 of 154 factories or 29%). 81%, or 124 of 154 suppliers are in the Asia sourcing region.	In 2022, we continued to conduct audits and provide training and guidance to factories on improvement priorities and actions with a special focus on China and Taiwan. For more information, please see ‘Our Due Diligence and Supplier Audit Programme’.
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.	See above.
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.	See above.
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, WiggleCR 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

WiggleCR understands the importance and complexity of modern slavery. We are firmly committed to preventing forced labour and identifying and addressing root causes of exploitation that could give rise to modern slavery through auditing, FORUM consultations, capacity-building, and training.

In the six years that we have been auditing supplier factories, we have not identified any cases of modern slavery in our supply chain. Furthermore, we have not found any cases of modern slavery in our UK distribution centre.

To address our biggest concern, the use of foreign migrant workers in Taiwan:

- In 2022, we published our Migrant and Agency Worker Policy, which was can be accessed in English, Traditional Chinese, and Simplified Chinese.

- In the next financial year, we plan to launch what a multi-year Taiwanese Migrant Labour Programme. This will include conducting training to the WiggleCR sourcing, development and quality teams in the UK and Taiwan; training and consulting with our factories and their preferred recruitment agencies on our Migrant and Agency Worker Policy; interviewing migrant workers in our Taiwanese factories; and conducting research on best practices including reaching out to external stakeholders in Taiwan and in migrant countries of origin.

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.



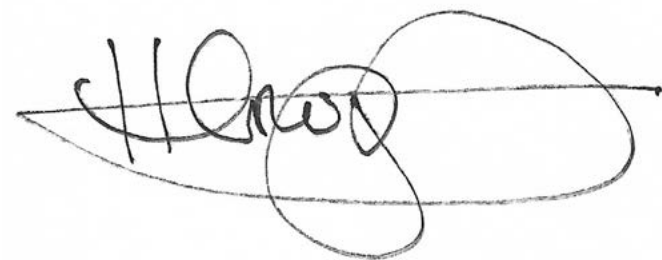
OUR EMPLOYEE TRAINING

In 2022, we conducted a formal modern slavery training to WiggleCR’s Senior Leadership Team (7 people, including the CEO and CFO) and to WiggleCR’s Human Resources Team (5 people). This training session covered definitions of modern slavery, human trafficking, and forced labour; manifestations of modern slavery; risks of modern slavery in WiggleCR’s supply chain; case studies; and practical advice on how to identify red-flags of modern slavery when visiting supplier factories.

In the next financial year, we plan to conduct training on human rights to WiggleCR’s Senior Leadership Team.

This statement was approved by the Board of WiggleCR.

Signed



Huw Crwys-Williams
Chief Executive Officer
WiggleCR
June 2023



wiggle