



MODERN SLAVERY STATEMENT

YEAR ENDED 30 JUNE 2024

MOTORCYCLE HOLDINGS LIMITED

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INTRODUCTION

This Modern Slavery Statement (**Statement**) is a joint statement made in accordance with the *Modern Slavery Act 2018* (Cth) (the **Act**) and describes the actions taken by MotorCycle Holdings Limited (the **Company**, or **MTO**) and its controlled entities (collectively, the **Group**) to address the risks of modern slavery in our operations and supply chains during the financial year ended 30 June 2024 (**FY24**).

As a group with a global supply chain, we understand that our business operations and supplier relationships have the potential to cause or contribute to modern slavery.

We have implemented risk management strategies to combat modern slavery and continued to utilise these strategies during FY24. We recognise that addressing and combating modern slavery is an ongoing effort. We intend to enhance our performance measurement systems to more formally assess the effectiveness of our efforts and identify areas for further improvement in the coming periods.

OUR STRUCTURE, OPERATIONS, AND SUPPLY CHAINS

STRUCTURE

The Company is a publicly listed company on the Australian Securities Exchange (ASX: MTO).

The Group consists of the Company and the following subsidiaries, which are directly controlled by the Company and are wholly owned within the Group:

- Cassons Pty Ltd
- Forbes & Davies (NZ) Limited
- Innovative Dealership Solutions Pty Ltd
- Kymco (Aust) Pty Ltd
- Mojo Electric Vehicles Pty Ltd
- Mojo Motorcycles Pty Ltd
- Mojo Motorcycles (NZ) Limited
- Motor Cycle Accessories Supermarket Pty Ltd
- Motorcycle Holdings Group Unit Co Pty Ltd
- Motorcycle Holdings IDS Pty Ltd
- Motorcycle Holdings Operations Pty Ltd
- Motorcycle Holdings TCO Pty Ltd
- Motorcycle Holdings Unit Co Pty Ltd
- Motorcycle Riding School Pty Ltd
- MW Motorcycles Pty Ltd
- Myway Services Pty Ltd
- Netpark Pty Ltd
- North Ride Pty Ltd
- Pushgate Pty Ltd
- Shoreway Pty Ltd
- Stanbay Pty Ltd
- Team Moto Pty Limited
- Trinder Avenue Motors Pty Ltd

Additionally, the Group holds a 50% interest in a joint venture with Allied Finance Pty Ltd – MotorCycle Finance Pty Ltd (**MCF**).

OPERATIONS

The Group is a leading retailer and wholesale distributor of motorcycles, parts, and accessories, with operations in Australia and New Zealand.

Our headquarters are in Brisbane, Queensland, Australia. Our operations are categorised into two operating segments:

- The ownership and operation of **retail motorcycle dealerships** in Australia; and
- The ownership of **wholesale importation and distribution operations** in Australia and New Zealand.

Our retail motorcycle dealerships sell new and used motorcycles, genuine spare parts, accessories and apparel, servicing and repairs, and financing and insurance. We offer our customers a diverse portfolio of all the leading motorcycle and accessory brands.

Our retail dealerships are supported by and contribute to our wholesale importation and distribution operations, which import a range of motorcycles, ATV, UTVs, scooters (including electric models), spare parts, and motorcycle and bicycle parts, accessories, and apparel. These products are distributed through franchised motorcycle dealerships and through retail bicycle and motorcycle accessory outlets across Australia and New Zealand, as well as through the Company's own extensive retail distribution network.

The Group employs over 900 staff on either a full-time, part-time, or casual basis. Our workforce comprises personnel in a broad range of roles, from qualified tradespeople in our workshops to sales representatives in our wholesale segment to qualified professional staff in our shared business services team.

MCF, the Group's joint venture, provides secured loans to retail customers for the purchase of motorcycles.

SUPPLY CHAINS

Our suppliers are core to our business. We have over 400 Tier 1 suppliers located in over 15 countries. They range from wholesale importers and distributors including original equipment manufacturers (OEMs) that supply goods to our retail dealerships for resale, to manufacturers from whom we import goods to distribute to customers in across wholesale dealer network. Our largest procurement categories are apparel, auto parts and equipment, and leisure products, and accessories.

The below map illustrates the location of some of largest Tier 1 suppliers, and the goods purchased from those suppliers:



¹Motorcycles includes all-terrain vehicles (ATVs), scooters, side-by-side vehicles (SSVs), and utility-terrain vehicles (UTVs).

OUR APPROACH

GOVERNANCE

The Group is committed to addressing modern slavery in its operations and supply chains. We aim to respect and uphold the dignity and human rights of all our employees, customers, suppliers, and communities that are affected by our operations. We have a sound governance structure in place to manage business risks and the rights of our stakeholders.

The Board is responsible for overseeing the Group's good governance including setting the strategic objectives of the business, overseeing management's implementation of these objectives, and monitoring the effectiveness of our corporate governance practices.

The Board's Audit and Risk Committee (**ARC**) safeguards the integrity and transparency of our corporate reporting and risk management framework.

The Board's Nomination and Remuneration Committee (**NRC**) plays a crucial role in ensuring our remuneration practices are ethical and address the risk of modern slavery.

POLICY FRAMEWORK

The Company has an established policy framework that seeks to ensure ethical business practices and appropriate workplace conduct.

The relevant policies are set out below:

- Our **Code of Conduct** sets out the standards of conduct expected of our business and people, including obligations to our stakeholders.
- Our **Discrimination, Sexual Harassment and Bullying Policy** embodies our commitment to ensuring that all those participating in the workplace are treated with respect, dignity, and fairness with an aim of creating an environment which promotes positive working relationships.
- Our **Recruitment Policy** enforces our commitment to a fair and effective recruitment process to ensure appointments are made in line with approved needs, are based on merit and are in line with equal employment opportunity principles.
- Our **Remuneration Policy** ensures that all employees receive fair wages and other benefits, discouraging the exploitation of workers and actively supporting ethical remuneration practices.
- Our **Risk Management Policy** demonstrates our commitment to meeting high standards in the way we manage our business by effectively managing our risks to protect our people, customers, partners, and assets.
- Our **Whistleblower Policy** encourages and enables all employees to raise concerns if they see behaviour that does not adhere to or align with our corporate values. The policy includes processes for fair and just remediation.
- Our **Supplier Code of Conduct** articulates minimum expectations of ethical compliance to suppliers, specifically on working conditions, remuneration, and industrial regulations.
- Our **Anti-Bribery and Corruption Policy** sets our standards and guidelines on bribery and corruption including processes for non-compliance.

These policies are reviewed on a regular basis, formally and informally, to ensure they remain appropriate and relevant.

RISK MANAGEMENT AND DUE DILIGENCE

RISK IDENTIFICATION AND ASSESSMENT

The Company engaged an independent party to conduct a risk assessment over our operations and supply chains using modern slavery risk indices, as well as country and industry level analyses, in our first reporting period.

The assessment reviewed all operational roles and over 400 Tier 1 suppliers, looking at both headquarter location and manufacturing location for each supplier. Part of this assessment involved interviews and consultation across the Group, most closely with procurement and human resource areas.

We conducted an industry level analysis of the suppliers of Mojo Motorcycles Pty Ltd (**Mojo**) post the completion of Mojo's acquisition in 2022, as well as an audit of Mojo's compliance with workplace laws and regulations in both Australia and New Zealand.

As our operations and supply chains remain unchanged, the modern slavery risks identified during these assessments remain current.

OPERATIONS

Almost all employees of the Group are employed directly on permanent (full-time or part-time) or casual employment contracts, and we perform all recruitment in-house. The Group complies with Australia's stringent workplace laws and regulations, as well as New Zealand's employment laws, both of which are monitored and controlled from within Australia. These aspects reduce the modern slavery risks within our operations.

We acknowledge that our casual warehouse employees are at higher risk of modern slavery within our workforce. There are more casual employees located in Australia than there are in New Zealand. This higher risk is attributed to warehousing as a sector involving labour-intensive work, typically performed by workers with lower education levels and migrant backgrounds. However, we have robust controls in place to meet legislated workplace requirements and maintain good working conditions in both countries.

SUPPLY CHAINS

Our supply chain risk assessment was conducted using both headquarter location and manufacturing location for each supplier. This approach allowed us to gain greater insight into the level of risk across our supply chains, and how this risk profile changes between importers and manufacturers. This provided us with a better understanding of our key risk areas.

The majority of our higher risk suppliers are engaged by our wholesale businesses. This is due to the type of suppliers engaged primarily being direct manufacturers of products in higher risk locations.

Our higher risk categories of purchased goods include apparel and footwear, which are high risk industries for all types of modern slavery; forced labour (including debt bondage), forced marriage, human trafficking, and child labour. This is attributed to the common use of low or unskilled, migrant labour in these industries and as well as the level of regulation and oversight in the countries apparel is sourced from. The employment types in apparel and footwear are susceptible to an imbalance of power between employers and employees resulting in exploitation and control of workers and a high risk of modern slavery violations. Additionally, the length and complexity of the apparel supply chain lends itself to the use of intermediaries who manage sourcing activities, limiting the transparency of the supply chain.

Using the results of the inherent risk assessment, our highest risk operations and suppliers were selected for an assessment of our relationship to the risk. This was to understand whether we could be 'causing', 'contributing' or 'directly linked' to modern slavery in our supply chains. We used this analysis to better understand our supplier relationships and where we may have more opportunity to influence the controls and actions of those suppliers.

We maintain close supplier relationships, particularly within the wholesale business. Due to the nature of these relationships, we recognise that we may be linked to modern slavery risks, however, we do not believe we are contributing to the risks in our supply chains. Our closer relationships with our manufacturing suppliers enable greater opportunities to influence the behaviour of the suppliers. Our focus in future reporting periods remains to be on developing and expanding our supplier relationships to assess and address modern slavery risks.

RISK MITIGATION AND MANAGEMENT

We use a human resourcing management system, which serves to control and mitigate several risks within our operations. The system tracks working hours and allows for management monitoring and review to ensure that remuneration and hours worked are fair and compliant. We conduct regular internal audits of our remuneration and payroll systems to maintain compliance with regulation. To date we have not identified any issues of underpayment, or poor working conditions through these audits nor through our Whistleblower hotline.

For our supply chains, we currently have limited structures in place to manage and mitigate the modern slavery risks identified, however we have strong relationships with key suppliers which can be leveraged going forward. New suppliers are risk rated using a Power BI dashboard. Risk-based pathways will guide the level of proactive performance monitoring for each supplier. The pathways will also support business decisions in relation to the onboarding of new suppliers, and the controls necessary for each level of supplier risk.

To date we have not identified any adverse modern slavery impacts in our operations or supply chains and as such, we have not undergone a process to rectify identified issues. If issues are identified in the future, depending on the type of issue and how it is identified, they may be managed and rectified in line with relevant policies, such as our whistleblower policy and recruitment policy. For supply chain risk, we aim to establish a remediation procedure to embed structures for implementation of fair and just remedies as required.

ASSESSING EFFECTIVENESS

Our approach to assesses the effectiveness of our efforts to mitigate modern slavery risks within our operations and supply chains is as follows:

- Regularly monitoring our operations and supply chains to ensure compliance with our policies and standards;
- Close engagement with suppliers to reinforce our commitment to ethical practices and to informally assess their adherence to our expectations; and
- Maintain an anonymous whistleblower hotline that allows eligible whistleblowers to report any concerns or incidents related to modern slavery confidentially. All reports are investigated thoroughly, and appropriate actions are taken.

We recognise the need to enhance our assessment mechanisms by developing more formal reporting systems to monitor internal compliance with policies addressing modern slavery risks. A Group Safety and Sustainability Committee is being established, which will hold its first meeting in Q1 2025, chaired by the CEO, reflecting the importance of these issues to the Group.

CONSULTATION

Key personnel across the Group were engaged in a consultation process with the Controlled Entities to identify risks. The Controlled Entities adhere to the same corporate governance and risk management frameworks as the Company and provide regular reports to Management and the Board on key risk areas, including issues related to modern slavery.

APPROVAL

This statement was approved by the Board of MotorCycle Holdings Limited.

Rick Dennis

Chair, MotorCycle Holdings Limited