




## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The preparation of our Environmental, Social & Governance Report provides Pedders the opportunity to assess the impact we have on the environment, our people (social) and the community we operate in (governance).

This ESG Report covers our sustainability performance across our Pedders owned worksites for the year ended 30th June 2024.

## ENVIRONMENTAL



We have developed an Environmental Policy that underscores our commitment to good environmental practice and operating in a sustainable manner. We comply with applicable local, state and federal legislative and other requirements pertaining to our operations and we are actively working towards compliance for ISO 14001 Environmental Management System. We are on track to undertake the external assessment for certification in October 2024.

### Energy efficiency initiatives including:

- Solar Installation across five Pedders sites with ongoing investment planned in this area.
- All corporate sites have been upgraded to LED lighting.
- Pedders continually upgrades its computer hardware and digital devices to have the lowest possible carbon footprint.

### Waste reduction initiatives including:

- Metal recycling program at our manufacturing site in Victoria.
- Cardboard waste recycling program at all company sites.
- Co-mingled recycling program at head office.
- Printer toner recycling and carbon offset program at head office.
- Oil reclamation program at some sites.
- Computer hardware recycling program across all sites.
- Paperless transactions via a new ERP system across all Pedders sites.
- Dedicated use of e-signature technology for sending and signing of all contracts and agreements.

### Employee travel and commuting reduction initiatives including:

- Our Work from Home policy enables corporate employees to spend up to two days per week working from home.
- Employees are encouraged to use virtual meeting technology to reduce in person meetings.
- Our Travel policy limits travel for work unless it is essential and cannot be conducted remotely.

### Environmental impact of our products and operations:

- The raw material (steel) for our locally manufactured springs is sourced from a local Australian supplier.
- Our international warehouse directly services the growing export markets and reduces distance travelled by products.
- Most of the transport of our product is via shipping or road transport. We have minimal use of Air Freight and have implemented a strict approval process where it is considered unavoidable.
- Our Supplier Review Process includes an assessment of Environmental Factors.







## SOCIAL



### Our people

- We undertook an external legal review of all our People Policies and Procedures in 2023/24. Pedders employment policies and practices comply with the mandatory minimum requirements set out under the relevant awards and Australian laws. As a responsible employer, Pedders has the obligation to ensure the protection and promotion of human rights related to working conditions. Pedders believes that all employees deserve to be treated with dignity and respect. We seek to provide a fair and ethical workplace, which upholds high standards of human rights and integrates appropriate labor and human rights policies and practices into our business. The Pedders 'Better Employer' Statement outlines our principles with regard to human rights related issues that may occur in our operations.
- We have a Code of Conduct outlining the standards of behaviour we expect from our employees as well as detailing our obligations to employees. All Pedders employees are required to acknowledge and accept these.
- We have a dedicated in-house People and Development team which covers all areas of Human Resources including the way in which we provide guidance to our people and handle any grievances. Our team ensures the appropriate employment law is followed to ensure fairness when handling any grievances or investigating complaints.
- We have an embedded Performance Review Conversation program that takes place every 6 months to ensure we maintain a culture of honest feedback, open communication, and ongoing self-development.
- We encourage positive feedback on our People via a peer 'Shout Out' program.
- We provide for both paid and unpaid parental leave entitlements for Pedders employees over and above minimum award entitlements.
- We offer flexible employment arrangements including part time work, flexi-work, and work from home.
- We have a Structured Learning Pathway for our five main streams of people - technicians, store managers, store owners, warehouse people and people managers. The Pathways include both Pedders specific in-house training courses and access to selected external training.
- In addition, we offer Learning and Development Opportunities for our head office staff whereby 5% of salary and up to five days per annum is set aside for individual learning and development plans.
- We have Anti-Bribery and Corruption and Whistleblower policies in place and an external independent whistle-blower program is in operation.
- We have a range of People Policies including Gender Equality, Diversity and Inclusion Policy, Workplace Harassment, Discrimination, and Bullying and Grievance Policies.
- Pedders have Workplace Diversity and Inclusion Training. We previously partnered with Trades Women Australia to deliver Manager Mentoring Sessions to our people managers.
- The Company complies with its reporting obligations as a relevant employer under the Workplace Gender Equality Act 2012 (Cth). The Gender Equality Reporting process has helped identify gender equality issues and we are now in the process of identifying actions for improvements.
- Our independent Annual Employee Engagement and Franchise Engagement Surveys gauge how people feel about working at Pedders and owning a Pedders franchisee and the results inform our practices and initiatives. Our engagement with all our People was 78% and engagement with Franchise Owners was 94% in 2023/24.
- We have a Mental Health and Well Being Initiative that includes:
  - free access to an Employee Assistance Program for all Pedders people.
  - trained Mental Health First Aid Officers.
  - awareness raising activities including a library of resources on our intranet and Mental Health informative postcards, and posters prominent in Pedders workplaces.
- We have introduced we calendar of Health and Wellbeing Initiatives for our corporate staff including Onsite Vaccination, Health Checks, Skin Checks and Massages.
- We have introduced a Committee for the Positive Duty to Prevent Workplace Sexual Harassment and Bullying. Initial initiatives include a suite of online mandatory compliance training courses, the delivery of an in-person Toolbox Talk for all staff and ongoing reporting on incidents of Workplace Harassment and Bullying to the Leadership Team.





## SOCIAL



### Our Community

- We are undertaking continual improvements to our Modern Slavery Framework.
  - We are foundation members of the Australian Automotive Aftermarket Association’s shared Modern Slavery consortium.
  - We have incorporated Modern Slavery Act requirements into all updated Supplier Agreements.
  - We have a Supplier Code of Conduct, Modern Slavery Policy, and a Responsible Sourcing Policy that our suppliers are required to comply with.
  - We maintain a Supplier Assessment Survey of our Top 30 Suppliers and acceptance of our Supplier Code of Conduct is required for continued supplier engagement.
  - We have introduced a Site Visit Check List for Pedders representatives to complete when we visit our major overseas suppliers. The check list incorporates descriptions, ratings and images of site facilities and working conditions.
  - The last two years we have voluntarily submitted a Modern Slavery Statement pursuant to the Modern Slavery Act 2018 commencing year ending 30th June 2023.
- We manage customer stewardship through a 2-year national warranty on products and services, formal quality control systems and customer service feedback and complaint mechanisms.
- We are proud supporters of Movember- Australia’s leading charity focused on Men’s Health. We have raised over \$50,000 in four years for Movember.
- We are a partner of the Australian Road Safety Foundation. The work of the ARSF is pivotal in educating and creating a safer and more responsible road environment for all Australians. The Foundation has established itself as a key leader in the fight to drive down road trauma across Australia. By partnering with ARSF on impactful road safety awareness campaigns, educational initiatives, and community engagement, we aim to have a positive impact on road safety in Australia.
- We are a member of the Caravan and Trailer Road Safety Alliance. This is a National forum for discussion and debate around creating better safety outcomes for caravanning consumers and other road users.
- We are a member of the R Plate Working group initiative. The R Plate signifies to other road users that the driver may need some extra care, giving them time and space to recover. Recovering drivers can return to the road feeling like they are in a supportive space. Our ambition is to have R Plates adopted and recognised nationwide.





## GOVERNANCE



- Pedders is an Australian private family owned and operated company. We have a multilayered governance structure with the Managing Director, four Chief of Departments, an Executive Council of twelve senior members of staff and an External Advisory Board. Meeting frequency, agenda, and communication to the rest of the business is generally fixed and routine however our privately owned structure allow us to be flexible and responsive.
- Our Executive Team receive Leadership Coaching and Mentoring. We have also implemented 360-degree feedback for our Executive Team through participation in the Lifestyles Inventory (LSI) 1 and 2 for self and peer assessment.
- We have an efficient Quality Management System which complies with ISO 9001:2015 and provides for continuous improvement of our processes and procedures. This is underpinned by our Quality Policy that assures that the products supplied and installed are of highest quality and reliability.
- Work Health Safety
  - We have a comprehensive Workplace Health and Safety (WHS) Policy and WHS Management System that includes regular communication of WHS issues and a comprehensive Incident Reporting Procedure for the investigation and reporting of all Incidents, Near Misses and Hazards.
  - In addition, we have a WHS Committee with representatives from a selection of roles and sites across Pedders to work with management on WHS issues affecting Pedders workplaces.
  - We are working towards compliance for ISO 45001 Work Health and Safety Management System. We are on track to undertake the assessment in October 2024.
  - We have a dedicated in-house full-time Work Health Safety Officer.
  - We have implemented a mobile responsive reporting platform to allow anonymous reporting of any internal issues including specifically WHS.
  - We have a formal onboarding process for all new employees through an online induction platform and a physical site-specific induction. Further, a Pedders Foundation Course was introduced in 2022 for new and existing Pedders people on all aspects of working at Pedders including WHS.
- The Risk and Compliance Committee of Senior Management meets quarterly to update and mitigate business risks including but not limited to WHS, Supply, Compliance, Staff, Standards, Debt, Process, Cyber Security and Succession/ Wellbeing. We also have a Crisis Management Strategy underpinned by a Business Continuity Plan.
- We have a Franchise Advisory Council that is focused on addressing issues that affect the franchisee network and improving the franchise system for all. The Franchise Advisory Council is comprised of a group of peer-elected franchisees that pledge to represent the interests of all the franchisees in the network.
- In 2024, we undertook an external legal review of the following policies: Website Terms and Conditions of Use, Terms and Conditions of Sale, Privacy and Warranty.
- We are working towards obtaining ISO27001 for Information Security Management. In addition, we are in the process of applying for Protected level of certification in the Australian Defence Industry Security Program in all categories (Physical, Personnel and, Information and Cyber Security).



**Scott Pedder**  
CEO



**Caroline Pedder**  
Chief of Brand & Culture