



Modern Slavery Statement 2025



Introduction

Hendrickson Asia Pacific Pty Ltd ('HAPPL', 'we', 'our') recognises modern slavery risk as a significant and complex global human rights issue. In our fifth modern slavery statement, we are pleased to outline the steps we have taken in pursuing the elimination of modern slavery across our operations and supply chains.

In responding to our reporting obligations under the *Modern Slavery Act 2018 (Cth)* (the Act), this statement describes:

- Our structure, operations, and supply chains
- Potential risks of modern slavery risks across our operations and supply chains
- Actions taken to assess and address risks of modern slavery across our operations and supply chains
- How we assess the effectiveness of our actions
- The process of consultation with entities that we own or control

This statement has been prepared by and for HAPPL as the reporting entity and covers the calendar year ended 31 December 2025. The reporting entity for this statement is HAPPL, ABN 21 002 992 769. The registered office of HAPPL is located at 32-44 Letcon Drive, Dandenong South, VIC 3175. It was developed in consultation with relevant internal and external stakeholders and has been reviewed and approved by our Board of Directors.



Andrew Martin

Director

03 March 2026

Our progress

In preparing our fifth statement, we have continued to take the necessary steps to identify the most salient modern slavery risks in our operations and supply chain. We have then assessed our existing practices to determine where there are gaps in responding to modern slavery risk and have formulated commitments to address these gaps.

Our achievements in 2025 include:

- Ongoing assurance to Modern Slavery eradication through policy and identification of high-risk suppliers
- Strengthened our understanding of gaps in policies, procedures, and practices for the identification of, and response to, modern slavery risk in HAPPL's operations and supply chain.
- Increased awareness and cooperation with parent company on Modern Slavery legislation and requirements.
- Increased awareness and cooperation with senior executives on Modern Slavery legislation and requirements.
- Explored opportunities to reduce third party supply chain risk, through acquisition or transition of services.

Our structure, operations, and supply chain

Structure

HAPPL is a company limited by shares that is incorporated and domiciled in Australia. Our parent company is Hendrickson International Corporation ('Hendrickson'), whose ultimate parent is The Boler Company., both of which are incorporated and domiciled in the United States of America.

There are no other Hendrickson entities, either owned or controlled, operating in Australia, thus the statement has been prepared for HAPPL as the sole reporting entity.

Operations

HAPPL commenced operations in 1973 assuming the production and distribution of the Hendrickson suspension range from the previous distributors. Since that time, we have continued to grow distribution and support throughout the region. Our product range has also greatly expanded to encompass axles for trailers, suspensions to suit trucks, trailers and buses, and also including very heavy-duty suspensions for mining applications. Our products are sold under a number of brand names, including Hendrickson, Watson & Chalin and Reyco Granning.

Our operational activities consist of the manufacture and supply of truck and trailer suspension systems and associated spare parts to the commercial heavy vehicle industry in Australia, New Zealand, Japan, Thailand, Korea and other parts of Southeast Asia (excluding China and India). Our operations are organised by the respective business departments: Production, Warehouse, Operations, Quality, Engineering, Sales, and Administration.

Our primary location is our manufacturing and warehouse facility in Dandenong, Victoria, supported by our sales representatives in other locations, including Australia (New South Wales and Queensland), New Zealand, Japan, South Korea, and Thailand.

Location	Number of employees
Victoria	103
NSW	2
QLD	2
New Zealand	10
Japan	3
South Korea	3
Thailand	1

Our operations are staffed by directly employed workers, as well as labour hire contractors. The latter are considered part of our supply chain and are described below.

Supply chain

Throughout this statement, we use the term 'tier 1 suppliers' to describe suppliers from whom we directly purchase goods and services. These are suppliers that we have a direct trading relationship with.

Our supply chain consists of approximately 550 tier 1 suppliers. We predominantly purchase our input materials from the USA and most of these purchases are from internal Hendrickson entities.

Country	Number of suppliers
Australia	474
USA	42
Japan	21
China	8
Canada	5
Great Britain	4
Singapore	3
France	2
Mexico	2
India	2
Germany	1
Thailand	1
Spain	1
Korea	1

Our purchased goods and services have been categorised as follows.

Category	Description
Providers of goods and services other than semi-completed goods	<p>The procurement of goods and services in this category is in our direct control, and includes:</p> <ul style="list-style-type: none"> • Labour hire contractors – we regularly utilise casual labour from labour hire agencies, with approximately seven casual hire personnel engaged to work within our Dandenong manufacturing and warehouse facility at any given time. • Cleaning contractors – we have an agreement with a local contracting agency to provide cleaning services for our Dandenong facility. • Technology – technology equipment such as server hardware is provided by Hendrickson, with other technology services provided locally by an Australia-based supplier, including offsite back up services. We do not outsource any third-party IT hosting or development services. • Merchandising – we maintain relationships with one major provider of merchandising goods and two back up suppliers, to provide our business with promotional items such as shirts, pens, hats etc. These suppliers are based in Australia, and we have direct control over supplier selection. We have long standing relationships with our merchandising suppliers, but limited knowledge nor oversights of where the input materials are sourced from.

Category	Description
<p>Providers of semi-completed goods (direct procurement)</p>	<p>HAPPL procures components required for the assembly process directly from external suppliers, including drums, hardware kits, air springs, and other similar components.</p> <p>The procurement of semi-finished goods in this category is in our direct control and consists of between 30-35 Australia and USA based materials suppliers and a small number based overseas. A large amount of our purchases is made directly with this category of supplier for product manufacturing and distribution services.</p> <p>Under our procurement arrangements, we can source and engage with this category of supplier directly, however, semi-completed goods purchases are required to be approved by Hendrickson.</p> <p>We maintain long standing relationships with many of these suppliers, and historically have experienced a very low turnover of Australia-based suppliers.</p>
<p>Providers of semi-completed goods (intercompany procurement)</p>	<p>The procurement of semi-finished goods such as axles in this category is not within in our direct control, for intercompany purchases.</p> <p>A sizeable proportion of our purchases are intercompany who are predominantly USA based. There is one Hendrickson entity in China from whom we purchase input materials.</p> <p>All suppliers from whom we purchase via intercompany transactions are required to be approved by Hendrickson.</p>

Our approach

Our values and commitment

During the process of preparing our statement, we have recognised that we are in the improvement stages of our modern slavery journey, and still have work to do. Taking impactful action to understand, assess, reduce, and ultimately eliminate modern slavery requires ongoing focus and attention, and now we are focused on developing our initial modern slavery polices and plans that we will improve and expand upon over time.

We take the risk of modern slavery seriously, acknowledging our responsibility to act, and have begun to take meaningful steps towards eradicating modern slavery in the long term.

Our stance on modern slavery risk is guided by [Hendrickson Global Vendor Code of Conduct](#). We are committed to doing the right thing, working together to support our local and global communities.



Governance

The responsibility for the preparation of the modern slavery statement has been assigned to our executive team, with our Board of Directors endorsing the statement, as required by the Act.

In preparing this statement, we have identified and assessed the need for a greater level of oversight and accountability for the identification and management modern slavery risk. Whilst our executive management understand the importance of responding effectively and appropriately to the risk of modern slavery and the disclosure requirements of the Act, this has been strengthened by the formation of a Modern Slavery Committee in 2022.

The Committee comprises of an appropriate level of executive representation, including the VP of International Operations and Director of Finance - International.

2026 Action

In 2026, we will continue to utilise the Modern Slavery Committee to coordinate risk identification and mitigation activities within our supply chain and its operations, providing an appropriate level of oversight and accountability.

Policies and procedures

We have overarching policies in place that define our stance on modern slavery risk, namely the [Hendrickson Global Vendor Code of Conduct](#). To improve our policies and procedures, we will review and update these documents to ensure alignment with our evolving modern slavery program.

2026 Action

In 2026, we will:

- continue the review and update relevant policies to articulate our policy and approach towards modern slavery risk, commencing with the [Hendrickson Global Vendor Code of Conduct](#).
- take steps to formalise and document existing protocols and processes, and create new policies and procedures as required, for example, on remediation practices.

Due diligence and supplier screening

We have policies and procedures in place for the due diligence of prospective employees as well as suppliers; these have been described in the next section of this statement. Our due diligence arrangements are not currently focused on modern slavery but provide us with a level of comfort in assessing salient modern slavery risks.

2026 Action

In 2026, we will continue to review and uplift existing supplier due diligence practices to specifically incorporate and embed screening for, and assessment of, modern slavery risk indicators. For contracted personnel, this will include checks over working rights. This is a carryover action item from 2025 that will continue into 2026.

Training and awareness

Our executive team maintain an awareness of the importance of having a robust modern slavery program, formed through discussion of modern slavery reporting requirements at executive team meetings, and engagement with external specialists such as EY. Looking ahead, we will develop formal modern slavery risk training for targeted business functions and will build awareness of modern slavery via the update of documented job descriptions to incorporate specific modern slavery responsibilities.

2026 Action

In 2026, we will continue to design and begin delivery of training to all key senior personnel regarding modern slavery. Training will continue into 2027, and over time, including content on updates and developments in modern slavery risk and associated legislation.

Modern slavery risks and our actions taken to assess and address the risks.

This section describes the salient modern slavery risks we have identified in preparing this statement and the actions taken in response to these areas of risk.

Operations

Having assessed the inherent modern slavery risk level within our operations, we have determined that the risk associated with our directly employed workers is **low**, given the workplace protections in place that comply with applicable labour rights legislation in Australia. None of our directly employed staff are bound to a minimum period of employment and are free to leave our employ at their own discretion, in accordance with their stated notice period. All new employees are provided with a copy of the Fair Work Information Statement stating their conditions of employment, as required by law.

Based on our understanding of modern slavery risk factors that may be present in our operations, we are confident of the low level of modern slavery risk for our directly employed staff.

Through our human resource and payroll policies and processes, controls are in place to ensure compliance with relevant labour legislation, including the *Fair Work Act 2009 (Cth)*, and foster the minimisation of modern slavery risk. Key controls include:

- **Employee screening** – all new employees are required to undergo a screening process involving reference checks and review of valid working rights. For externally recruited roles, vetting is performed by a third-party employment agency or recruitment firm.
- **Employment agreements** – all employees are employed under a formal and documented employment agreement that complies with relevant labour legislation, specifying compensation, leave entitlements and other benefits, and probation and termination notice periods.
- **Onboarding process** – new employees undergo an extensive induction training which covers our Code of Conduct, health and safety policies, and harassment processes. All staff are required to sign acknowledgement of the Boler Company Code of Conduct during onboarding.
- **Annual awareness and training** – each year all employees are required to undergo an online course on ethics covering a range of issues, including dealing with suppliers, customers, employees, on topics such as gender, race etc., and our complaints reporting procedure.

Supply chain

We have identified the most salient modern slavery risks in our supply chain based on guidance from independent specialists and with reference to the Global Slavery Index 2018. For our next statement in 2027, we will continue to perform modern slavery risk assessment to enhance our understanding of modern slavery risks that may be present within our supply chain. This will allow us to further develop our modern slavery program, focusing on actions to target higher risk areas.

The table below sets out the results of the high-level risk assessment undertaken to date. It also sets out the actions taken to assess and mitigate these risks.

Category	Identified risk	Actions taken
<p>Providers of goods and services other than semi-completed goods</p>	<p>We have identified that within this supply chain category, our use of casual labour hire and cleaning contractors presents higher risk of modern slavery. Contracted personnel in these sectors may be subject to the withholding of wages, immigration-related coercion and threats, debt bondage, confiscation of personal and travel documents, and dangerous and substandard working conditions.</p>	<p>Our actions taken in response to this risk are described as:</p> <ul style="list-style-type: none"> • Casual labour hire – we engage with three labour hire agencies to source casual labour, one of whom we have a long-standing relationship. Existing controls in place include the fingerprint time management system at our Dandenong warehouse, and spot checks of casual labour hours to invoices. • Cleaning contractors – we use subcontracted cleaning services at our Dandenong warehouse. As the cleaning industry is known have a higher risk of modern slavery, we have signed a multi-year contract with the cleaning agency and pay above the Award rate to reduce the risk level. <p>We recognise the opportunity to review and enhance our controls over casual labour hire and cleaning contractors, including formalisation of reconciliation checks between hours worked and invoices received, and commit to doing so in the next year.</p> <p>We will also put in place additional checks for the due diligence of cleaning contractors, including a review of working rights of contracted cleaning staff.</p>

Category	Identified risk	Actions taken
<p>Providers semi-completed goods (direct procurement)</p>	<p>We understand that the risk of modern slavery is present in the manufacturing sector in both Australia and overseas.</p> <p>The risk of modern slavery in this sector varies by geographic location, with the risk level assessed as higher in countries such as China. Forms of modern slavery may include workers being subject to sub-standard, exploitative, dangerous, and/or life-threatening working conditions, and forced labour and child labour.</p>	<p>For suppliers with whom we have a direct relationship, we maintain long standing relationship.</p> <p>For new suppliers, an established process is in place for assessing the level of risk, although we have not engaged any new suppliers of semi-completed goods for an extended period.</p> <p>Our current process is not specifically designed to identify and address modern slavery risk and an opportunity exists to review this process in order to enhance our modern slavery due diligence practices. We will commit to the review and improvement of such practices in the next year.</p>
<p>Providers of semi-completed goods (intercompany procurement)</p>	<p>We recognise that modern slavery may be present in the suppliers we have direct oversight of (tier 1), as well as our indirect, or tier 2 suppliers.</p> <p>Within our supply chain, the risk that we may cause or contribute to modern slavery has been assessed as low, however we recognise that there is the possibility of being directly linked to modern slavery for suppliers within sectors and geographies where the risk of modern slavery is higher. This may occur where we have limited oversight and control of suppliers, namely tier two and beyond.</p>	<p>For our purchases from intercompany entities, due diligence is managed at the global level by Hendrickson.</p> <p>We have limited control nor oversight for this process, but we recognise there is an opportunity to increase the level of collaboration and consultation with intercompany vendors, and thus raise transparency of the practices of our tier 2 suppliers.</p>

2026 Action

In 2026, we:

- will collaborate with The Boler Company and Hendrickson to amend terms in our standard supplier contract templates to include specific wording on modern slavery risk identification and management.
- enhance our check and review processes over contracted personnel, specifically labour hire and cleaning contractors, performing documented reconciliations between hours worked and supplier invoices.

Grievance reporting and investigation

We maintain a policy and procedure for our workforce to report any concerns and grievances, including potential or actual unethical or illegal behaviour. At present, our grievance handling processes are not focussed on the reporting of potential instances of modern slavery, and we commit to a review of these processes in 2026.

Should we identify any instances of worker exploitation, including modern slavery, we would respond using existing policies and procedures, including engagement with law enforcement agencies as appropriate. We remain committed to improving our remediation practices, as outlined in the actions below.

2026 Action

In 2026, we will:

- we will commence the review and update our grievance reporting and investigation processes to specifically incorporate modern slavery risk, and communicate to our workforce and suppliers
- consider developing modern slavery remediation processes for non-compliant suppliers
- develop formal and documented policy and procedures articulating how we will respond to identified instances of modern slavery

These actions commenced in 2022 and be completed in 2026.

Measuring our effectiveness

Our focus for our first & second statements has been the identification of salient modern slavery risks, and to gain an understanding of existing practices to respond to these identified risks.

Our approach to measuring the effectiveness of our modern slavery program will mature over time, building on our existing capabilities to review our practices:

- **Internal audit** – our practices are subject to internal audit by Hendrickson every two years. Existing internal audit scope is focused on reviewing our procedures to manage fraud risk, and there is an opportunity to expand the scope of audit procedures to encompass modern slavery risk.

- **Risk assessment** – the review of departmental and business function risks is currently performed via a manual process. In 2022, we commenced the move to a fit-for-purpose online platform, with modern slavery risk processes included in this improvement, undergoing regular review as part of our enterprise risk management program. The Modern Slavery component will be reviewed and finalised by 2024.

In addition, we will assess the effectiveness of our actions by developing key performance indicators (KPIs) to measure our response and our improvements. Examples of KPIs may include:

- the number of modern slavery training programs conducted.
- the number of complaints investigated and resolved by our grievance mechanism.
- the number of supplier contracts that include modern slavery clauses.

2026 Action

In 2026, we will:

- expand our operational reporting framework to include specific reporting on modern slavery and specifically cover our approach to identifying and responding to modern slavery risk.

Consultation with entities

We do not own or control any other entities and therefore this criterion is not applicable.

However, we recognise the opportunity to better engage with The Boler Company on modern slavery risk, and human rights issues more broadly. In future years, we commit to working more closely with our parent company to build awareness of modern slavery risk and increase our understanding of global procurement and sourcing policies and procedures. This will enable us to more accurately assess the modern slavery risk profile associated with intercompany purchases from other Hendrickson entities.

Ongoing Action

We will continually increase our level of engagement with The Boler Company and Hendrickson to build awareness of modern slavery risk and increase our understanding of global procurement and sourcing policies and procedures and encourage improvements in these practices.

Looking to the future

We recognise that our response to modern slavery is in its developing stages, and we remain committed to improving our capabilities and practices in years to come.

Our focus in the short-term centres on the priority actions outlined below:

- **Governance** – we will engage further with the Modern Slavery Committee to coordinate risk identification and mitigation activities within our supply chain and its operations, providing an appropriate level of oversight and accountability.
- **Policies and procedures** – we will continue to review and update relevant policies to articulate our policy and approach towards modern slavery risk, commencing with the Boler Company Global Code of Business Conduct and Global Vendor Code of Conduct. We will also take steps to formalise and document existing protocols and processes, and create new policies and procedures as required, for example, on remediation practices.
- **Grievance reporting and investigation** – we will commence the review and update our grievance reporting and investigation processes to specifically incorporate modern slavery risk and communicate to our workforce and suppliers.
- **Remediation** – we will enhance our remediation processes, developing a policy and procedures defining how we will respond to identified instances of modern slavery in our operations or supply chain. We will also consider developing modern slavery remediation processes for non-compliant suppliers.
- **Supplier due diligence** – we will commence the review and uplift existing supplier due diligence practices to specifically incorporate and embed screening for, and assessment of, modern slavery risk indicators. For contracted personnel, this will include checks over working rights.
- **Contractor checks and reviews** – we will enhance our check and review processes over contracted personnel, specifically labour hire and cleaning contractors, performing documented reconciliations between hours worked and supplier invoices.
- **Training and awareness** – we will provide training to all key senior personnel regarding modern slavery.
- **Consultation and collaboration** – we will increase our level of engagement with The Boler Company and Hendrickson to build awareness of modern slavery risk and increase our understanding of global procurement and sourcing policies and procedures and encourage improvements in these practices.