



## AL-KO International Pty Ltd

### Modern Slavery Statement 2023

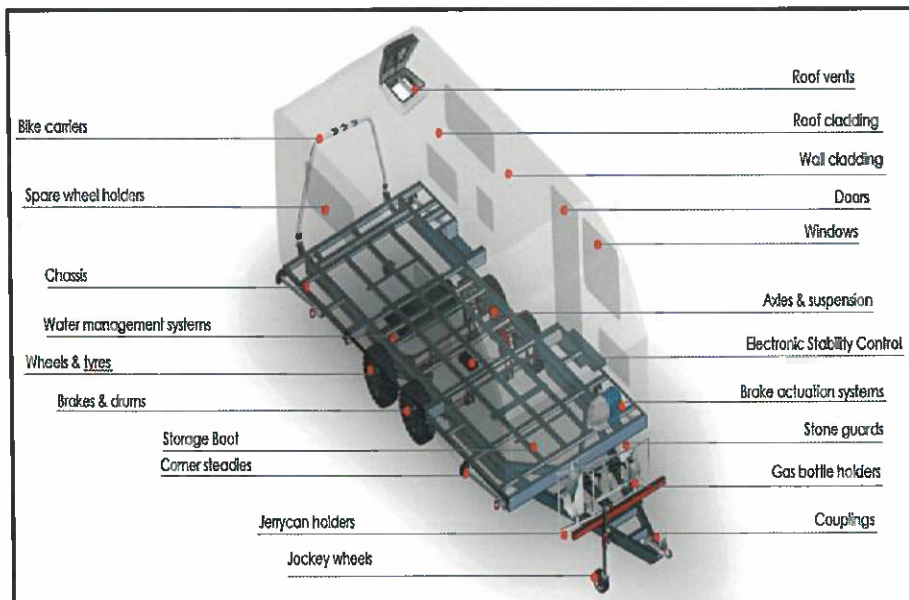
#### 1 Introduction

This Modern Slavery Statement (**Statement**) is made pursuant to the *Modern Slavery Act 2018* (Cth) by AL-KO International Pty Ltd (ABN 96 003 066 813) (**AL-KO Australia**). Where, in this statement, we refer to AL-KO Australia and its owned or controlled entities, we use the terms “AL-KO”, “we”, “us” or “our”. This Statement relates to the period 1 January 2023 to 31 December 2023 (**Reporting Period**).

In accordance with the UN Guiding Principles on Business and Human Rights (**UNGPs**), we recognise the responsibility for all businesses, including ours, to respect human rights by seeking to prevent or mitigate adverse human rights impacts, and to account for, and communicate externally, on the risks and actions taken in response to those risks. This Statement outlines the risks of modern slavery in AL-KO’s supply chains and operations and explains how we evaluated and responded to those risks during the Reporting Period.

#### 2 Our Structure, Operations and Supply Chains

AL-KO manufactures, markets and distributes a comprehensive range of products and accessories for the trailer, caravan and RV markets in Australia and New Zealand. The company is best known for its high-quality running gear range, including axles, brakes and suspension products. In addition, AL-KO offers its customers a wide range of accessories, as well as motorhome chassis and under carriage components. Our portfolio describing the types of products we offer our customers is set out below:



##### 2.1 Structure

AL-KO Australia is part of the DexKo Global Holdings Inc. Corporate Group (**Group**). DexKo is a leading global manufacturer of highly-engineered running gear, providing axles,



chassis and other components for trailer, towable equipment and RV manufacturers worldwide. A map of the Group locations is below:



AL-KO Australia and its subsidiaries AL-KO Chassis Systems Pty Ltd (ABN 43 625 886 624) (ACS), Hume Caravan and Camping Accessories Pty Ltd (ABN 17 057 397 716) (HCCA) and Preston Chassis industries Pty Ltd (ABN 25 054 399 558) (PCI) are trading companies incorporated and domiciled in Australia.

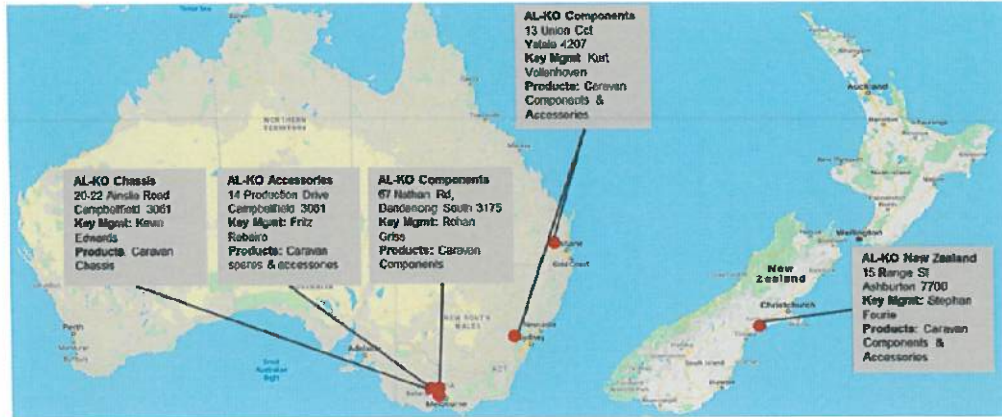
AL-KO Australia has two subsidiaries incorporated in New Zealand, AL-KO New Zealand Ltd and its subsidiary CM Trailer Equipment Ltd.

The details of the AL-KO Australia's owned or controlled entities are as follows:

Entity name	Operations
AL-KO Chassis Systems Pty Ltd	Manufacturing site producing chassis systems for caravans and specialist light trailer applications
Hume Caravan and Camping Accessories Pty Ltd	Manufacturing site using quality roll forming production and retailer of accessories, doors, lighting products, table legs, tool boxes, water tank accessories and wheel arches
Preston Chassis Industries Pty Ltd	Manufacturing site producing chassis systems for caravans and specialist light trailer applications
AL-KO New Zealand Ltd	Distribution site for a wide range of mechanical, hydraulic and electrical automotive parts to the caravan, marine, agricultural and construction trades
CM Trailer Equipment Ltd	

**2.2 Operations**

Our Australian and New Zealand locations are set out in the map below.



We employ approximately 151 employees across Australia and New Zealand. We do not employ any workers outside these 2 countries. Of these workers, 146 are full time, 4 are part time, 4 are casual, and 9 are labour hire staff who perform production, assembly and office tasks and duties. Further details in relation to our workforce follow.

		Male	Female	Labour Hire	Total
CM Trailer	NZ	10	2	2	14
ALKO Int'l	Vic	57	10	0	67
	NSW	2	0	0	2
	QLD	9	0	1	10
ALKO Chassis	Vic	45	2	5	52
Hume	Vic	5	0	1	6
<b>TOTAL ANZ</b>		<b>128</b>	<b>14</b>	<b>9</b>	<b>151</b>

Remuneration of our employees continues to be set using industrial instruments as well as using industry benchmarks including the Institute of Managers & Leaders annual salary survey, Mercer Salary Guide and Seek advertisement salary ranges.

Our employees perform an array of disciplines within the following types of roles:

- Sales and Marketing
- Site Management
- Warehouse Management
- Administrative
- Occupational Health and Safety
- Finance
- Information Systems
- Production Planning
- Procurement
- Transportation/Delivery
- Manufacturing Management
- Accounting
- Production and Design Engineering
- Human Resources
- Welding



## 2.3 Supply Chains

Our procurement categories remain largely unchanged from last reporting period which means that our supply chain description in this Statement is mirrored from our previous modern slavery statement.

We had approximately 850 third party suppliers during the Reporting Period, including suppliers from within our corporate group. Of the 850, 311 are active suppliers of materials. We typically have long-term relationships with our suppliers and have been using some suppliers for over 10 years.

Approximately half of our procurement expenditure is spent on raw materials sourced for manufacturing purposes and include supplies such as steel bars, aluminium coils, cast steel hubs and drums, steel springs. These are non-related suppliers. These raw materials are then used to manufacture components for vehicles and trailers, including axles, chassis and RV sidings. We estimate that most of our remaining expenditure is allocated to pre-manufactured trailer and vehicle accessories including jockey wheels, winches, couplings, water tanks, aluminium extrusions and corner steadies.

Our top suppliers by spend operate across a range of industries including:

- Automotive
- Manufacturing
- Plastic Manufacturing
- Retail
- Engineering
- Security
- Dispatch & Transport
- Waste Management
- Travel
- IT & Software

### Global supply chain

During the Reporting Period, AL-KO had 55 suppliers that were domiciled outside Australia and New Zealand, including our related entities. Of the 55 suppliers, approximately 42 were suppliers based in China. These overseas entities supplied special tool products, wheels, winches, aluminium extrusions, corner steadies, couplings, aluminium coils, cast steel hubs and drums, steel springs, shock absorbers, brakes and Torflex axles. Our international suppliers (outside Australia and New Zealand) were primarily located in the USA, China, Germany and Spain.

Our related suppliers manufacture motorhome chassis components and spare parts in Kleinkotz, Germany and Torflex Axles, Dexter Hubs and Brakes in Albion, USA.

### Local Supply Chain in Australia and New Zealand

During the Reporting Period, the majority of our suppliers were domiciled in Australia or New Zealand (including related entity suppliers). These suppliers primarily supplied goods and services in the following categories:

- **Trailers & caravans, motorhomes and parts raw materials** – includes special tool products, wheels, water tanks, aluminium extrusions, steel bars, cast steel hubs and drums, oils, lubricants, preparation, distribution;
- **Information Technology and Telecommunications** – including desktop support, internet, landline and mobile provider;
- **Indirect products** – office supplies, merchandise management, cardboard packaging, signage;
- **Facilities and Utilities** – including cleaning, maintenance, waste management, heating, electricians;
- **Corporate Administrative Services** – consultants, technicians, logistics, shipping, storage, transportation and customs;
- **Professional Services** – including recruitment, legal and accounting services.

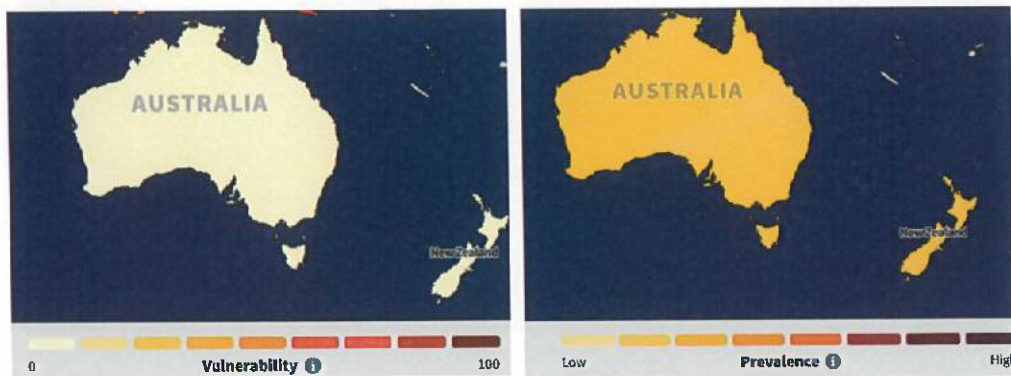
Although most of our direct suppliers are based in Australia and New Zealand, many of them supply goods that originate from, or have components manufactured in other jurisdictions including China, Germany and the United States of America.

### 3 Risks of modern slavery practices in operations and supply chains

#### 3.1 Risks in our operations

Modern slavery is an umbrella term that includes exploitative practices including human trafficking, slavery, servitude, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour. In accordance with the UNGPs, we have considered the potential for our company to have caused, contributed or become directly linked to modern slavery through our operations as well as our supply chain. We continued to monitor the reports received via our whistleblowing channels and confirm that no concerns were raised in relation to actual or suspected instances of modern slavery during 2023.

As our business operations have largely remained unchanged from the previous year, we remain of the view that the risk of modern slavery occurring within our operations to be low. This is because our operations are conducted locally in Australia and New Zealand, jurisdictions with a lower prevalence of, and vulnerability to, modern slavery according to the 2023 Global Slavery Index (GSI), given the regulated nature of workplace relations and strong rule of law in both countries. However, this is not to say that modern slavery does not exist in countries like Australia or New Zealand. As reported by the Walkfree Foundation's Global Slavery Index, there were 41,000 individuals living in modern slavery in any given day in Australia.<sup>1</sup>



[Source : <https://www.walkfree.org/global-slavery-index/map/>]

We continue to maintain workplace policies and procedures in compliance with legal requirements. We have also continued to implement strategies, including salary benchmarking, to ensure that all staff receive competitive wages. As noted in our previous statement, the majority of our employees are skilled workers such as design engineers, warehouse and site managers, accountants and sales representatives. Furthermore, we do not employ people under the age of 18. Taking into account the aforementioned factors, we remain of the view that there is a low risk that our operations have caused, contributed or been directly linked to modern slavery.

<sup>1</sup> <https://www.walkfree.org/global-slavery-index/country-studies/australia/>



### 3.2 Risks in our supply chains

Given our extensive supply chain, there are likely to be modern slavery risks in the sub-tiers of our global supply chain. While our direct suppliers come from only a handful of countries and are often within our corporate group, our second and third tier suppliers may operate in, and source raw materials, from locations with a higher prevalence of modern slavery. Like many businesses in the manufacturing industry, there are inherent risks of modern slavery in the sourcing and processing of steel, aluminium, copper and nickel found in trailers, RVs, caravans and their accessories and components.<sup>2</sup>

While Australian automotive manufacturing has largely moved overseas, AL-KO has managed to keep much of its manufacturing onshore (approximately 60%), which in turn helps to mitigate modern slavery risks arising from long and complex supply chains. It begins with the sourcing of an Australian-made raw casting from Australia's largest iron foundry which uses up to 86% scrap metal that is carefully mixed and monitored for quality. Most of the scrap metals come from end-of-life cars and building demolition materials. We appreciate, however, that there may still have been modern slavery involved in the manufacture of these cars and materials, for example in the mining of the metals that are now being re-used in our manufacturing.

There remains potential risks of modern slavery, particularly the worst forms of child labour, in the sourcing of natural rubber used in tyre products and jockey wheels that we source as finished products. There are reports that children as young as age nine are forced to work in the production of rubber in Burma and children as young as 5 in Vietnam cultivate rubber.<sup>3</sup>

In our operations, we deploy a small number of labour hire workers in production, assembly, office tasks and duties. As noted in our previous statement, we utilise the same labour hire company that has an Anti-Slavery Policy in place and hold all necessary registrations to operate in the labour hire industry.

AL-KO also relies on contracted office cleaners, security, transport and logistics services. These are sectors considered to have workers at greater risk of modern slavery, including debt bondage and forced labour, irrespective of whether they are working in higher or lower risk countries.

Like most businesses, there are inherent risk of modern slavery in the technology and telecommunications hardware that we use day-to-day. We also acquire uniforms and Personal Protective Equipment including masks, which are products that have been identified as having a high risk of modern slavery. For example, the Bureau of International Labor Affairs' (ILAB) maintains a list of goods and their source countries which it has reason to believe are produced by child labour or forced labour in violation of international standards. This list includes electronics, textiles, rubber gloves, footwear from countries such as China, Malaysia and Pakistan as goods linked to child or forced labour.<sup>4</sup>

However, we have taken several steps to address these risks as outlined below and endeavour to improve our responses to these risks each reporting period.

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<sup>2</sup> <https://www.shu.ac.uk/helena-kennedy-centre-international-justice/research-and-projects/all-projects/driving-force>

<sup>3</sup> [https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods?tid=All&field\\_exp\\_good\\_target\\_id=5839&field\\_exp\\_exploitation\\_type\\_target\\_id\\_1=All&items\\_per\\_page=10](https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods?tid=All&field_exp_good_target_id=5839&field_exp_exploitation_type_target_id_1=All&items_per_page=10)

<sup>4</sup> <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods-print#:~:text=The%20most%20common%20agricultural%20goods,and%20diamonds%20are%20most%20common.>



## 4 Actions to assess and address the risks

### 4.1 Policies

AL-KO continued to have in place several policies intended to mitigate modern slavery risks in our operations and supply chains. These include:

- (a) AL-KO Modern Slavery Policy
- (b) AL-KO Working Together Policy
- (c) Group Code of Conduct and Ethics Policy
- (d) Group Compliance Reporting and Anti-Retaliation Policy with Annexure A entitled AL-KO Whistleblowing Procedure Australia (**Whistleblowing Policy and Procedure**)
- (e) AL-KO Supplier Code of Conduct and Ethics (**Supplier Code**)

Our policies are published on AL-KO's website and [www.DexKo.com](http://www.DexKo.com).

During the Reporting Period, the Group Supplier Code of Conduct was developed to address the requirements in the changing regulatory landscape, particularly in Germany. The Group Supplier Code of Conduct was rolled out globally in 2024 and replaced local supplier codes, including AL-KO's Supplier Code.

### 4.2 Contract terms

Our modern slavery terms for use in supplier contracts continued to be made available on our website. Importantly, the terms specify that suppliers are required to have in place, and maintain at all times, adequate procedures to identify, prevent, mitigate and account for modern slavery and other human rights impacts in their operations and supply chains.

### 4.3 Due diligence processes

Following the publication of the Driving Forces report by Sheffield Hallam University, we conducted a review of our active parts manufacturers as against the list<sup>5</sup> of companies published in the report to identify any potential direct impacts on our procurement of goods. We identified one positive match, but it was in relation to a supplier from many years ago and we did not have plans to engage in business with that supplier into the future. We were satisfied that we did not procure directly from companies named in the report.

As noted in our previous statement, our supplier questionnaire for RFTs seeks to find out information from our suppliers and prospective suppliers regarding their preparedness to respond to modern slavery risks and their operational and supply chain risk profile. During the Reporting Period, we engaged an external subject matter expert to review the RFT questions and as a result we added three additional questions to ascertain whether workers are free to resign, limits on excessive working hours and withholding of original documentations (eg passports of foreign workers).

In order to progress one of our goals for 2023, which was to work with our Chinese related entities to better understand the risks of modern slavery in our Chinese suppliers, we worked with our subject matter expert to work on a process of prioritisation of these suppliers (this process is ongoing). We then identified the cohort of China-based suppliers to be sent a series of targeted questions focussing on labour and employment conditions in

<sup>5</sup> <https://www.shufordlabour.org/drivingforce/companies/>







China, as opposed to “modern slavery”, to encourage cooperation with our request for information.

#### 4.4 Working group

The Group’s ESG Committee convened 3 times during the Reporting Period. AL-KO in Australia and New Zealand continued to have representatives on the ESG Committee supported by individual site representatives. Modern slavery is a topic that falls within the “S” pillar of ESG and is considered by the Committee.

#### 4.5 Remediation - Whistleblowing procedures

AL-KO continues to provide several channels to speak up about any suspected instances of labour exploitation. DexKo’s Ethics Hotline reporting website (**Hotline**) is one of the available channels that allows employees across the Group to report any actual or potential violations of law and policies. Reporting is anonymous and available 24 hours a day, 7 days a week, at <https://dexko.ethicspoint.com>. The Hotline is available in multiple languages. There is an option to submit reports over the phone. The phone numbers are displayed on the website when a country is selected.

**NAVEX**

Follow up on a Report  
Code of Conduct  
FAQs

**To Make a Report**  
Select the country in which you are located:  
- Select -

After you complete your report you will be assigned a unique code called a “report key.” Write down your report key and password and keep them in a safe place. After 3-6 business days, use your report key and password to check your report for feedback or questions.

**ATTENTION!** This webpage is hosted on EthicsPoint’s secure servers and is not part of the DexKo Global website or intranet.

**Our Commitment**

DexKo believes that a fundamental ingredient of business success is that all personnel conduct themselves with complete honesty and integrity. Ethical conduct is a core value and belief of DexKo. Our customers respect and admire us for the high standards of conduct that characterize the dealings of our colleagues in every business relationship.

DexKo’s Code of Conduct contains general guidelines established to create a working environment based on integrity, honesty, and respect. Integrity and credibility are immeasurable corporate assets which when lost are almost impossible to regain. We are committed to keeping DexKo a respected company in our industry for the benefit of all our stakeholders – our fellow colleagues, customers, shareholders, suppliers, and host communities. We have built a reputation, not only as an exceptional place to work, but also as a company that can be trusted to do the right thing. At each level of operations, we have accomplished this together by conducting our business honestly and ethically.

DexKo is committed to an environment where open, honest communications are the expectation, not the exception. We want you to feel comfortable in approaching your supervisor or management in instances where you believe violations of policies or standards have occurred.

In situations where you prefer to place an anonymous report in confidence, you are encouraged to use this hotline, hosted by a third party hotline provider, EthicsPoint. You are encouraged to submit reports relating to violations stated in our Code of Conduct, as well as asking for guidance related to policies and procedure and providing positive suggestions and stories.

The information you provide will be sent to us by EthicsPoint on a totally confidential and anonymous basis if you should choose. You have our guarantee that your comments will be heard.

AL-KO has its own Whistleblowing Policy and Procedure compliant with Australian whistleblowing legislation and it provides reporting channels in Australia. It allows for the reporting of grievances on a wide array of issues, including violations of the Supplier Code, compliance policies, internal controls and local laws. Importantly, reportable conduct includes conduct that may concern the behaviour of the AL-KO’s suppliers and any actual or apparent breaches of human rights, instances of modern slavery, slavery-like conduct, human trafficking, forced labour, debt bondage, forced marriage, servitude and the worst forms of child labour.

#### 4.6 Training

Training continues to be provided annually via the Navex online training program where the completion rates are monitored globally. We continue to raise awareness of modern slavery risks within the business so that our employees become better equipped to identify red flags.

### 5 Assessing the effectiveness of actions

Our approach to assessing effectiveness has been to set goals for ourselves to report on the progress of those goals annually. The table below provides an overview of our progress for the 2022 goals:

2022 Goals	2023 Goals	2023 Progress & Future Goals
Seeking to obtain a more thorough assessment of modern slavery risks of our first tier of our supply chain by implementing a questionnaire-based review	➔ Review the responses to the questionnaire and undertake further engagement with suppliers identified as having higher risks.	Ongoing  A future goal is to undertake a deep dive collaboratively with a supplier to assess modern slavery risks in their supply chain.
Work with our Chinese related entities to better understand the risk of modern slavery in our Chinese suppliers	➔ Develop a strategy to conduct further engagement with suppliers where we have leverage to seek further information regarding the risks of modern slavery in their operations and supply chains.	Ongoing  A future goal is to visit our Chinese suppliers and include modern slavery compliance as a topic of discussion which will become an annual standing topic during annual visits.
Participate in a DEX-KO Working Group focused on selected ESG risks including modern slavery, with senior leaders representing various jurisdictions and business lines and functions of the company	➔ We will continue to participate in the DexKo Global ESG Committee.	Ongoing
Monitor concerns raised by our employees via our grievance or whistleblowing mechanisms to establish if there are any modern slavery risks or incidents in our operations or supply chains	➔ We will continue to monitor the channels.	Ongoing
Continue to roll out whistleblower and modern slavery training to all relevant personnel	➔ We will review the content and assess whether any changes are necessary.	Ongoing  A future goal is to arrange bespoke modern slavery training for staff with a procurement function.

## 6 Process of consultation

Modern slavery risks continue to be managed by our Executive team comprising of our Managing Director, Chief Financial and Public Officer, Human Resources team, Sales General Manager and Operations General Manager. Each of these individuals are responsible for their respective entities throughout AL-KO. Accordingly, AL-KO Australia and each of its owned or controlled entities have been consulted as part of the preparation of this statement. Our local Executive team is responsible for overseeing our Modern Slavery Policy and reviewing it regularly to ensure it continues to evolve and reflect community expectations. This statement has been prepared by these responsible parties in consultation with each of the Reporting Entities and their subsidiaries.

This statement was approved by the Board and local Executive team on 28<sup>th</sup> June 2024 and signed by:



Grant Douglas

Managing Director



Matthew Ross

Chief Financial and Public Officer



**Modern Slavery Act 2018 (Cth) Reporting criteria**

<b>Reporting criterion</b>	<b>Page/s</b>
1 & 2. Identify the reporting entity and describe its structure, operations and supply chains	1-4
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	5-6
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	7-9
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	9
6. Describe the process of consultation with any entities the reporting entity owns or controls	10
7. Any other relevant information	n/a

