

MODERN SLAVERY STATEMENT

FOR FINANCIAL YEAR APRIL 2024-MARCH 2025



MODERN SLAVERY STATEMENT

APRIL 2024-MARCH 2025

MESSAGE FROM OUR CEO

H-E Parts International, LLC (HEPI), is a global provider of aftermarket parts, components and remanufacturing services to the mining, heavy construction and energy sectors. HEPI has expanded through the acquisition and integration of established businesses across North and South America, Africa, Canada, China, Chile, Peru and Australia. This expansion includes our recent acquisition of Brake Supply, a heavy equipment, parts and components business, headquartered in Evansville, Indiana, USA. As of this reporting period, we employ approximately 1,200 individuals and engage a diverse network of domestic and international suppliers across our supply chains.

HEPI recognises our responsibility to respect and uphold fundamental human rights. We understand that the scale and reach of our operations place us in a position to identify, assess, and address risks of modern slavery within our business operations and supply chains.

During the reporting period from 1 April 2024 to 31 March 2025, HEPI has maintained a strong focus on mitigating modern slavery risks through several key initiatives, including:

- a) Conducting supplier questionnaires to assess modern slavery risks, improving supplier engagement and enhancing responsible sourcing practices
- b) Implementing structural and operational changes to enhance our governance and compliance frameworks related to modern slavery
- c) Continuing the development and integration of processes for identifying and responding to potential risks of modern slavery within our operations and supply chains.

As an organisation, we remain dedicated to ongoing improvement in the implementation and monitoring of our modern slavery risk management approach, and to fostering transparency and accountability throughout our operations.

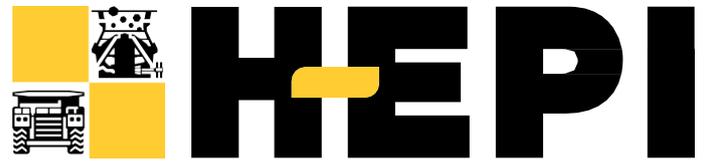
I am committed to leading HEPI as we continue to strengthen our awareness of modern slavery risks, both through our direct employment practices and across our broader supply chain. We are dedicated to conducting our business in a manner that respects human rights and focuses on responsible sourcing, and I am pleased to present this Modern Slavery Statement documenting our efforts.

A handwritten signature in black ink, appearing to read "S. Pelletier".

SIMON PELLETIER
PRESIDENT & CHIEF EXECUTIVE OFFICER

This statement has been made with the approval of the H-E Parts International, LLC Board of Directors and is endorsed by Simon Pelletier in his role as President and Chief Executive Officer.

REPORTING ENTITY AND STRUCTURE



This Modern Slavery Statement is made pursuant to the Modern Slavery Act 2018 (Cth), by HEP Australia Holdings Pty Ltd (ACN 129 428 155) (**HEPA**), a wholly owned subsidiary of HEPI.

As HEPI is, in turn, a wholly owned subsidiary of Hitachi Construction Machinery Co., Ltd., the reporting period for this Statement aligns with the Japanese financial year, being 1 April 2024 to 31 March 2025.

HEPI is a global company, headquartered in Atlanta, Georgia, USA, where the majority of the Executive Leadership Team is based. HEPI’s Australian entity, HEPA, is headquartered in Forrestdale, Western Australia, and is led by a local Executive Leadership team.

Our organisational structure encompasses multiple business divisions, including Mining, Cooling, Crushing, Engineering, Dom-Ex, and Brake Supply divisions, as well as our foundry operation, Precise Trading Shanghai (China) (**PTS**). These divisions are supported by centralised shared services functions across Engineering, Finance, Legal, Marketing, Procurement, and Health, Safety, Environment and Quality. Corporate procedures and policies apply to all HEPI entities.

For the purpose of this Modern Slavery Statement, the terms “**HEPI**”, “**us**”, “**we**” and “**our**” are intended to include HEPA and all of its wholly owned subsidiaries (Figure 1).

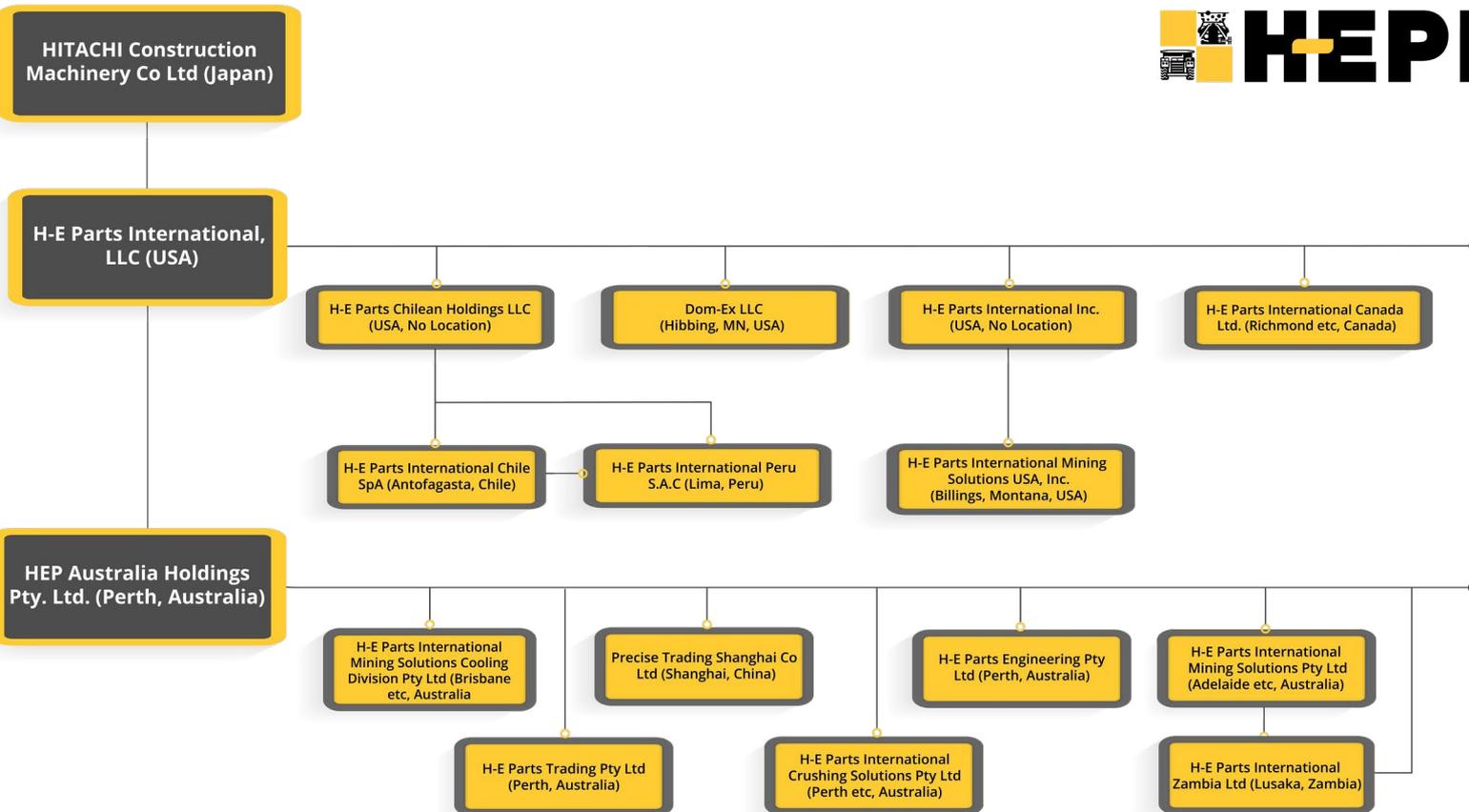


Figure 1 shows the corporate organisational structure of H-E Parts International, LLC.



MISSION

HEPI's mission is to supply innovative and sustainable solutions that improve the lifecycle performance of our customers' equipment. We aim to provide exceptional service through an empowered, talented, and responsive team who operate in a safe, productive, and supportive workplace.

HEPI operates through specialised divisions that serve a diverse range of industries. These divisions are:

- **Mining Solutions:** Supplies aftermarket components and service solutions for heavy mining equipment, including haul trucks, electric shovels, hydraulic excavators, and support machinery.
- **Crushing Solutions:** Offers world-class proprietary manganese crusher liners, advanced liner development and design solutions, and crusher parts and support services for fixed and mobile plant operations.
- **Cooling Solutions:** Manufactures advanced proprietary cooling products, including high quality radiators and innovative systems for heavy equipment and rail applications.
- **Engineering Solutions:** Delivers high precision CNC machining, fabrication and manufacturing services to support the mining, defence, marine and transport sections.
- **Dom-Ex:** Specialises in sourcing and relocating used and rebuilt parts and equipment tailored for the mining industry.
- **Brake Supply:** Specialises in the remanufacturing of key components for mining excavators and haul trucks, including hydraulic cylinders, fluid power systems, wet brake assemblies and final drives.



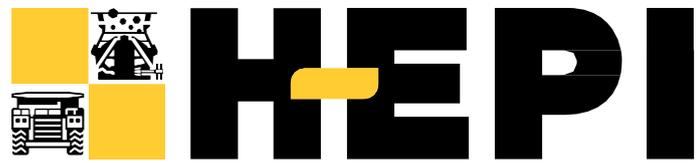
Figure 2. HEPI Global Footprint

LOCATIONS

HEPI operates at approximately 30 locations across seven countries, being the United States, Canada, Chile, Peru, Australia, China and Zambia.

For our Australian operations, led by HEPA, we maintain a national footprint with 13 branches across four states, being Western Australia, South Australia, New South Wales and Queensland.

OUR PEOPLE



At HEPI we recognise that our people are our greatest asset. We value individuals who bring strength, innovation, and dedication to our business. Our culture is built on a set of Core Values, summarised by the acronym P.R.A.C.T.I.S.E., which guide the way we operate and engage with each other, our customers, and our communities.

PERSEVERANCE

Demonstrating determination and consistency in pursuing goals, even when faced with obstacles and adversity.

RESPECT

Valuing all individuals equally, embracing diversity in culture, personality, background, and capabilities.

RESPONSIVENESS

Acting swiftly and appropriately in response to the needs of individuals, teams, or operational events.

ACCOUNTABILITY

Taking ownership of one's actions and responsibilities, and being answerable to others for outcomes.

COMMUNICATION

Exchanging information clearly and effectively through speech, behaviour, and other forms of expression.

CUSTOMER FOCUS

Delivering consistent value by aligning our actions with the needs and expectations of our customers.

TEACHABILITY

Embracing continuous learning and being open to acquiring new skills, techniques, methods, or theories.

TEAMWORK

Collaborating cohesively with others to achieve shared objectives and strengthen collective performance

INNOVATION

Creating and applying new or unique solutions, technologies, or processes that enhance our products and operations.

INTEGRITY

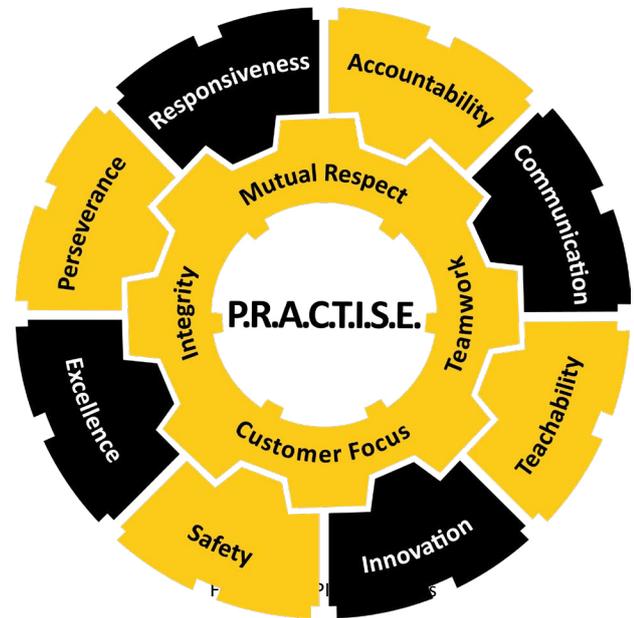
Upholding a strong moral code rooted in honesty, ethics, and consistent values, even under pressure.

SAFETY

Prioritising the well-being of oneself and others by conducting all tasks with diligence, care and risk awareness.

EXCELLENCE

Consistently striving for high performance and quality in every task, delivering the best possible outcomes.





COMPLIANCE, EQUAL OPPORTUNITY AND DIVERSITY

HEPI is committed to conducting its business with fairness, impartiality, and integrity. We operate in accordance with all applicable laws and regulations and uphold high ethical standards in every aspect of our work. Integrity is the foundation of our relationships, whether with customers, suppliers, communities, or amongst our own employees.

We are proud to be an equal opportunity employer and are dedicated to fostering a workplace that is free from discrimination, harassment, and bias. Every employee is entitled to be treated with fairness and respect in all aspects of employment, including recruitment, training, professional development and promotion. Advancement opportunities within our organisation are based on merit and measured by an individual's demonstrated performance, skills, qualifications, and capabilities.

We recognise the value of diverse experiences and perspectives and are committed to building an inclusive environment where every employee can contribute meaningfully and feel respected for their unique background and expertise. This commitment is reflected in both our company policies and daily business practices.

WORKFORCE OVERVIEW

As of March 31, 2025, H-E Parts International, LLC employed a total of 1204 people globally. Of this, a total of 416 personnel were employed by HEPA. Employment composition across our workforce comprised of 95.2% salaried employees and 4.8% contractors/labour hire for H-E Parts International, LLC, and 87.5% salaried employees and 12.5% contractors/labour hire for HEPA. The majority of the HEPI workforce is based in the United States, Australia, Chile, Peru and Canada, respectively.

Our workforce gender distribution as of March 31, 2025, is as follows: for H-E Parts International, LLC, a distribution of 17.94% female and 82.06% male, and for HEPA, a distribution of 20.43% female and 79.57% male.

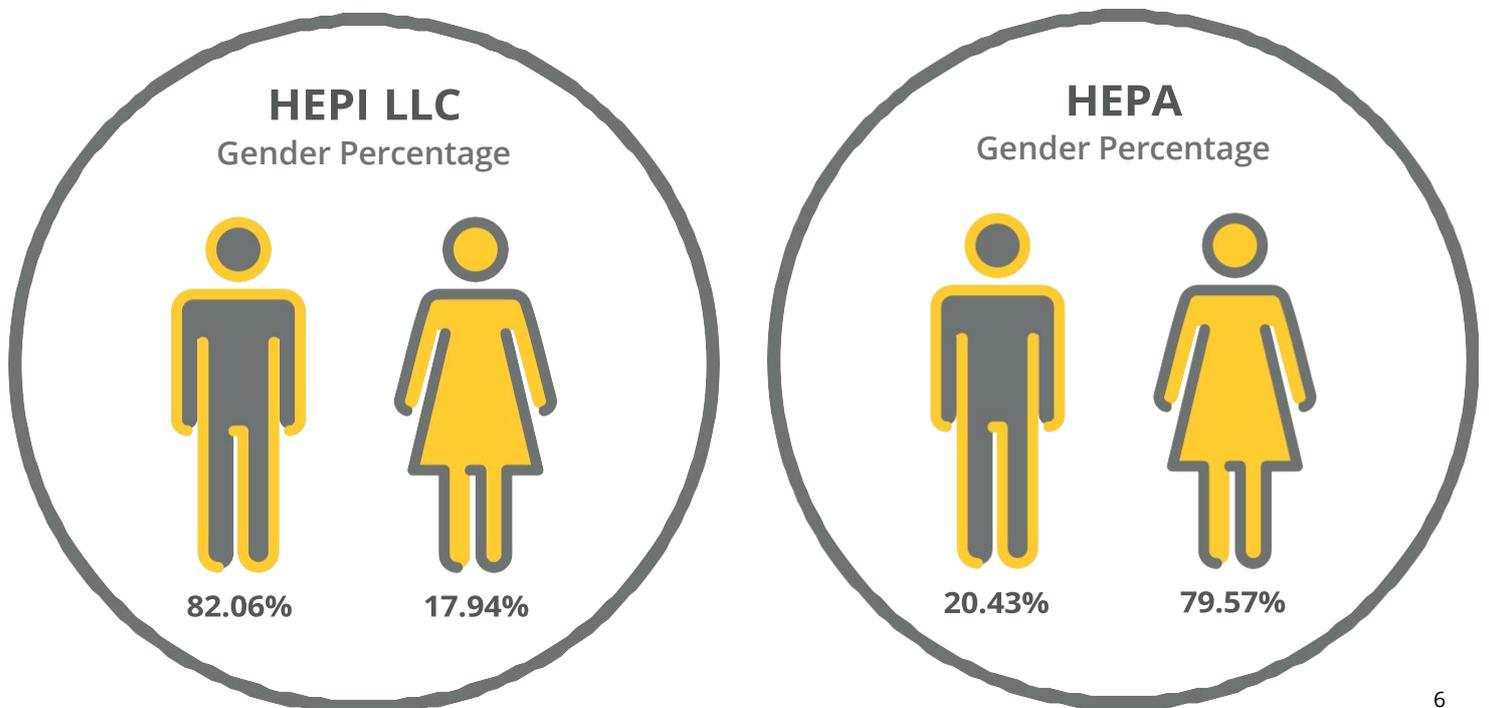
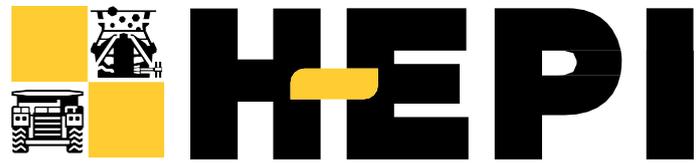


Figure 4. Gender Distribution

OUR SUPPLY CHAIN



We are committed to continually strengthening our practices and supplier engagement to support our efforts in identifying and addressing risks of modern slavery. We recognise that this is an ongoing journey of learning and improving our business processes.

At the end of March 2025, the HEPA supply chain consisted of approximately 1,285 active suppliers across 22 countries. To streamline supplier management, the HEPA Head of Procurement has initiated a process with the purchasing teams

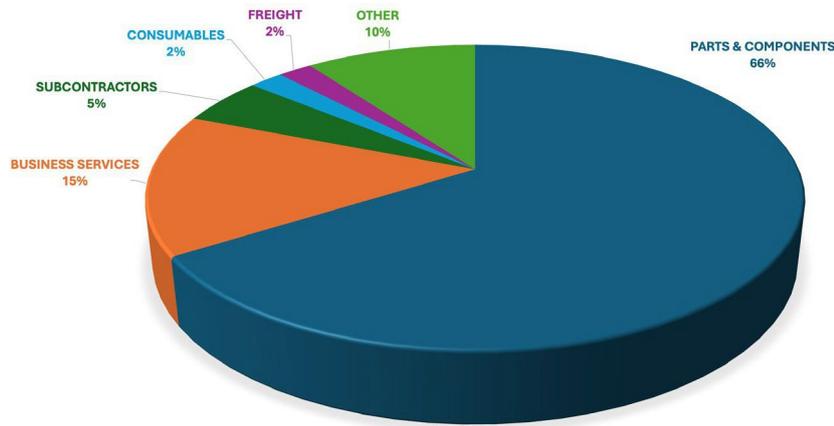


Figure 5. Breakdown of spend

to reduce the number of active suppliers by negotiating consolidated supply agreements. This approach strengthens supplier relationships and improves communication with our preferred partners.

In the coming year, we are committed to developing and implementing standardise procedures for the review, deactivation and documentation of inactive suppliers. These improvements will enhance the integrity of our supply chain records and support more robust reporting on our progress.

During the reporting period, approximately 66% of HEPA’s expenditure was allocated to parts and components, 15% to leases and other related business services, 5% for subcontracted services, 2% to consumables, and 2% to freight and logistics.

Figure 5 of this Statement provides a breakdown of expenditure, and Figure 6 provides an overview of the types of goods and services procured within each category.

Category	Products & Services
Parts & Components	Crusher wear liners, wheel groups, spindles, engines, transmissions, bearings, gears, friction discs, brakes, seals, pumps, radiator tubes/coils, pinions, hydraulic cylinders, ceramic tiles and steel plates.
Business Services	Leases, building maintenance, repairs, utilities, and staffing services.
Sub-Contract Consumables	Various outsourced services including machining, sandblasting, heat treatment, painting and component reclamation.
Business Services	Grinding media, welding materials, oils and grease, gases, lubricants, paints, pins, fasteners, bolts, cleaning materials, timber, wrapping and packaging materials.
Business Services	Insurance, travel and entertainment, equipment rental, printing and stationery, audit services, computer software and hardware and temporary personnel services.

Figure 6 The types of products and services we purchase in these spend categories.



Our assessment of modern slavery risks is informed by the findings and recommendations of the 2023 Global Slavery Index (Minderoo Foundation’s Walk Free) and OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (Third Edition) (2016).

HEPA has undertaken evaluation of potential modern slavery risks across its operations and supply chains. These risks have been categorised into two key categories:

- **Internal/Direct Risks:** Risks associated with HEPA’s own operations, including any potential for the direct exploitation of our workforce; and
- **External/Indirect Risks from Supply Chain:** Risks that may arise through our supply chain, where HEPA could contribute to, or be linked to, exploitation through suppliers or third-party providers.

SECTOR AND INDUSTRY RISK CONSIDERATIONS

HEPI provides specialised solutions in support of surface mining equipment fleets, and crushing and materials processing operations. While we operate adjacent to the extractives sector, HEPI does not directly engage in mining or in other industries that are widely recognised as at high risk for modern slavery, such as textiles, fishing, agriculture, electronics manufacturing, or commercial cleaning.

AUSTRALIAN SMALL AND MEDIUM-SIZED ENTERPRISE RISK CONSIDERATIONS

A significant portion of our Australian supplier base consists of smaller enterprises that may have limited awareness or established processes regarding modern slavery risks. This lack of familiarity can result in these suppliers not actively identifying or addressing modern slavery within their own supply chains.

PRODUCTS AND SERVICES RISK CONSIDERATIONS

As noted above, HEPI supplies remanufactured components and equipment, primarily for the global mining, quarrying, heavy construction, and energy sectors. According to the 2023 Global Slavery Index, these sectors are not classified as high risk. However, we acknowledge that certain products and services within our supply chain may still pose potential modern slavery risks, as addressed in Figure 7, below. We continue to monitor and assess these areas as part of our broader due diligence and risk mitigation efforts.

Product/Service	Usage
Subcontractors	Small private companies that provide manufacturing services in different markets and entities.
Temporary Labor Personnel	Temporary workers hired by our sites or branches through recruitment agencies.
Cleaning Services	Local cleaning services hired by our sites or branches through recruitment agencies.
PPE/Uniforms Electronics	Personal protective equipment purchased for shopfloor workers.
	Small quantities purchased for our own use.

Figure 7. Usage of products and services table

During the reporting period, HEPI engaged with approximately 1,285 suppliers, with 94.87% of these suppliers located within Australia. HEPI’s international suppliers were concentrated in four regions: USA 1.94%, Asia 1.32%, Europe 0.78% and Africa 0.47%.

Our wholly owned subsidiary, Precise Trading Shanghai Co., Ltd (PTS), procures parts from suppliers in China to support HEPI operations globally. As PTS acts as an internal procurement hub, its purchases were excluded from the broader supplier analysis for this reporting period.

We acknowledge that the Asia Pacific region is considered high risk for modern slavery, particularly in relation to forced labour. The 2023 Global Slavery Index reports that this region has the highest number of people living in modern slavery globally, with an estimated 15 million individuals subjected to forced labour. Recognising this elevated risk, we ensure that PTS follows HEPI’s established procurement procedures and internal control frameworks for the selection of suppliers and employees. These standards are designed to promote ethical sourcing and help mitigate the risk of modern slavery within our extended supply chain.

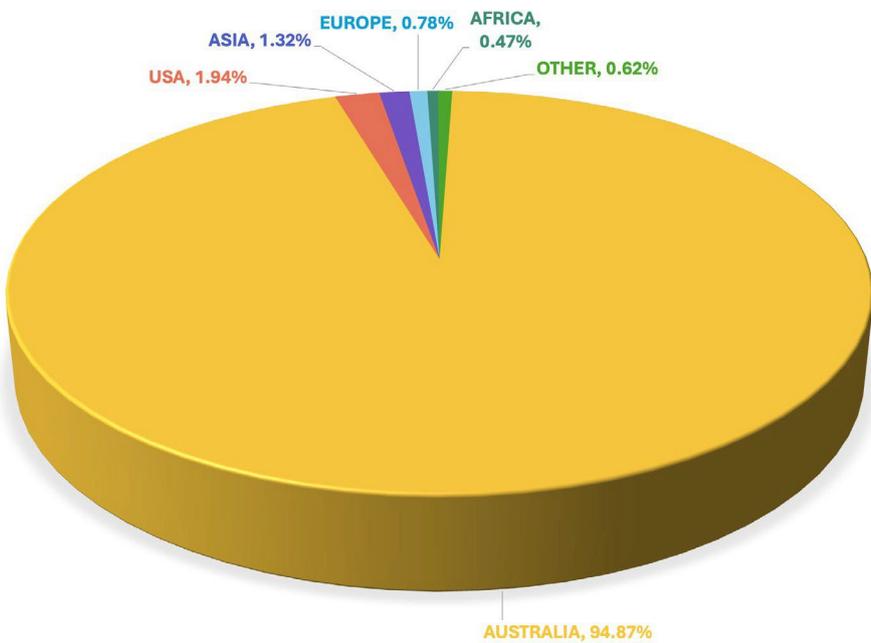


Figure 8. Supplier Locations

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISK

HEPI continues to assess the potential for modern slavery risks within its operations and supply chain. Through ongoing review, we have identified that the highest areas of risk are associated with the procurement of raw materials, particularly those sourced from suppliers operating in the Asia Pacific Region. To address these risks, a group of senior managers within HEPI lead the risk assessment of supplier practices using the below approach.

FOR SUPPLIERS:

- **Modern Slavery Questionnaire:** We distribute a dedicated questionnaire requesting information on suppliers’ modern slavery practices. This includes queries about the use of sub-suppliers, country of origin for materials, and labour hire practices. The responses are reviewed and assessed for potential risks.
- **Compliance Checks:** We conduct searches against the Australian Government’s Modern Slavery Statements Register to identify any reported concerns or non-compliance related to our suppliers.



HEPI

GEOGRAPHICAL RISK CONSIDERATIONS

- **Leveraging International Partnerships for Asian Sourcing:** For our Asian suppliers, we leverage our subsidiary company, PTS. PTS facilitates the procurement and manufacture of goods, given the frequent quality control inspections required for our goods, PTS personnel regularly visit factories and foundries. These visits serve a dual purpose of ensuring product quality and providing an opportunity to visually inspect our suppliers.

FOR NEW SUPPLIERS:

- **Due Diligence Review:** As part of our onboarding process, all new suppliers are required to complete the Supplier Application Form (HEP-FOR-0172) which includes specific questions related to modern slavery. These responses are reviewed alongside our Supplier Risk Assessment Form (HEP-FOR-0174) to assess their understanding and current practices regarding modern slavery and evaluate potential risks prior to approval. In the event a supplier raises queries, we actively provide education and guidance on the importance of modern slavery laws and compliance.

ASSESSING THE EFFECTIVENESS OF MODERN SLAVERY RISK CONTROLS

HEPI is committed to continually assessing the effectiveness of our modern slavery risk controls through the following measures:

- **Stakeholder Feedback:** We actively seek feedback from key internal and external stakeholders, including procurement teams and legal counsel, to gauge the effectiveness of our current controls and identify areas for improvement.
- **Annual Review:** As part of our annual Modern Slavery Statement preparation, we conduct a comprehensive review of our risk control measures. This review assesses the impact of the risk control measures, identifies any gaps, and assists with the development of an action plan for continuous improvement in our approach to combating modern slavery.

WHAT'S NEXT?

In the upcoming reporting period, HEPI is committed to further strengthening its risk mitigation efforts through on-site supplier assessments and a requirement for our Procurement Managers to review the modern slavery practices of our suppliers by requiring annual completion of our Modern Slavery Questionnaire (HEP-FOR-0312). Our Management and Procurement teams will conduct site visits for the purpose of modern slavery risk auditing and awareness. These visits aim to enhance visibility into supplier operations, reinforce our expectations around ethical sourcing, and promote continuous improvement in labour and human rights practices across our supply chain.

CONCLUSION

HEPI continues to advance efforts to identify, mitigate, and eliminate risks of modern slavery within our operations and supply chains. We understand that addressing modern slavery risks are an ongoing responsibility and we will continue to strengthen our understanding and practices year on year. We are committed to transparent reporting, ethical sourcing, and continuous improvement in collaboration with our suppliers, employees, and stakeholders.

Addressing the Mandatory Criteria set out in the Act

Mandatory Criteria	Relevant Page Number
a) Identify the reporting entity	3
b) Describe the reporting entity’s structure, operations and supply chains.	3-7
c) Describe the risks of Modern Slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	8-9
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	9-10
e) Describe how the reporting entity assesses the effectiveness of these actions.	10
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	10
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant (optional)	5-6



Mining Solutions | Cooling Solutions | Dom-Ex | Crushing Solutions