



2023

# Annual Report

Report Pursuant to the Act for the Fighting Against  
Forced Labour and Child Labour in Supply Chains



## VISION

A global team of talented people striving for excellence in all we do.

## MISSION

HDT Automotive is a global team committed to operational excellence, partnering with customers for mutual success and maximizing business value. We relentlessly design and develop innovative processes, products and services to be the preferred supplier of fluid handling, thermal management and precision component solutions.

## VALUES

Our People as Our Priority  
A Safe Work Environment for All  
Total Customer Satisfaction  
Passion for Operational Excellence  
Integrity, Respect & Honesty in All We Do  
One Global HDT Team  
Agility & Innovation  
Open Communication

~ 3,500 Global & ~500  
Canadian Associates



8 Countries



10 Facilities



## About this Report

This is a joint report designed for HDT Automotive Solutions LLC (“HDT Automotive”, “we” and “our”) and our Canadian subsidiary, Bend All Automotive ULC (122615503) (“Bend All Automotive”). HDT Automotive and Bend All Automotive are the reporting entities under the Act to comply with the Fighting Against Forced Labour and Child Labour in Supply Chains Act for the period covering January 1 to December 31, 2023 (the “Reporting Period”).

## About HDT Automotive

At HDT Automotive, we are technical leaders from various disciplines who have come together to form a single exceptional organization. One entity with a clear vision, enthusiastic spirit, and uncommon commitment to excellence in product and service. We have decades of combined experience in automotive manufacturing, providing reliable and innovative components and assemblies, as well as a history of designing and manufacturing cost-effective, highly customized solutions. Everyone at HDT Automotive possesses a unique set of skills that is singularly focused on the same result: Customer satisfaction.

HDT Automotive is the consolidation of six companies, each with its own cultural heritage worldwide. This diversity enriches our organization and gives us a competitive edge, providing unmatched value to our customers. It fosters an environment where every individual can thrive, learn, and contribute to our success.

Aligned globally, our Values, Mission, and Vision ensure clarity and coherence across all six official languages. Every team member understands these principles deeply, regardless of location or cultural background.

At our core, we are committed to lean principles, driving efficiency gains and customer satisfaction. We embrace continuous self-assessment and evolution, challenging ourselves to exceed expectations and adapt to changing market dynamics.

We recognize the critical importance of sustainability and Environmental, Social, and Governance (ESG) principles in today’s global landscape. As stewards of the environment and responsible corporate citizens, we are deeply committed to integrating sustainability practices into every aspect of our operations.

## Structure, Activities and Supply Chains

The policies and descriptions contained herein are applicable to HDT Automotive and its subsidiaries including Bend All Automotive. HDT Automotive, headquartered in the United States, operates a total of 10 locations, which include 9 production facilities located in Canada, China, Hungary, Italy (2), Mexico, Poland, the United Kingdom, and the United States. At this time, we are not subject to reporting requirements under supply chain legislation in another jurisdiction.

Supply chains play a pivotal role in our operations. The components we purchase are used to build and operate automotive fluid handling systems and assembly equipment.

In the Reporting Period, our supply chains were comprised of companies specializing in the fields indicated below. The main countries where these companies are located is indicated in parentheses:

- Metal tubes and components (Canada, China, South Korea, United Kingdom, United States)
- Rubber hoses and seals (China, Germany, India, Mexico, United States)

In addition, we have determined that some of the products purchased from our suppliers contain components manufactured in the following countries: Canada, China, Germany, India, Mexico, South Korea, Taiwan, the United Kingdom and the United States.

## Preventing, Reducing and Addressing Forced Labour and Child Labour Risks

In the Reporting Period, comprehensive measures were undertaken to prevent, reduce and address the risks of forced labour and child labour, both domestically and internationally, including being used at any step in the production of goods in Canada or elsewhere and/or goods imported into Canada. These measures encompassed various initiatives such as conducting internal risk assessments, developing action plans, monitoring supplier compliance, and implementing due diligence policies. By implementing child protection policies, grievance mechanisms, and training programs, we demonstrated our commitment preventing and reducing risks of forced labour and child labour and to ethical business practices throughout our operations and supply chains.

The hiring of agency employees by HDT Automotive presents a potential risk of forced and child labour. To minimize this risk, we partner with only reputable employment agencies that share our commitment to human rights and ethical labour practices. In 2024, HDT Automotive further enhanced our forced and child labour audit process by requiring our agency partners to report on their hiring practices, in addition to signing the HDT Business Partner Code of Conduct.

## Policies and Due Diligence

During the Reporting Period, HDT Automotive implemented an internal Human Rights Policy which outlines our commitment to upholding fundamental human rights principles, including non-discrimination, fair treatment, safety, and dignity for all individuals within its sphere of influence. Reviewing and signing the Human Rights policy is mandatory for all employees.

A [Business Partner Code of Conduct](#) has been established for external use. This document establishes expectations and requirements of our suppliers for external use concerning human trafficking, which encompasses forced labour and child labour. Additionally, our comprehensive Business Partner Code of Conduct establishes expectations and requirements for our suppliers. This code covers various aspects, including human rights, forced labour, child labour and other labour practices, environmental stewardship, anti-corruption measures, and ethical business conduct. Suppliers within the top 80% of spend by HDT Automotive were targeted to review and sign our Business Partner Code of Conduct, with signed responses received from 79% of the targeted suppliers to date.

Furthermore, suppliers are required to submit an annual self-assessment survey which addresses risks regarding anti-forced and child labour compliance. To date, no issues or risks of forced labour and child labour have been identified within our supply chain, but diligent efforts and communications remain in place. Our Business Partner Code of Conduct and Human Rights policies incorporate remediation and reporting procedures, with concerns meticulously investigated and kept strictly confidential as stated in our Human Rights policy. Collaboration with employees, business partners, and local Non-Governmental Organization (NGO) experts would be sought to rectify instances of human rights violations, with thorough, and strictly confidential, investigations conducted for each case, especially those involving children.

Lastly, we have implemented an Ethics Office Committee to objectively investigate ethical and human rights concerns of all stakeholders, including employees, managers, and external clients. Our Ethics Office is comprised of a neutral group of HDT Automotive employees who play a pivotal role in upholding ethical standards and integrating them into our corporate culture. They are trained facilitators ensuring impartial conflict resolution; they oversee the implementation of ethical guidelines and foster an environment where employees feel empowered to report concerns or violations through our grievance reporting mechanism for the betterment of the entire organization.

During the Reporting Period, our audit did not reveal any circumstances which required additional due diligence activities such as inspection of supplier factories, follow up or verification of supplier self-assessments.

### **The Parts of its Business and Supply Chains that Carry a Risk of Forced Labour or Child Labour Being Used and the Steps it has Taken to Assess and Manage that Risk**

In the Reporting Period, our supply chains were assessed for risk of forced or child labour being used. An area of potential risk was identified to investigate further for actions to prevent, reduce, and address these potential risks:

- Parts suppliers of components utilizing Chinese aluminum that could possibly be produced in the Xinjiang region with Uyghur forced labour.

In 2024, HDT Automotive began to map its Chinese aluminum suppliers' supply chain back to the mining level by requiring our Chinese suppliers to disclose the source of their aluminum, including the location of the smelters that produced it. Actions will be conducted to mitigate any suspected non-compliances.

## Grievance Reporting Mechanism

Our grievance reporting mechanism offers various channels for reporting, ensuring ease of access for both employees and external stakeholders to communicate concerns.

As part of our awareness campaign, we integrate initiatives into company policies and training programs to educate employees on recognizing and reporting unethical behavior. This effort includes the distribution of “Speak Up” flyers, prominently displayed in all HDT Automotive locations and translated into local languages. These materials provide clear instructions on how and what to report.

Furthermore, we prioritize facilitating safe reporting by implementing multiple secure mechanisms. These measures guarantee anonymity and protection against retaliation, fostering an environment where individuals feel comfortable coming forward with their concerns.

## Training and Awareness

All employees undergo human trafficking awareness training on an annual basis, which covers crucial facts about human trafficking, forced labor, child labour and various forms of modern slavery, along with internal organizational responsibilities to combat them. All employees are trained to identify and report potential trafficking incidents, forced labor and child labour via our grievance reporting mechanism. Additionally, annual mandated training sessions are provided, including in-person courses and web-based activities, with supplementary training offered to departments closely tied to Environmental, Social, and Governance (ESG) initiatives. Senior management and executive-level staff are also mandated to complete web-based training sessions on these topics annually. Our training program ensures a thorough understanding and commitment across all levels of the organization to address and prevent human rights violations.

Through our social media channels, we highlight various UN initiatives such as International Children’s Rights Day, International Youth Day, and Human Trafficking Awareness Month (January 2025). These initiatives serve as important reminders of the ongoing challenges faced by vulnerable populations worldwide.

We firmly believe that creating awareness is a critical step in combating modern slavery and related injustices. By shining a light on these issues, we hope to inspire meaningful conversations, foster empathy, and drive positive change.

## Procurement Professionals’ Role

Procurement professionals at HDT Automotive play a crucial role in driving sustainability within the supply chain. Therefore, a comprehensive buyer training program has been developed to equip the procurement team with the knowledge and skills necessary to integrate sustainability considerations into their decision-making processes. The training program covers responsible sourcing, supplier engagement, risk management, and ethical procurement practices. Notably, 100% of global buyers participated in sustainable procurement training in the Reporting Period, reflecting the organization’s commitment to sustainability, forced labour, child labor risks and ethical business practices.

## Effectiveness Assessment Measures

We have policies and procedures in place to assess our effectiveness in ensuring that forced labour and child labour are not being used in our activities and supply chains. This includes setting up a regular review or audit of our policies and procedures related to forced labour and child labour and tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and resolved through grievance mechanisms, and numbers of contracts with anti-forced labour and child labour clauses.

## Additional Information on Assessment Measures

Each year, a child labour risk assessment is conducted across all HDT Automotive locations. The frequency of an audit may increase due to trigger events, such as expansion into new regions, changes in workforce structure, or updates to relevant legislation. Incident response is also a factor, meaning that in the event of a known incident or suspicion of trafficking, an immediate risk assessment is conducted to address the specific situation.

The sampling strategy for assessing ethical hiring practices involves targeting a representative 20% sample of the workforce. In areas with higher risks, such as those with increased turnover or vulnerable populations, a larger sample is recommended. Random sampling techniques are employed to ensure unbiased selection. The sample includes contract workers and agency-hired employees, and any concerning responses prompt an increase in the sample size for immediate discussion and review with the Chief Human Resources Officer (CHRO). Adjustments to the sample size may be made based on findings from previous risk assessments. This approach aims to provide a comprehensive evaluation of ethical hiring practices across the organization. Our initial risk assessment audit was conducted during the Reporting Period and will continue annually thereafter. Our results show no instances of child or forced labour were uncovered.

## Remediation Measures

HDT Automotive takes responsibility to identify, prevent, mitigate, and remediate human rights related risks and impacts. We encourage employees to immediately report any concerns within our own operations and/or supply chain; concerns are carefully addressed and strictly confidential, and retaliation against anyone raising a concern will not be tolerated.

We will seek to work in partnership with employees, business partners and/or a local Non-Governmental Organization (NGO) expert to remedy cases of human rights violations. Each case will be thoroughly investigated, looking to provide a responsible solution. In cases in which a child is involved, we will look to provide the best long-term solution for the child.

In the Reporting Period, we did not identify any forced labour or child labour in our activities and supply chains. Accordingly, during that period, we did not take any measures to remediate any forced labour or child labour in our activities and supply chains. In the Reporting Period, we did not identify the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains and accordingly, we did not take any responsive remediation measures.

## EcoVadis Assessment

In our ongoing commitment to enhancing our Environmental, Social, and Governance (ESG) efforts, we utilize EcoVadis to identify internal gaps and strengthen our sustainability initiatives. EcoVadis provides a comprehensive assessment framework that evaluates various aspects of sustainability performance, including environmental practices, labour and human rights including forced labour and child labour, ethics, and sustainable procurement. As a testament to our dedication to sustainability, we are proud to have achieved a bronze medal in our most recent EcoVadis sustainability rating at our Canada and Mexico production locations. This recognition underscores our progress in adopting responsible business practices and aligning with global sustainability standards. Our [2023 Sustainability Report](#) provides a thorough overview of our global ESG efforts, values and objectives.

Furthermore, building on this achievement, we have identified key suppliers who will be requested to complete the EcoVadis assessment. This assessment will offer a transparent overview of their sustainable business practices, benchmarked against their sector and region. By leveraging EcoVadis assessments for our suppliers, we aim to foster greater transparency, accountability, and continuous improvement in our supply chain sustainability efforts. Through collaborative partnerships with our suppliers, we strive to drive positive environmental and social impact across our value chain, contributing to a more sustainable future for all stakeholders involved.



## Approval and attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

This Report was approved by the Board of Directors of each of HDT Automotive LLC and Bend All Automotive ULC on May 16, 2024.

A handwritten signature in black ink, appearing to read "James McCormack".

### James McCormack

Vice President and Director  
Bend All Automotive ULC  
May 17, 2024

*I have the authority to bind Bend All Automotive ULC.*

A handwritten signature in black ink, appearing to read "Patrick Paige".

### Patrick Paige

CEO, President, and Director  
HDT Automotive Solutions LLC  
May 17, 2024

*I have the authority to bind HDT Automotive LLC.*