

sanwa



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Sanwa Pty Ltd

MODERN SLAVERY STATEMENT

FINANCIAL YEAR 2024/2025

This Modern Slavery Statement has been prepared as a statement of Sanwa Pty Ltd which is part of the Sanwa Group of Companies

Sanwa Pty Ltd (ABN of 96 000 904 987) has its registered office at Suite 201, 100 New South Head Road, Edgecliff, 2027 and is incorporated under the Corporations Act 2001 in New South Wales. Sanwa Pty Ltd is commonly referred to as Sanwa but trades under the name Sanwa Pty Ltd.

Sanwa has a company incorporated in the United States of America (in New York) under the name Sanwa LLC and its activities include the importing of metals into the USA and Canadian markets typically from Europe and Asia. All invoicing and contracting is raised through Sanwa Pty Ltd in Australia for business concluded anywhere in the world.

Other companies within the overall group include companies collectively referred to as the Halifax Vogel Group of Companies (HVG), and this company submits its own independent Modern Slavery Statement.

Our Commitment

Sanwa is committed to achieving the highest standards of ethical behaviour, both in our own business, in our supply chains and through any other business relationship involving the company. We support and respect the protection of human rights and endeavor to make sure that Sanwa is not complicit in any human rights abuses.

Sanwa recognizes that modern slavery is a significant global concern and can take many forms, but fundamentally is a range of exploitive practices including human trafficking, slavery, servitude, forced labour, child labour, withholding of wages and deceptive recruiting for labour or services, forced marriage and debt bondage. The key elements of modern slavery are exploitation where an uneven negotiating relationship allows one party to take advantage of the other and especially where there is also a lack of transparency or actual deception in the contracting prior to the relationship being established.

As part of its ongoing commitment, Sanwa will comply with all applicable Australian and International slavery legislation including the Modern Slavery Act 2018 (Cth) and the Modern Slavery Act 2018 (NSW).

At Sanwa we stand for something bigger than simply importing and trading as we believe in a culture of support, empowerment and accountability, with a common set of values and a desire to improve the businesses and lives of those we employ, those we buy from and those that we sell to.

MODERN SLAVERY STATEMENT

Our Policies

Sanwa does not tolerate modern slavery and will not knowingly engage in or partner with companies or suppliers that engage in modern slavery. Our policies and practices in relation to procurement, human resources, and corporate responsibility, support this commitment.

The people involved either directly or indirectly in our business can be loosely grouped into one of three categories. Employees, third party contract partners, or suppliers.

Employees – all Sanwa employees are paid above award wages and are checked for working visa and or citizenship to ensure that they have the right for employment in Australia. Where any possibility exists that the ability to legally work may be in doubt, Sanwa will investigate fully including taking the advice of immigration and legal services.

Third party contractors – this includes sea freight and land freight companies, customs clearance agents, and claims surveyors, amongst others. The companies or agents that we deal with are typically and almost exclusively resident in Australia or if shipping companies major worldwide groups.

Suppliers – the greatest risk of modern slavery occurring for Sanwa is in regard to our manufacturing partners and suppliers, which are located in many countries around the world. Sanwa has a policy to only deal with major established and trust worthy manufacturers and has developed a supplier code of conduct in accordance with Government guidelines which it expects all supply sources to comply with.

Our Structure, Operations and Supply Chain

Sanwa is a diversified raw materials trading company. We import materials (into Australia and New Zealand, USA) and also do “third country trading”, which involves buying and selling materials from countries outside our US/Australian office network to other countries also outside our office network. These materials are principally raw materials, being typically metals, plastics and minerals /metallurgical. Whilst we have traded in agricultural exports and timber products in the past, we do not currently handle these business areas although we are always looking at new opportunities. Our supplier database is extensive and is explained in more depth below. There are three operational divisions based on different product areas within Sanwa, being Metals, Plastics, and Minerals /Metallurgical. Each divisional trading team is a specialist in their segment of the market, focused on providing our customer base with quality products fully complying with the most detailed of product specifications. We are passionate people providing quality products at competitive prices to the benefit of both our customers and our suppliers.

Sanwa’s CORE VALUES ARE:

MODERN SLAVERY STATEMENT



Customers

Our customers come first in everything we do. We value customer relationships and provide the best solutions for our customers by having a detailed understanding of their needs.



Company

We act in the company's short term interests and more importantly long term interests at all times.



People

We are caring, inclusive and one team. We are individuals united by a Vision and Mission. We act with honesty and integrity at all times. Our employees are valued and empowered and having a very low staff turnover is one of our most proud achievements.



Suppliers

We act to advance our suppliers' business in the short and long term for mutual benefit. Our suppliers are critical to our business as both our source of all product for our sales and also our greatest risk of non-compliance with the expectations raised under the MS Act either commonwealth or state.



Safety

We aim for zero harm to our staff, our customers and the environment in everything we do. We are in the process of seeking ISO 45001 Occupational Health and Safety Management certification.

Our Operations

Sanwa's registered office and head office is located in Sydney from where approximately 30 staff work. Sanwa employs a small number of trading staff working from the related company offices of HVG in Melbourne and some work from home in areas outside the head office.

We also have an office in New York which manages the business concluded by trading staff situated in Seattle, USA

Our teams are the cornerstone of everything we do at Sanwa. With around 36 dedicated staff, our personnel's breadth of knowledge and experience enables us to deliver a high standard of sales, customer service and technical support across all aspects of our business.

Having a diverse range of products across our three core divisions, provides our customers a wide selection of raw materials to suit their specific requirements, risk preferences, priorities and financing. These include Metals (Steel, Stainless Steel and Aluminum), Plastics (EPS/PVC/various polymers) and Minerals (including ferro alloys and other materials for the steel and foundry industries).

Most typically the business Sanwa does is back-to-back, meaning that it does not plan to stock the product and the product being bought is already pre-sold at the time of purchase. More than 90 percent of our business is concluded with the product being delivered directly to the customer. That is without there being any substantial time whereby the product is sitting in transit at some point waiting for call up or sale. The other 10 percent may involves some degree of delayed delivery, even if pre-sold, but waiting for customer call up after arrival or small amounts unsold and waiting for sale.

The location of the majority (80 percent plus) of our customers is within Australia and New Zealand but we do supply goods into the US, Canada, Western Europe and South Africa.

MODERN SLAVERY STATEMENT

Our Supply Chain

Sanwa is almost 100 percent reliant on the use of overseas suppliers from around the globe.

Sanwa has more than 100 direct suppliers that provide mostly raw materials such as steel, aluminum, plastics, minerals and foundry related products which are then sold to stockists, manufacturers and fabricators who add value by holding stock of the product and selling in smaller quantities or turning those goods into final finished or further finished products.

More than 90% of products traded by Sanwa are manufactured in Asia, generally from the Far East. The remaining 5-10 percent of products are sourced from the Americas (less than one percent), Africa (less than one percent), and Europe (Less than 5 percent).

In approximately 85% -90% of turnover, Sanwa deals directly with the manufacturer rather than through an independent agent working on behalf of that manufacturer. The balance is with third party agents usually within the country of production.

English is the language in which we usually correspond and contract our business, but we have native speakers from many countries around the world who act as interpreters and assist with our day-to-day business. These include immigrants from South Africa, Germany, Russia, Fiji, Thailand, Turkey, China, Indonesia, Singapore, Nepal, Malaysia and Taiwan.

Sanwa has continued it's association with iPRO to assist with our Modern Slavery risks review process and have made significant progress with gathering information from our largest existing supply trading partners.

Modern Slavery Risks

In FY2024/2025, Sanwa continued its assessment of the risk of modern slavery in its employees, service partners and suppliers.

Modern Slavery Risks ----- Sanwa's Employees

The risk of modern slavery in Sanwa's own workforce, whether employees or temporary workers, was assessed as low for the reasons set out below.

We have strong human resources processes in place for onboarding new employees, reviewing employees' wages and salary agreements. Sanwa pays salaries at or above market value to experienced and skilled workers, all of whom earn on an hourly basis in excess of the basic minimum wage. Sanwa has a very high retention rate for both trading and support staff, and this is only possible by providing a salary package which both attracts and retains our employees. The average length of time that Sanwa staff choose to remain employed stay at Sanwa is in excess of 10 years and our annual retention rate for staff remaining in employment is more than 95 percent. Of our 36 staff it is rare that more than one person per annum would leave Sanwa unless retiring.

MODERN SLAVERY STATEMENT

Our employee onboarding process includes employment checks and ensures all new employees have valid residency status. Our employee induction processes also ensure that new employees confirm they have read and understood our policies and procedures.

Sanwa has currently only a very small percentage of its total workforce employed with visas other than full residency, and all are within Australia. The employment agencies that support our business are generally considered low risk given the maturity of the Australian industry, strong supplier reputations and professional nature of the services provided. The staff that Sanwa employs are typically experienced highly educated professionals (mostly tertiary qualified) involved in either logistics or commercial trading. Sanwa pays 100 percent of any recruitment fees, that might be payable directly to third party recruiters. In addition Sanwa provides the ingredients for its staff to enjoy two meals a day (breakfast and lunch) free of charge whilst at work. It also offers regular free local gym and yoga classes for all staff interested in exercising during the middle of the day at work.

Modern Slavery Risks - Service Partners

Sanwa works with a variety of third party contractors, including shipping and trucking companies, customs clearers, and lawyers. Most of these contractors reside in Australia, except for the main container shipping companies which handle the sea freight of our products. Sanwa has not previously focused on the activities of these large shipping companies considering that these multi-billion dollar conglomerates are so large that our ability to influence them in any way is minimal. Sanwa does not use smaller shipping companies without operations and staffing within Australia. We generally consider that the Modern Slavery risk of Australian Domestic Logistics/Trucking contractors and of the largest international Liner Service container shipping companies is low.

Modern Slavery Risks-----Supply Chains

Recognizing the greatest risk of modern slavery is in our supply chain, Sanwa will continue its detailed risk assessment of its supply chain in Financial Year 2025/2026 along with our external modern slavery consultants, IPRO and Pearsonsworld.com. This risk assessment program deals with the risks of modern slavery from the various countries of origin, addressing our suppliers' *Inherent Risks* (geographical and industry) and *Risk Controls* (policy, procedure, and workforce)

Actions Taken

Actions taken within Sanwa last 12 months

This is Sanwa's fourth modern slavery statement, and we continue to focus on education and awareness within our organization. We have also established a viable framework for ensuring modern slavery is fully and properly considered by our trading staff in all our domestic and international operational and supply chain relationships.

Continually reminding all staff of the importance of our Company Modern Slavery Statement which has been signed off by the Sanwa Board and is available on our internal intranet and also on our publicly accessible website. www.sanwa.com.au

Sanwa has for the first time commenced **formal modern slavery training** for all relevant staff. This involves undertaking a short course implemented by an expert in the field, Sentrion who provide

MODERN SLAVERY STATEMENT

examples of how Modern Slavery may be encountered in our work place and what to look for (red flags). To ensure that the lecture is fully understood, a series of questions is posed which must be correctly answered. All relevant staff (over 90 percent of overall staff, have completed this course.)

Setting up **Modern Slavery Grievance Reporting Procedures** to instruct Sanwa staff how to safely report modern slavery concerns to the appropriate Sanwa management or via “whistle blower action” in the event that the affected staff member forms the view that Sanwa management itself is involved in creating, involved in or even just allowing via “a blind eye” to incidents of Modern Slavery. This document is in our company intranet and titled **Modern Slavery Grievance Reporting Procedures**.

Actions taken with our Contract Service Partners

Focusing on our largest and our most high-risk overseas supplier partners, being typically those involved in the marine shipment of Sanwa product around the world, we have begun to interact with those shipping companies with whom we organize the freight movement as opposed to those shipping companies which contract with our over-seas manufacturers (selling CFR to Sanwa). These companies are most typically the shipping lines offering breakbulk shipping services rather than containerized shipping. We consider the container shipping companies where typically we have no direct relationship with the shipping companies as low risk and given our minimal ability to influence their business decisions have not focused on this area. Almost all container shipping is via Liner Scheduled Services such as Maersk Line, MSC, CMA/CGM, Hapag Lloyd, Yang Ming, Evergreen, ONE and Cosco or similar. Our initial review of these companies has verified that all have public ESG policies and statements which at least in part overlap with Australian Modern Slavery Policies in accordance with Australian legislation.

Apart from the shipping companies all other main Contract Service Partners reside in Australia or New Zealand and are considered low risk. These companies are typically the local logistics providers and/or trucking companies with places of business primarily in the capital cities. We regard Australia as a low risk area for Modern Slavery breaches and the logistics/trucking industry, a highly government regulated and mobile area where breaches of MS requirements is less likely. We have begun to interact with our main trucking / logistics providers setting out more clearly what our expectations are from the point of view of safety on and off the road and also on the relevance and necessity of Modern Slavery compliance. We are in the process of developing a Conduct Code for Land Logistics Operators to be distributed to our relevant contract partners. This will cover Health and Safety expectations and Modern Slavery Expectations.

Actions taken with our supply partners

Organizing inspections & dealing with top Supplier Management to bring about change.

Sanwa does business with many large corporations around the world, who, to the best of our knowledge, fully comply with the legal and regulatory requirements of their own legal systems. However there are times when this may not be enough and additional requirements expected of them by the International Labour Organization (ILO) and Australian legislation must also be met if these companies expect to become regular trusted suppliers via Sanwa to the Australian market. Getting massive corporations to change work practices which are 100 percent legal and common-place in their

MODERN SLAVERY STATEMENT

own countries, but which do not fully align with the expectations of Australian policy makers and or parts of the Western/Developed world can be challenging. This is not just because of the additional cost that such measures might impose but also because the management of these companies has a high degree of confidence in their own systems which has allowed their company to grow and employ people from not just their own country but also in some cases from other nearby countries. Skilled and non-skilled staff from other countries will sometimes take short term work visas to fulfill a need for extra labour not capable of being filled within the manufacturer's domestic market. Finding the right labour is not so easy and recruiting companies have formed to fill this need. Historically recruitment fees for these highly sought after jobs have been payable by a combination of the labour looking for the job and / or the company looking for the labour. However under the new Modern Slavery requirements it is clear that recruitment fees should be wholly paid by the Employers and not the employee at all. Sanwa continues to work with our suppliers to ensure that their employees are not required to pay any job recruitment fees to any parties and if fees are currently payable under existing contracts then they will be phased out over a maximum of 2-3 years.

Sanwa senior management and in particular the signatory to this statement has personally met during 2025 most of the senior management from our "largest" suppliers, who have contributed almost 75 percent of our annual sales over the last 12 months. These visits, all taking place outside Australia usually in the factory or head office of the supply partner, have given Sanwa the opportunity to emphasize the importance of its ESG values and in particular compliance with the expectations of the ILO 's Modern Slavery framework and guidelines. During these visits Sanwa has usually inspected or had the opportunity for an inspection/audit of the shopfloor of these manufacturers operations. In many cases this has involved being given the opportunity and freedom to speak to any staff on the factory or office floor.

If Sanwa becomes aware of any possible breaches, these are discussed with these suppliers and how their systems can be changed such that the expectations of the ILO Modern Slavery guidelines can be met. After that we rely on the goodwill and the good intentions of these suppliers to make these changes along with follow up visits and meetings as appropriate.

Other actions taken to manage our supply partners risks.

- **Specific Action with one Supplier** Participating in our last detailed modern slavery risk assessment audit, on an offshore supplier of a significant portion of Sanwa's product purchases, the audit identified one employment practice of that supplier that could be considered inappropriate from a modern slavery viewpoint. Sanwa has successfully worked with the supplier to agree to amend their practices and this process has commenced with an anticipation that by 2027 they will have eliminated completely a practice considered common place and legal in the country of origin but at risk of breaching ILO Modern Slavery guidelines. Sanwa has received formal legal advice confirming that these rectification actions being taken, will not breach the requirements of Australia's MS legislation.. Sanwa continues to monitor the supplier each year by meeting with all senior management at the head office of their manufacturing plants and where necessary with staff on the factory floor and in their dormitories.
- Renewing our contractual relationship with iPro, and continuing our association with Mr Stephen Pearson of Pearsonsworld.com, to facilitate our due diligence program. Sanwa has sent iPro questionnaires out to 25 of our largest suppliers who responded to the questionnaire in the year 2023/24 with an update request seeking further information on any changes to their practices which may improve their MS standing and with it, Sanwa's position. We have not sent updated questionnaires to suppliers who responded in 2024/25 but have done so to the next largest group

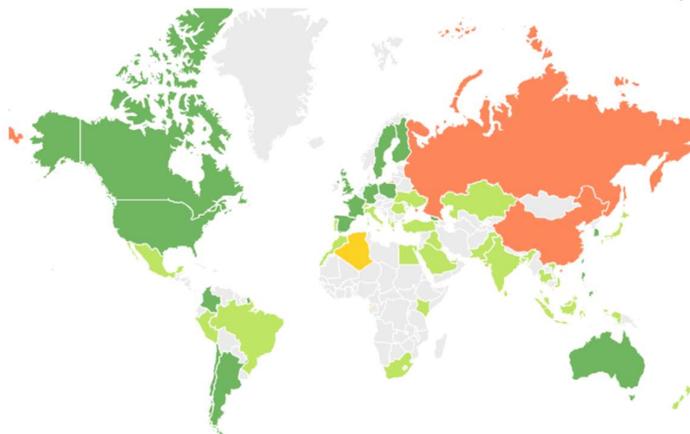
MODERN SLAVERY STATEMENT

of suppliers who had not previously received a questionnaire. This means that in the last two years we have sent the IPro Questionnaire to 64 of our largest suppliers.

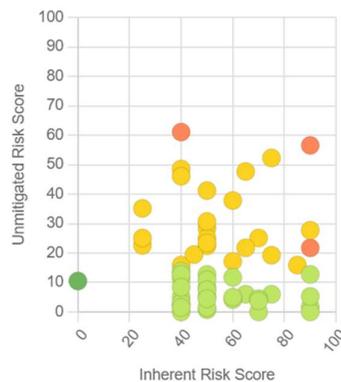
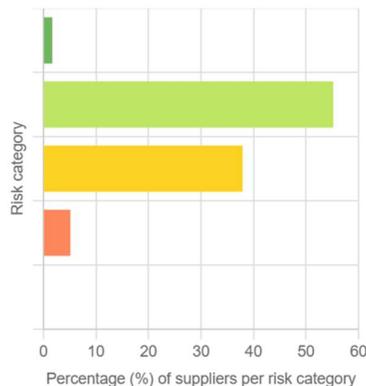
- Maintaining our existing action plan document that is progressively updated and revised in consultation with Pearsonsworld.com.
- **Supplier Code of Conduct.** Sanwa has prepared a supplier code of conduct based on State Government templates and expectations. Sanwa has already sent this to all our main suppliers and will continue to send to all minor and new suppliers over the next year.
- Commencing a process of evaluation of our supplier risk assessment responses, using the risk ranking system, and suggested improvement action plan generated by the iPro system. Our focus will be on those identified individually as our major trading partners and those identified as at higher risk. This will utilise information supplied to Sanwa using the international accepted tier allocation approach adopted by iPro.
- iPro has various tools to assist with the assessment of risk, some of which are these more clearly visualized in graph format as per below.

Sanwa MS Supplier Risk Profile

Supplier countries by risk tier



Supplier risk category



- Low-Risk (No inherent risk)
- Low-Risk (Adequate risk control)
- Medium-Risk (Partial risk control)
- High-Risk (Inadequate risk control)
- High-Risk (High levels of inherent risk)

Assessing The Effectiveness of Actions Taken

Managing the risk of modern slavery and assessing the effectiveness of Sanwa's actions requires ongoing commitment and collaboration with our suppliers and business partners. To manage this, Sanwa has established an internal Modern Slavery Working Group including an industry professional with extensive expertise in importing into Australia. The Working Group comprises the following:

- Chief Financial Officer; and
- General Manager / Trading Director.
- External MS Consultant

In FY2025/2026, the Working Group will determine the most appropriate method, scope and resources for assessing the effectiveness of our approach to managing modern slavery risks. Sanwa will continue to undertake internal review of the success and efficiency of our proposed action plans.

Next Steps

Sanwa is committed to the following actions during the FY2025/26 reporting period:

- **Risk Assessment** – continue to undertake a detailed risk assessment via our iPRO questionnaire of our operations and supply chain risks. Seek repeat questionnaire answers from those suppliers who last responded for more than 12 months.
- **Continue to visit our largest suppliers** and those most at risk of MS breaches to learn more about their ESG and MS practices and induce action to improve full compliance and the Sanwa MS Supplier Risk Profile
- **Review these results** and work with these suppliers to understand the MS risk profile better and work with them at the upper management level to fully identify and improve any areas which may contravene MS expectations.
- **Training and Awareness** – continue and improve internal Modern Slavery training program for all staff. This will mostly involve continuing training through Sentrient on Modern Slavery education as they become available and other ESG related courses.

Exceptions to our standard policy of Consultation with Suppliers

Sanwa has taken the decision to utilize its time on those companies where the level of business being mutually concluded may mean that we can exert some real positive influence and/or where the risk of finding offending action might be greater. Companies where Sanwa is unable to exert any influence and also where the risk is substantially low will mean that we may accept undertakings and statements of the good intention and good behaviour of those parties at face value and without further audit or review. The perfect example of this is our business with Bluescope Steel where because they are an Australian company and one which has lodged a fully compliant Australian Modern Slavery Statements for financial year 2025, we do not believe that a detailed review of their business practices warrants prioritization in a time limited world. Our requests for specific information from Bluescope or answers to our IPRO questionnaires have met with a polite rejections and a request for Sanwa to refer to their very detailed publicly available MS Statement. We do not find this in any way a red flag of any breach of Australian Modern Slavery expectations.

Consultation within the Group.

Sanwa Pty Ltd and the trading business that it conducts is a stand-alone business independent from other companies (HVG companies) within the Sanwa Group. No business is currently invoiced with other companies within the group and the utilization of the resources of other companies within the group for incidental storage is minimal. In order to prepare this joint statement, Sanwa consulted with senior management from these entities within its group and provided those entities with information regarding the Modern Slavery Act 2018 reporting requirements and Sanwa's position. An independent Modern Slavery Statement will be signed by the CEO of the other companies within the Group (HVG) for the 2024/25 financial year in accordance with the Australian legislation.

Sources

The sources that underpin our assessment and analysis include the Global Slavery Index, the International Labour Organization, Australian Government Department, relevant legal advice from our lawyers Moulis Legal and our Modern Slavery Consultants, Pearsonworld.com in conjunction with our Modern Slavery risk assessors IPRO. It also includes various websites such as

www.hagar.org.nz,

<https://unglobalcompact.org.au/business-human-rights/modern-slavery/>

<https://www.modernslavery.gov.au/>

www.sentrient.com.au

Signed

This statement was approved by the Board of Directors of Sanwa Pty Ltd on the Monday the 22nd of December and signed on this same day by David Roberts, the Director of Trading Operations.



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David Roberts / Director -- Trading Operations.

22nd / December / 2025