

MODERN SLAVERY STATEMENT

June 2024

1. Introduction

ANCA recognises modern slavery risk as a complex global human rights issue, and we continue to further our actions in pursuing the elimination of modern slavery across our operations and supplier chains.

In responding to our reporting obligations under the Australian Government’s Modern Slavery Act 2018, this statement describes:

- ANCA’s structure, operations and supply chains
- Action taken to assess and address risks of modern slavery across our operations and supply chains
- Summary of our work in this reporting period
- Future actions for continuous improvement

2. Our structure, operations and supply chains

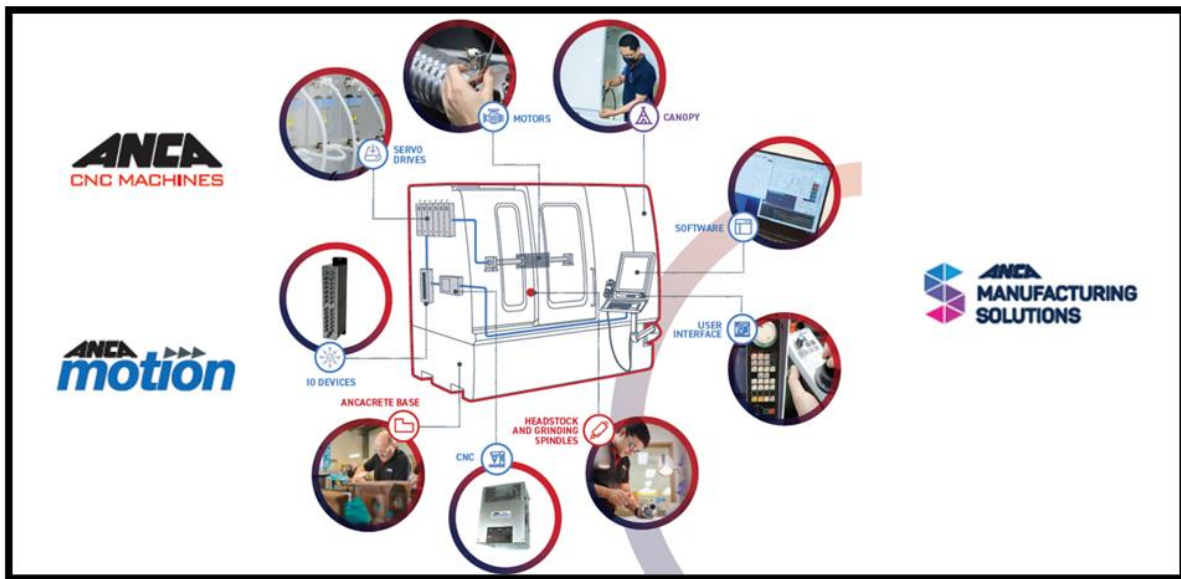
ANCA is a market leading manufacturer of CNC grinding machines. ANCA CNC grinders are used for manufacturing precision cutting tools and components across a diverse range of competitive industries including cutting tool manufacture, automotive, aerospace, electronics and medical.

ANCA was founded in 1974 in Melbourne, Australia where the company still has its global headquarters. ANCA operates in 31 countries globally, where 1245 employees are working to provide the best solutions for 2500 customers in over 45 countries.



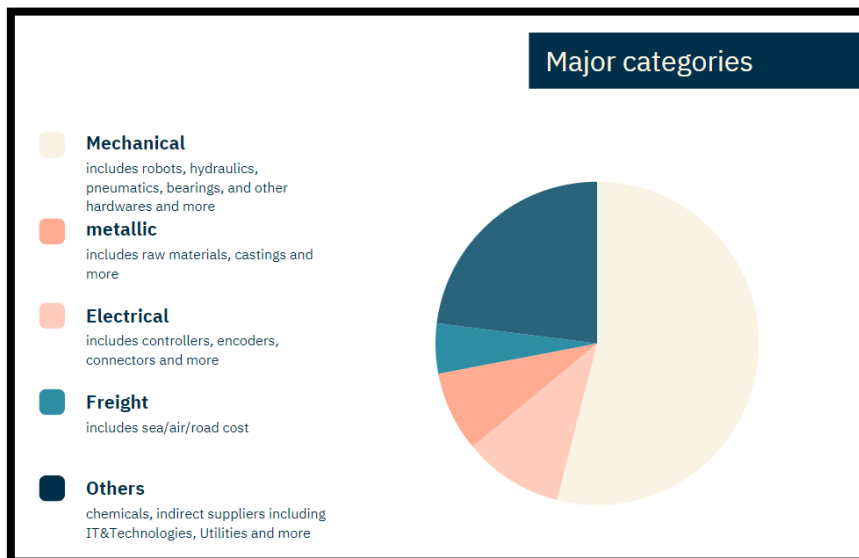
ANCA CNC Machines is a division of ANCA Group:

- **ANCA CNC Machines** - Precision machinery specialising in tool grinding
- **ANCA Motion** – Integrated motion control solutions
- **ANCA Manufacturing Solutions** – Manufacturing, finishing, assembly & distribution



ANCA has over 900 suppliers in more than 35 countries, with more than AUD\$154 million in spend. Please note that these countries are where direct suppliers (tier 1 of the supply chain) are registered. ANCA recognises that this does not always represent the country of origin of goods or services.

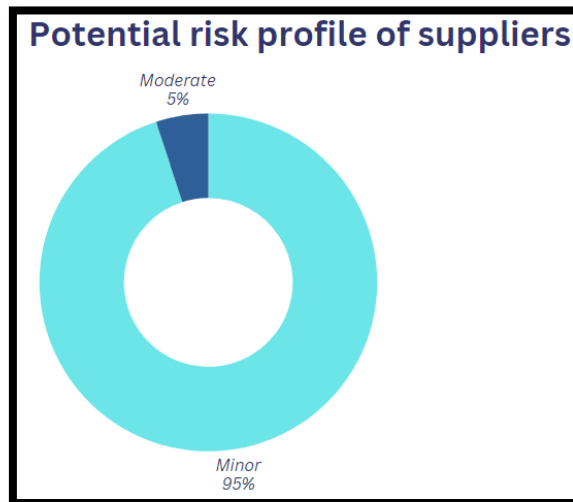
ANCA procures a range of products and services to support our activities. Our 2024 spend by category is summarised below.



3. Identifying risks

ANCA's modern slavery committee continuously map our supply chain and complete assessments of suppliers to identify potential risks of modern slavery by using our Modern Slavery Risk Matrix, which considers the geographic, industry and product risks.

During 2024, we identified that 5% of suppliers are in potentially moderate risk while no high-risk supplier is identified.



Those moderate risk suppliers are related to the following regions and categories;

- Suppliers producing metallic and mechanical parts but located in **high risk** area, including **Malaysia and India**
- Suppliers in **electronic** and **freight** industries and located in medium risk areas, including **Thailand, China and Vietnam**
- Suppliers producing **furniture** and located in medium risk areas

During the relevant period, ANCA introduced a modern slavery hotline (modernslaveryhotline@ancagroup.com) to facilitate communication and for employees and suppliers to report concerns. ANCA hasn't been made aware of any allegations of human trafficking/slavery activities against any of our suppliers. If this was to occur ANCA would act immediately against the supplier and report it to the authorities.

4. Addressing modern slavery risks

Policies

ANCA is aware that setting clear expectations is very important. Summarized below are our policies, which collectively set the standards we require, encompassing the prevention of modern slavery in the workplace and in our supply chains. Our policies are supported by an internal business management system that outlines what we do and how we should do it, ensuring that we live up to

our values. We regularly monitor compliance with our policies and report on our progress to our executive and audit committees.

Relevant policies and standards in our control framework include:

- Global Statement – Appropriate Workplace Behaviour
- Modern Slavery Policy
- Whistleblower Policy
- ANCA Group OHS Policy
- Gender Equality in The Workplace Policy
- Complaint Resolution

Supplier due diligence

ANCA continuously reviews contractual clauses to ensure they are in line with the “Modern Slavery Policy”. We also establish a relationship of trust and integrity with all our suppliers, which is built upon mutually beneficial factors.

New suppliers are screened using our supplier selection process. Answering our modern slavery questionnaire is a mandatory step in the supplier onboarding process. ANCA works with key suppliers to ensure alignment exists around organisational values, including the elimination of modern slavery.

During 2024, for all existing suppliers identified as moderate or high risk (all tier 1 suppliers), we have commenced

- Requiring each supplier to complete a Supplier Questionnaire which includes various questions on modern slavery governance and employee conditions;
- Requesting copies of such supplier’s Modern Slavery governance documentation including modern slavery policies or equivalent; and
- Reviewing responses to the Supplier Questionnaire and identifying areas of improvement
- Auditing suppliers on site to ensure they are aware of ANCA’s requirements and cross checking against the supplier questionnaire that they had provided.

Supply Chain Performance Indicators in 2024

Suppliers risk assessed	994
Action taken	
Suppliers audited	9 <ul style="list-style-type: none"> • Country visited – Taiwan (5), Thailand (4) • Industry category – Manufacturing • Product category – Mechanical parts
Supplier with remediation action required	0
Suppliers’ engagement stopped due to risk assessment outcomes	0

5. Awareness and training

ANCA recognises that training our employees will help the identification of modern slavery practices in our supply chain.

During 2024, a Modern slavery training module was developed and implemented, which covers;

- Our commitment to the fight against modern slavery
- How employees should report suspicions of modern slavery
- Various forms of modern slavery in which people can be held and exploited
- How employees can identify the signs of slavery and human trafficking, including unrealistically low prices
- How employees should respond if they suspect slavery or human trafficking
- How suppliers can escalate potential slavery or human trafficking issues to the relevant people within their own organisation

Completion of the module is mandatory for all existing and new employees. The e-learning module for all staff will be renewed every 2 years and is included as part of the ANCA's onboarding process for new employees and contractors.

6. Future plans

ANCA recognises that tackling modern slavery requires a continuing year-on-year commitment.

Raising awareness of Modern Slavery

ANCA will conduct a supplier survey to measure the awareness around modern slavery risks. The frequency will depend on the individual supplier's risk level, with the plan as follows:

- High Risk – every 1 year
- Medium Risk – every 3 years
- Low Risk – every 5 years

ANCA will seek to empower our employees and suppliers through formal and informal training on human rights, including modern slavery risks.

Following actions are to be considered that include:

- Visual poster of modern slavery displayed across facilities and suppliers
- Establishing 'Supplier – Code of Conduct'
- Producing more training/learning materials

Improving Risk Assessment Matrix and Remediation Plan

Currently, the risk assessment focuses on first-tier suppliers. We need to expand it to second- and third-tier suppliers. In addition, considering exploring technological options to better monitor how suppliers are implementing our Supplier Code of Conduct (when available).

ANCA recognizes the importance of not only identifying potential modern slavery risks but also developing a plan for appropriate actions if a risk is found in our supply chain. ANCA will develop a remediation framework to guide us in addressing instances of suspected modern slavery practices.

This plan will outline actions to ensure that responses are appropriate and proportionate to the breach, and that the affected parties are properly remediated.

Statement Approval

This statement was reviewed and subsequently approved by the board of ANCA at the board meeting dated 26/06/2024.



Gary Ward

Company Secretary

28/6/2024