

**sanwa**



SANWA PTY LTD. ABN 96 000 904 987 SUITE 201, 2ND FLOOR, 100 NEW SOUTH HEAD ROAD, EDGECLIFF NSW 2027 AUSTRALIA  
LOCKED MAIL BAG 362, EDGECLIFF NSW 2027 AUSTRALIA TEL: 61 2 9362 4088 FAX: 61 2 9362 3622 WWW.SANWA.COM.AU

# Sanwa Pty Ltd

## MODERN SLAVERY STATEMENT

### FINANCIAL YEAR 2023/2024

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 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 opportunities in such areas. Our supplier database is extensive and is explained in more depth below. There are three operational divisions 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:**

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### 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 35 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 95 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 5 percent may involve 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.

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### **Our Supply Chain**

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

Sanwa has around 150 direct suppliers that provide mostly raw materials such as steel, aluminum, plastics, minerals and foundry related products which are then sold to stockists and manufacturers /fabricators who add value by holding stock of 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 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 FY2023/24, 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, and verifying corresponding payments. 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 is more than 95 percent.

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



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typically experienced highly educated professionals (mostly tertiary qualified) involved in either logistics or commercial trading. Sanwa pays 100 percent of all recruitment fees directly to third party recruiters in cases where they may be utilized

### **Modern Slavery Risks ----- in our Service Contract 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 some large shipping companies which handle the sea freight of our products. Sanwa has not focused on the risks involved in the activities of these shipping companies considering that these multi-billion conglomerates have the infrastructure and incentive to manage their own modern slavery risks. Our initial review of these companies has verified that many have Modern Slavery Policies in accordance with Australian legislation. Sanwa does not use smaller shipping companies without operations and staffing within Australia. We consider that our leverage and time should be prioritized more effectively to other parts in our supply chain.

### **Modern Slavery Risks----- in our 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 2024/2025 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 to Assess and Address our Modern Slavery Risks**

### **Actions taken within Sanwa**

This is Sanwa's third 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 Sanwa 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](http://www.sanwa.com.au)

### **Actions taken by 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 learn about their work practices and interact with them to receive a commitment that they have operations fully compliant to all Modern Slavery legislative requirements. We consider this area of the business low risk and given our minimal ability to influence their business decisions have not focused on this area. In addition in many cases public Modern Slavery Statements or Policies are published and available from their websites.

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### **Actions taken with our supply partners**

We have focused on our main supply contract partners by spending most time on those that we do most business with. This has involved organizing independent audits, inspecting production and related facilities and discussing at the very highest level with our suppliers how we can improve the quality of their performance and reduce or remove the production or business practices which may contravene any interpretation of the International Labour Organization (ILO) guidelines

### **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) must also be met if these companies expect to become regular trusted suppliers to the Australian market. Getting massive corporations to change work practices which are 100 percent legal and common place in their own countries, but which do not fully align with the expectations 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 feel that their systems which have worked successfully for many years should not be subject to commentary and instruction from people outside their own country, who may not be aware of the complexities of social and business life in these other countries. In some cases, and especially with regard to the imposition of recruitment fees for new staff, often being migrant labour, this has represented a serious challenge. Fortunately, when Sanwa has become aware of such possible breaches, we have been able to rely on the goodwill and good intentions of our suppliers who have committed to fully change any possibly non-compliant work practices.

### **Other actions taken to manage our supply partners risks.**

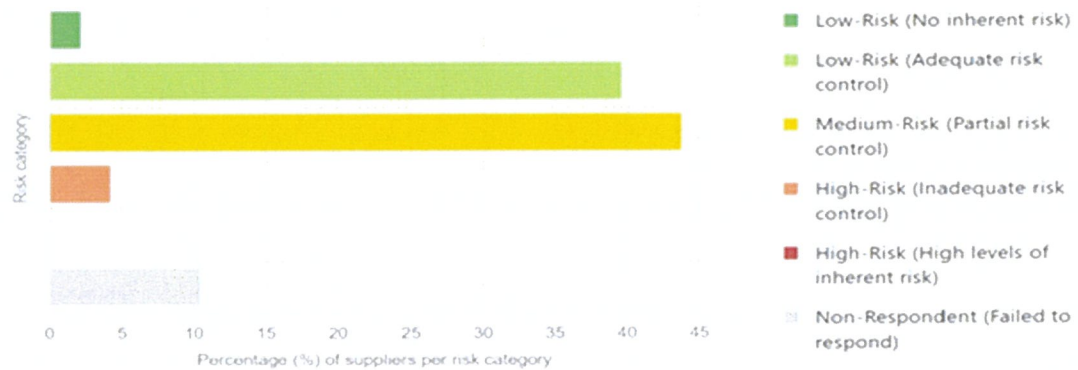
- Renewing our contractual relationship with iPro, and continuing our association with Mr Stephen Pearson of Pearsonsworld.com, to facilitate our due diligence program
- Maintaining our existing action plan document that is progressively updated and revised in consultation with Pearsonsworld.com.
- Reminding traders to stress the importance of compliance with our Modern Slavery expectations to our supply partners.
- Further developing our screening approach for new suppliers for modern slavery risks.
- Analysing our total product purchases data base for the year ending 30 June 2024, and:
  - sending iPro generated modern slavery risk assessment questionnaires to 48 individual offshore product suppliers.
  - Those 48 suppliers accounting for 85.5% of Sanwa's purchases in that year, and
  - Of the 48 suppliers who have been approached , 43 have completed and returned their responses, and the remaining 5 are work in progress
- 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.

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- 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 risk category



Supplier countries by risk tier



- Participating in our first 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, and Sanwa has successfully worked with the supplier to agree to amend their practices over a reasonable time frame to eliminate the practice. Sanwa has received formal legal advice confirming that these rectification actions being taken will not breach the requirements of Australia's MS legislation.
- Setting up with our APC consultants management systems and procedures to allow staff to safely report modern slavery concerns in our own entity's operations and supply chains.

### 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,

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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 FY2024/2025, 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 undertake internal audits of our proposed action plans.

### **Next Steps**

Sanwa is committed to the following actions during the FY2024/25 reporting period:

- Risk Assessment – continue to undertake a detailed risk assessment via our iPRO questionnaire of our operations and supply chain risks till we have as close to 100 percent responses as realistically possible. Work with the largest suppliers and those most at risk of MS breaches to improve the Sanwa MS Supplier Risk Profile
- Review these results and work with our largest suppliers to understand the MS risk profile better and work with them to improve any areas which may contravene MS expectations.
- Supplier Code of Conduct– Develop a final Sanwa Supplier Code of Conduct
- Training and Awareness – continue and improve internal Modern Slavery training program for all staff.

### **Consultation within the Group.**

Sanwa Pty Ltd and the trading business that it conducts is a stand-alone business independent from other companies within the 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 has been signed by the CEO of the other companies within the Group (HVG) for the 2023/24 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 IPRO.

### **Signed**

This statement was approved by the Board of Directors of Sanwa Pty Ltd on the 10th of January 2025 and signed on this same day by the Director of Trading Operations.



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David Roberts / Director -- Trading Operations.

...../ January / 2025