



# MODERN SLAVERY STATEMENT FINANCIAL YEAR 2025

This Modern Slavery Statement has been prepared as a joint statement on behalf of the HVG group of companies.

The joint statement has been prepared for HVG Management Services Pty Ltd (ABN 88 649 373197), HVG Facades Pty Ltd (54 634 557 270), HVG Building Pty Ltd (ABN 55 649 379 993), HVG Graphics Pty Ltd (ABN 75 649 379 635), HVG Fabrics Pty Ltd (ABN 30 649 411 763), HVG Manufacturing Pty Ltd (ABN 31 655 562 977) and Smartstone Australia Pty Ltd (19 148 937 008).

This group of companies is collectively referred to as “HVG”.

## Our Commitment

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

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. The key elements of modern slavery are exploitation where an uneven negotiating relationship allows one party to take advantage of the other and in particular where there is a lack of transparency or actual deception in the relationship prior to it being formalised.

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

HVG 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.



# Our business, operations and supply chain

HVG is a diversified industrial products distribution business. We import and distribute building façade products, sintered stone, graphics media, decorative building products and performance fabrics throughout Australia. We also manufacture melamine board and cabinet doors.

Sanwa Holdings Pty Ltd is HVG's parent company and is a 100% Australian family owned business.

*Our mission is to be the distribution partner of choice, offering industry-leading expertise in sales, marketing, and logistics to our suppliers.*

At HVG, this mission unites us all. It is the driving force at the core of everything we do.

Each HVG company is a specialist in their segment market, focused on providing customers with leading brands, quality products and experienced sales and technical support. We are Passionate People Distributing Leading Brands to the benefit of our customers and our suppliers.



# MODERN SLAVERY STATEMENT

At HVG we stand for something bigger than product distribution, we believe in a culture of support, empowerment and accountability, with a common set of values.

## HVG's core values:



### **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 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.



### **Suppliers**

We act to advance our suppliers' business along with our own for mutual benefit.



### **Safety**

We aim for zero harm to our staff, our customers and the environment in everything we do.

## Operations

HVG's registered office is located at 29 Henderson Street, Turrella, New South Wales.

With our head office in Sydney, we provide local customer service and a national distribution network with warehouses and offices located in Melbourne, Brisbane, Gold Coast, Adelaide and Perth.

Our teams are the cornerstone of everything we do here at HVG. With 200+ passionate and dedicated staff nationally, 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 six core businesses provide our customers a wide selection of materials to suit their specific requirements, risk preferences, priorities and concerns.

### Supply chain

HVG is heavily reliant on the use of Australian and overseas suppliers.

HVG has over 1,450 direct suppliers from Australia, USA, China, UK, Taiwan, Thailand, Germany, Austria, Switzerland, Italy, Sweden, South Africa, South Korea, Japan, Hong Kong and New Zealand that provide semi-finished goods which HVG then sell to manufacturers who add value to turn those goods into finished products.

The majority of our customer base is within Australia, however, we do export goods to New Zealand and the Pacific Islands. HVG engages with Australian based business partners, many of whom source materials from overseas.

English is the language in which we 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 China, Indonesia, Singapore, Malaysia, Taiwan, Thailand, Germany, Austria, Switzerland, Italy, Sweden, Japan and South Africa.

HVG is committed to assessing and reviewing risks and processes as part of our Modern Slavery risk review efforts. We will also conduct an ethical survey for both our existing and new customers to ensure continued progress in this area.

### Modern slavery risks in our operations and supply chain

In FY2021 and again in FY2025, HVG completed an initial assessment of the risk of modern slavery in its operations. The risk of modern slavery in our workforce, whether employees or temporary labour hire 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. We engage external legal professionals to carry out ad hoc salary audits and employment agreement reviews to ensure corporate compliance with government regulations.

In HVG, approximately 88% of employees are covered by modern awards.

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.

## MODERN SLAVERY STATEMENT

HVG has only a small percentage of its total workforce employed as temporary labour hire workers, and all within Australia. The employment agencies that support our business are generally considered low risk given the maturity of the industry, strong supplier reputations and professional nature of the services provided.

Recognising that the greatest risk of modern slavery lies within our supply chain, HVG will continue conducting detailed risk assessments throughout the 2024/2025 financial year. This will include addressing inherent risks associated with supplier locations and industries, as well as evaluating risk controls such as policies, procedures, and workforce practices. These efforts reflect our ongoing commitment to mitigating modern slavery risks across our supply chain.

Recognising the greatest risk of modern slavery is in our supply chain, HVG undertook a detailed risk assessment of its supply chain in FY2022.

### Modern slavery risks in service contract partners

HVG engages a range of third-party contractors, including shipping and trucking companies, customs brokers, and legal service providers. The majority of these contractors are based in Australia, with the exception of a few large multinational shipping companies responsible for managing sea freight operations.

Given the size and scale of these multinational shipping companies, HVG has not prioritised their activities as a significant modern slavery risk. These organisations, as multi-billion-dollar enterprises, possess the infrastructure and incentive to address modern slavery risks independently.

Our review confirms that most of these companies have Modern Slavery Policies aligned with Australian legislation.

HVG avoids using smaller shipping companies without operations or staffing within Australia, ensuring alignment with our ethical standards. By focusing our resources on other parts of the supply chain, we aim to maximise our leverage and address areas with potentially higher risks.





# Actions taken to assess and address our modern slavery risks

As this is now our second reporting period for Modern Slavery, HVG's focus has been around education and awareness, and further establishing a framework and action plan to ensure modern slavery is considered in all our operational and supply chain relationships.

### Key actions undertaken include:

- Modern Slavery Action Plan developed summarising the key areas of focus for the next two years. The action plan is a dynamic document that is progressively updated and revised.
- Company Modern Slavery Statement finalised and signed off by the HVG Board. This policy has been communicated to staff and is available on our intranet, our HVG website and it is available to customers and suppliers upon request.
- Ethical Sourcing Survey developed. This is a confidential questionnaire for suppliers of goods and services to HVG which will assist identify and assess possible modern slavery risks in our supply chain. This survey will be utilised as part of the detailed risk assessment of our supply chain in the future.
- Legal reviews undertaken on salary audit (permanent and casual staff) and employment agreements.

## HVG modern slavery risks in supply contract partners

At HVG, we prioritise our main supply contract partners by dedicating significant time and resources to those with whom we conduct the most business. This includes inspecting production and related facilities, and engaging in high-level discussions with our largest suppliers. These efforts aim to improve their practices and ensure alignment with the expectations of the International Labour Organisation (ILO) guidelines and Australian Modern Slavery requirements.

In some cases, senior HVG staff have made repeated visits to suppliers' facilities and held discussions with their leadership team. These efforts emphasise the importance of addressing practices that, while potentially legal in their own countries, may not meet international expectations.

We acknowledge that influencing large global corporations to modify longstanding practices can be challenging. However, we have found that open dialogue and collaboration often lead to positive changes. Where concerns have arisen, our suppliers have demonstrated goodwill and a willingness to implement changes to meet compliance expectations.

# Actions taken to manage supply partner risks

### **Enhancing Risk Management:**

HVG has developed and refined its screening processes for new suppliers to assess modern slavery risks, which also includes our Ethical Survey.

### **Action Plan Updates:**

We maintain a comprehensive action plan, updated regularly to reflect ongoing insights and improvements.

### **Staff Awareness:**

HVG continuously reminds staff of the importance of our Modern Slavery Statement, endorsed by our leadership team and available on both our intranet and all our websites.

### **Data Analysis and Supplier Engagement:**

Conducted a detailed analysis of our product purchases for the financial year ending June 30, 2024.

By continuously assessing and addressing risks, HVG remains committed to mitigating modern slavery within our supply chain while maintaining strong and ethical supplier relationships.





# Assessing Our Effectiveness of Actions Taken

Managing the risk and assessing the effectiveness of HVG's actions requires ongoing commitment and collaboration with our suppliers and business partners. To manage this an internal Modern Slavery Working Group has been created.

### **The Working Group comprises the following:**

- Chief Executive Officer
- Executive Director

In FY2025, the Working Group will determine the most appropriate method, scope and resources for assessing the effectiveness of our approach and processes related to modern slavery risks.

As we work through the Modern Slavery Action Plan developed in FY2021, the Working Group will review and monitor the progress of all actions, reporting to the Board of Directors as and when required.

### **Next Steps**

HVG is committed to the following actions during the FY2025 reporting period:

- Risk Assessment – undertake a further detailed risk assessment of our operations and supply chain; review results and agree a plan to monitor and mitigate key risks.
- Due Diligence – implement further due diligence by amending our supplier and customer screening process (at the time of tender/sourcing new suppliers to include questions around modern slavery risk and compliance).
- Policies and Standards – incorporate modern slavery compliance in supplier agreements, Terms & Conditions of Trade and HVG Policies & Procedures Manual.

This statement was approved by the Board of Directors of the HVG group of Companies in January 2025

Stephen Dorrofield  
Chief Executive Officer

## MODERN SLAVERY STATEMENT



### **SYDNEY**

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### **ADELAIDE**

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### **BRISBANE**

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### **PERTH**

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