



MODERN SLAVERY STATEMENT

FINANCIAL YEAR 2021

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 88 649 373 197), 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) 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.

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

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“Passionate People Distributing Leading Brands.”

Our Business, Operations and Supply Chain

HVG is a diversified industrial products distribution business. We import and distribute building façade products, engineered stone, graphics media, decorative building products and performance fabrics throughout Australia. SANWA Holdings Pty Ltd is HVG’s parent company and is a 100% Australian family owned business.

“To be the distribution partner of choice, providing industry leading sales, marketing and logistics expertise to our suppliers.”

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.

Our Mission is “to be the distribution partner of choice, providing industry leading sales, marketing and logistics expertise to our suppliers”. At HVG we are united by this one mission, and it is the single ambition that is at the heart of everything we do.



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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 ARE:



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 localised 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 five core businesses provides our customers a wide selection of materials to suit their specific requirements, risk preferences, priorities and concerns.

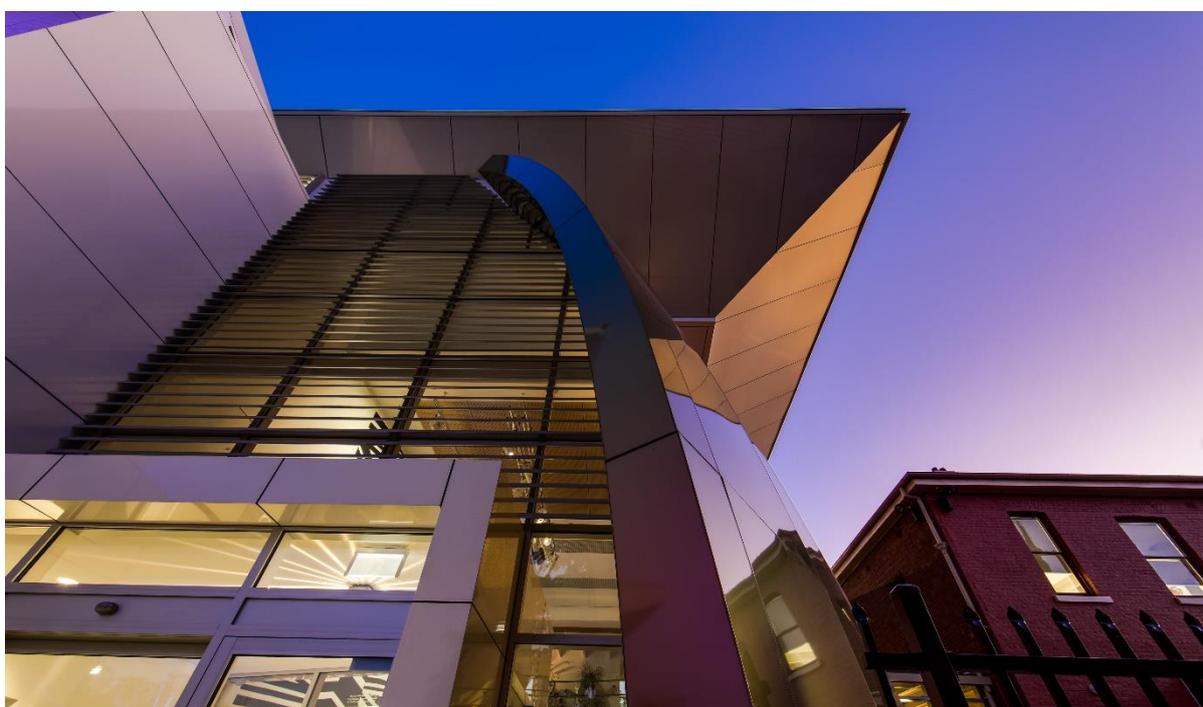
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Supply Chain

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.



Modern Slavery Risks in our Operations and Supply Chain

In FY2021, 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.

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



Actions Taken to Assess and Address our Modern Slavery Risks

As this is our first reporting period for Modern Slavery, HVG's focus has been around education and awareness, and 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. 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 FY2022.
- Legal reviews undertaken on salary audit (permanent and casual staff) and employment agreements.



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 Financial Officer
- Payroll Manager
- Executive Assistant to CEO

In FY2022, 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 FY2022 reporting period:

- Risk Assessment – undertake a 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 & Standards – develop Supplier Code of Conduct and incorporate modern slavery compliance in supplier agreements, Terms & Conditions of Trade and HVG Policies & Procedures Manual.
- Training and Awareness – roll out of an internal Modern Slavery training program to all staff.

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Impact of COVID-19

The effects of the world-wide shortage of container ships and raw materials impacted supply of our product into Australia, however, generally, HVG's operations and supply chains remained resilient during the reporting period. We implemented comprehensive COVID-19 safe procedures and guidelines in our offices and warehouses, comprising of social distancing, personal screening, additional hygiene and cleaning measures, procedures for customers and delivery drivers, and shutdowns where necessary.

We maintained strong communication links with all of our national offices and supply chain to ensure consistent health protocols were followed by all workers on site.

This statement was approved by the Board of Directors of the HVG group of Companies on 1st July 2021.

A handwritten signature in black ink, appearing to read 'Bruce Rayment', with a stylized flourish at the end.

Bruce Rayment

Chief Executive Officer

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