



Modern Slavery Statement

LONGi Solar Australia Pty Ltd
CY2021

This statement covers the activities of LONGi Solar Australia Pty Ltd (ACN 632 322 288) (**LONGi Australia**) during the year ended 31 December 2021.

This is our first modern slavery statement under the *Modern Slavery Act 2018* (Cth) and sets out the actions we have taken to assess and address modern slavery risks in our operations and supply chains.

This statement has been approved by the Board of LONGi Australia on 21st June 2022.

About us

LONGi Australia is committed to becoming a role model in providing sustainable solar technology services and enabling greater returns on investments made by customers. It aims to achieve this alongside promoting the ecological restoration of the Earth and facilitating the creation of a green planet for the future.

At LONGi Australia, we recognise that respecting the human rights of those affected by our business activities is important. We act in strict abidance with the business ethics of honesty, trustworthiness, integrity and self-discipline and implement the principles set out in the Code of Conduct which applies across the broader LONGi Green Energy Technology Co., Ltd group (**LONGi Group**) in our business dealings.

In accordance with the LONGi Group's Code of Conduct, we uphold a commitment to maintain respect for the basic human rights of all internal and external workers, including through:

- mandating a minimum age for employees;
- recognising employees' rights to freedom of association and joining trade unions;
- prohibiting child labour, prison labour, slavery and human trafficking;
- providing a commitment that we do not engage in or tolerate any form of modern slavery, forced labour or human trafficking;
- committing to ensuring that our use and sale of any goods does not contribute to any form of forced labour; and
- complying with applicable laws on wage, working hours and benefits.

Our structure

LONGi Australia is a company incorporated in Australia and our registered office is located at 17.02, 570 George Street, Sydney NSW, 2000.

LONGi Australia is a subsidiary of LONGi Solar Technology Co., LTD (**Parent Company**), headquartered in Xi'an, China. Our Parent Company and its subsidiaries conduct a diversified range of business activities across more than 150 countries and regions across the globe with respect to solar technology, including the supply and manufacture of mono-crystalline silicon products and associated research and development, production, sales and marketing activities.

LONGi Australia does not have any owned or controlled entities.

Our operations

The LONGi Group specialises in the research and development, production and sales of monocrystalline silicon products as well as the provision of PV solutions for various application purposes. Products are manufactured in production bases located in China, Vietnam and Malaysia, which are operated by other entities in the LONGi Group. Our '2020 Sustainability Report' provides an outline of the operations and sustainability agenda across the LONGi Group.

LONGi Australia's operations comprise of the marketing and sale of solar panels for Australian projects and developments. LONGi Australia sources all of its solar panels from the LONGi Group. The physical products that LONGi Australia receives are managed through third party logistics providers, including through warehouses located in Sydney, Melbourne, Brisbane and Perth.

LONGi Australia's core operations, including our supply of products and services, are mainly targeted to Australia. We also supply some products to New Zealand.

We currently engage 16 employees.

Our supply chain

As part of a vertically integrated group, we obtain our supply of solar panels and other monocrystalline materials from our Parent Company. We also work directly with a small number of suppliers who support us in operating our business. These suppliers are primarily located in Australia.

The main types of goods and services that we procure are monocrystalline silicon based solar panels and other goods and services in relation to our on-selling of those products, including:

- transportation and shipping services; and
- logistics services in connection with the import and export of materials.

We engage our suppliers on a long term and relatively stable basis. Our transportation service providers are engaged through formal contractual arrangements. When engaged, each transportation service provider enters into a Transportation Services Agreement and is required to carry out its services in accordance with the terms of that agreement.

We also procure services from professional service providers including, for example, accountancy, audit and legal services.

As a result of the reliance on our Parent Company as our primary supplier of goods, we also have a number of indirect suppliers who provide materials required for the manufacturing processes undertaken by the broader LONGi Group.

Modern slavery risks

We recognise that modern slavery may impact our business activities and we endeavour to take responsibility for reducing the risk that we might contribute to modern slavery through our operations and supply chains.

Risk assessment methodology

We developed a risk assessment methodology which considers a number of indicators of modern slavery risks including sector and industry, the type of products and services, geographical location and specific entity risk. We applied the risk methodology to our key direct suppliers and also the key indirect suppliers engaged by our Parent Company to supply materials needed for product manufacturing.

Our initial risk assessment has indicated that our operations and supply chain have medium potential for modern slavery risks. We also determined that our indirect suppliers present a medium risk of modern slavery, based on an assessment of the recognised risk measures and relationship between the LONGi Group and the supplier. Our risk profile is summarised in the table below.

Risk profile

| Risk | Description of risk |
|-------------------|--|
| Sector /Industry | <p>The manufacture of renewable technologies forms part of the broader LONGi Group's operations. The procurement of materials used to manufacture renewable technology, including solar panels, is doubted or challenged to involve a risk of modern slavery. However, to a large extent, such risks are mitigated by LONGi Australia as we solely procure our renewable technology supplies through our Parent Company, who have processes in place to address this risk, including:</p> <ul style="list-style-type: none"> - Sustainable Development principles and practices; - a Supplier Code of Conduct; - a process for supplier selection and certification requirements; - a whistleblower mechanism; and - audit processes for its important suppliers. |
| Product / Service | <p>The most significant modern slavery risks are present in our procurement and provision of solar technologies. As discussed above, this risk is largely at the manufacturing level and associated with the raw minerals used to produce these products further down the supply chain.</p> <p>The risk is largely mitigated in LONGi Australia's operations given the direct procurement relationship with our Parent Company, who have a number of mechanisms in place to limit modern slavery risk. We understand that a number of the suppliers have signed the LONGi Group's Supplier Code of Conduct, providing undertakings to not engage in a number of modern slavery related practices. We also have some visibility over these suppliers and understand that some of these services also require more specialised knowledge of employees, lowering the risk of employing base-level employees who are at a higher risk of being exposed to modern slavery.</p> <p>A large portion of our supply expenditure is also on services that assist with the transport and provision of the technologies procured from our Parent Company. This includes maritime container transport services and other logistics services. LONGi Australia acknowledges that an inherent sector risk exists further down the supply chains of some companies who deliver these services.</p> <p>Another contributor to our supply expenditure are services required for LONGi Australia's operational function. These services present minimal risk, with many of our direct suppliers either being Australian based, having internal policies in place to address modern slavery risks and, in some cases, previously submitting Modern Slavery Statements to the Australian Border Force.</p> |
| Geographic | <p>Many of our direct suppliers are Australian-based and, as such, present a minimal geographic risk.</p> <p>Most, if not all, of our broader indirect suppliers engaged by our Parent Company in the upstream manufacturing process (including our Parent Company itself) are located in China. China has been identified as a high risk country, especially within this industry. We acknowledge that this gives rise to an increased inherent geographic risk of engagement in modern slavery practices. This geographic risk is minimised in respect to some suppliers who are located within more developed and sophisticated areas of China, such as Shanghai, many of which are also large publicly listed companies. Many of the smaller indirect suppliers have made human rights related commitments in internal policies and regulate employee and contractor conditions more generally through executed labour contracts. This risk is also mitigated more generally as a result of the developed risk management processes and control measures applied by our Parent Company when engaging</p> |

| | |
|----------------|---|
| | suppliers, including requiring that suppliers adhere to the LONGi Group Supplier Code of Conduct. |
| COVID 19 risks | We did not identify any additional risks in our operations and supply chains as a result of COVID-19. |

Actions to assess and address risk

We understand the importance of working collaboratively with our employees, suppliers and the broader industry to combat modern slavery. We manage engagement with our employees in accordance with the open, fair and equal employment policy that applies across the broader LONGi Group. We also adopt the broader policy stances of the LONGi Group with respect to treatment of our employees and the employees of our suppliers (through the LONGi Group's Supplier Code of Conduct), extending to:

- forbidding child labour and forced labour during production and services;
- not interfering with employees' freedom of religion;
- not tolerating any discrimination on employees' ethnic minority, race, nationality, religion, gender, age, disability or marital states;
- respecting employees' rights to free association and conducting collective negotiation; and
- insisting on equal pay for equal work among males and females.

We have also undertaken a number of specific steps to assess and address modern slavery in our operations and supply chains.

Due diligence

As noted above, we undertook an initial risk assessment to identify any key modern slavery risks that existed within our operations and supply chains.

As part of this, we also commenced a supply chain mapping exercise to ensure that we have a complete understanding of all of our suppliers, including the key indirect suppliers engaged by our Parent Company, and the extent of modern slavery risks present in their operations and supply chains. As explained below, we assessed these suppliers and allocated a relevant risk rating based on the level of risk presented.

Governance and accountability framework

LONGi Australia has a set of values that recognises our responsibilities to all stakeholders. These values are largely set out in the LONGi Group's Code of Conduct, which is the overarching mechanism governing the corporate behaviour of all entities in the LONGi Group. Staff of LONGi Australia are responsible for upholding these values and acting in accordance with them when engaging in business on behalf of LONGi Australia.

Driven by our commitment to the planet and human, we stand with the solar industry in supporting the human rights of all workers. It is evident through our LONGi Group's Code of Conduct and ethical values that we do not engage in or tolerate any form of forced labor, modern slavery or human trafficking. In CY2021, the compliance department has been organized and established, we have also continued to work to develop a dedicated modern slavery working group responsible for monitoring modern slavery compliance and risk. The compliance department also began considering the development of a corporate social responsibility (CSR) compliance management system, which would be established to apply worldwide and at all levels of the organization. LONGi Australia shows zero tolerance for forced labor and modern slavery.

We have developed a plan for enhancing our modern slavery governance and accountability framework over the next reporting period, including through reviewing our company policies to ensure that modern slavery considerations are appropriately captured and establishing our dedicated modern slavery working

group and CSR compliance management system. Further, we are currently in the process of developing a Modern Slavery Policy for our business that further establishes our commitment to addressing modern slavery risks in LONGi Australia's operations and supply chains.

Policies and procedures

We operate with reference to the LONGi Group's policies and procedures regarding risk management, including the Internal Audit Management Measures, Supervision Management System, Internal Control Management System and Internal Control and Self-evaluation of Internal Control System. These procedures provide frameworks for managing risks in our operations, including through the use of control measures. Additionally, LONGi Australia has also developed a number of company-specific tools and documents intended to guide operations and assist with our modern slavery compliance efforts.

During CY2021 we commenced the process of reviewing a number of our existing policies and procedures to ensure we have strong frameworks to enable us to assess and address modern slavery risks. This included:

- reviewing and refining our current risk assessment tools for assessing modern slavery risks; and
- reviewing and amending our template Transportation Services Agreement to include more detailed modern slavery obligations.

We also commenced the process of creating additional company policies to further enhance our modern slavery toolkit, including a Modern Slavery Policy that establishes our commitment to addressing modern slavery risks in our business and driving accountability for ethical business practices across our organisation.

These policies and procedures complement our existing governance framework which includes our LONGi Group's Code of Conduct and Supplier Code of Conduct, both of which LONGi Australia adopts for its own operations. The Supplier Code of Conduct specifically requires that our suppliers:

- prohibit any form of child labour and forced labour, insist on offering equal employment, and provide equal job opportunities for all employees; and
- respect employees' dignity, privacy, and other relevant individuals' rights within the workplace, and make sure that employees are free from any form of discrimination, harassment and abuse.

Training

During CY2021 we also commenced the process of developing targeted training for specific employees in each of our procurement, compliance and legal teams. This training is intended to raise awareness among employees of modern slavery risks and where they may arise in our business. Specifically, it will assist employees to develop their understanding with respect to:

- how to identify modern slavery risks;
- how to exercise leverage;
- the requirements of modern slavery legislation more generally; and
- recent developments in the modern slavery space.

This training is also intended to make reference to a number of case studies and provide examples of practical issues which may arise, to assist employees to identify and assess modern slavery risks on a more practical level.

We intend to roll-out this training in the 2022-23 reporting period.

COVID-19

The COVID-19 pandemic has brought further challenges to modern slavery and highlighted social and economic inequalities worldwide. The LONGi Group has ensured that its own operations, and those of its suppliers, through the Supplier Code of Conduct, continue to comply with required employment standards.

Other

The requirements of conflict-free minerals are included in the Supplier Code of Conduct of LONGi Group. The Supplier Code of Conduct sits alongside a number of other mechanisms used to assess and regulate risks in service procurement across the operations of the broader LONGi Group and has been the subject of continuing review. As discussed above, LONGi Australia requires its suppliers to comply with this policy throughout the lifetime of their engagement. The LONGi Group, more broadly, has also remained committed to adopting measures in the future to manage mineral supply and encourage the use of conflict-free minerals.

In CY2021 we engaged external consultancy services to assist us to better understand our modern slavery obligations, the risks of modern slavery practices which arise in our business portfolio and to refine and develop materials to better identify, assess and address these risks moving forward.

Assessing our effectiveness

We are committed to reviewing the effectiveness of our actions with respect to managing modern slavery risks in our operations and supply chains and have maintained a focus on our broader CSR compliance since 2020. We are committed to:

- regularly reviewing our modern slavery processes;
- assessing whether our existing risk management processes are appropriate each time that a new operation is commenced or a new supplier is engaged;
- embedding a dedicated working group for modern slavery compliance; and
- consider reports of concerns about modern slavery in our business from employees, business partners and suppliers.

We also adopt the LONGi Group's audit processes, which assist us to evaluate the effectiveness of the modern slavery risk assessments that we undertake in respect of our suppliers. As part of this, we obtain the benefit of LONGi Group's annual audits of important suppliers and supplier performance evaluations where it is deemed necessary. Specific audits of some of the LONGi Group's factories and suppliers were also undertaken in CY2021, to assess their conduct against the LONGi Group's Code of Conduct and Supplier Code of Conduct.

Consultation

Given that LONGi Australia does not have any owned or controlled entities, there is no requirement of consultation under this section. However, we have explained below the process by which this statement was developed within the LONGi Group.

As a subsidiary of LONGi Solar Technology Co., LTD, LONGi Australia's approach to modern slavery is largely comprised of overarching policies, systems and processes that are designed to be consistently applied across the LONGi Group.

Prior to being put to the Board of LONGi Australia for review and approval, this statement was reviewed by the Managing Director, LONGi Australia, the Human Resources Business Partner, LONGi Australia, the Business Continuity Management Team, our legal department and our compliance department.

CY2022 focus

As this is our inaugural statement, we recognise there are further steps we can take to assess and address the risks of modern slavery in our operations and supply chains.

In CY2022, our areas of focus are anticipated to be:

- finalising our modern slavery policy for adoption and implementation;
- rolling out our revised template transportation services agreement containing revised modern slavery provisions;
- rolling out our targeted modern slavery training programs to LONGi Australia employees;
- progressing the development of more robust self-assessment tools for monitoring the effectiveness of the steps we have taken to address modern slavery risks;
- inserting revised modern slavery clauses into all of our contracts with our suppliers and contractors;
- continuing to conduct due diligence on suppliers to identify modern slavery risks;
- implementing a dedicated modern slavery working group; and
- further developing and establishing our CSR compliance management system.

This statement was approved by the Board of LONGi Australia in its capacity as principal governing body of LONGi Australia on 21st June 2022.

This statement was signed by Stephen Zhang in his capacity as Managing Director and board member of LONGi Australia.



Stephen Zhang
Managing Director
LONGi Solar Australia Pty Ltd