



Solargain PV Pty Ltd

Modern Slavery Statement
Financial Year 2021/2022



Introduction

Solargain PV Pty Ltd (ABN 90 132 725 501) submits this Modern Slavery Statement pursuant to the *Modern Slavery Act 2018 (Cth)* in respect of the financial year 1 July 2021 to 30 June 2022 (“FY22 Reporting Period”)

This statement covers the activities of Solargain PV Pty Ltd (ACN 132 725 501) and its wholly owned and controlled entity Solargain (QLD) Pty Ltd (ACN 152 166 160), Solargain (QLD) Pty Ltd is currently inactive.

In this Modern Slavery Statement, Solargain PV Pty Ltd and its controlled entities are referred to as “**Solargain**”

Solargain values and promotes high ethical standards within our business, both internally and from our suppliers and partners. Solargain is committed to preventing modern slavery in all forms within our own operations and activities and to continually contribute to preventing modern slavery within our supply chain, requesting our suppliers hold their own supply chains to the same high standards. We acknowledge and recognise however, that there are complex global issues that exists within the renewable energy industry, especially in the mining of raw materials and manufacture of key components. We continue to encourage our business partners and suppliers to develop and implement programs and standards that are aligned with those of Solargain.

Acknowledging there is further work to be done, Solargain is committed to raising awareness, identifying and addressing modern slavery risks within our operations and supply chains. We see this as a critical issue, and it is essential we are doing our part to improve the integrity of business and our industry and contribute to the global goal of eliminating Modern slavery.

Structure and Operations

Solargain is a family-owned Australian Private Company first registered in August 2008, headquartered in Malaga, Western Australia with operations throughout Australia.

Solargain is one of the largest solar energy providers in Australia. Specialising in residential and commercial solar and energy storage installations as well as the wholesale supply to the renewable energy sector.

Our business covers the supply, installation and servicing of solar PV systems, energy storage systems and hot water systems, as well as the wholesale supply of solar products, including solar modules, inverters, batteries, mounting equipment, solar system components and hot water systems, and the trading of renewable energy certificates. Solargain includes the trading names SG Wholesale and Service My Solar. Currently there is no trading activity in the Solargain (QLD) Pty Ltd entity.

In addition to our direct company operations, Solargain engages with several small businesses in regional locations throughout Australia who are Solargain Authorised Distributors.

Solargain employs a diverse range of people in operational, trade, technical, sales, administration and professional roles. As at the 30th June 2022, Solargain had approximately 175 direct employees operating from more than 10 sites across Australia. Our employees are employed under a contract that

complies with the Fair Work Act and the National Employment Standards (NES) and where applicable in accordance with and reference to relevant awards.

Supply Chain

The products and services (including labour) that contribute to Solargain's products and service offerings include suppliers within Australia and overseas. In FY22, 73 per cent of the total spend was for products manufactured overseas and procured from suppliers with operational representation within Australia or through Australian distributors.

The suppliers we engage with are primarily based on long term arrangements and predominately though entities located in Australia, but also located in the Philippines and China with the manufacture of the products occurring in a number of countries including China, South Korea, Austria, Mexico, Indonesia, Malaysia, and Australia.

Our supply chain includes the following products and services:

- Support Services – accounting and finance services, administration, marketing, IT services, procurement and logistics and consultants – engineering, legal and recruitment. A majority, (over 99%) of these services are all locally and Australian sourced and provided services, we engage the services of a BPO based in the Philippines for some administration and finance functions.
- Construction Installation Services – residential and commercial Solar PV, energy storage and hot water systems installations and maintenance. Where these functions are not provided internally, they are all supplied by locally procured contractors.
- Product and Material Supply, including products that are manufactured overseas and supplied either direct from overseas manufacturers or via distributors located in Australia. Solargain does not manufacture any products itself.
- Ancillary services – being cleaning contractors, premises maintenance contractors, uniform and clothing suppliers, all sourced from local suppliers.

Our material supply chain is represented as:

55% - direct overseas manufacturers/suppliers (all with an Australian office)

18% - products manufactured overseas, sourced though an independent Australian distributor

27% - Generic other supplies and services, including subcontractors and indirect suppliers.

Solargain employs its own in-house installers (including electricians and plumbers). We also engage independent contractor installers and plumbers, all of whom are small businesses.

Modern Slavery Risk

Solargain recognises that modern slavery may impact our business activities and we are committed to reducing the risk that we might contribute to modern slavery through parts of our business operations and supply chains.

We expect our employees, contractors and suppliers to adhere to high ethical standards and comply with applicable laws, including those related to modern slavery and human trafficking.

The majority of Solargain's purchases are for solar PV and hot water systems and components, all of which are manufactured overseas. Due to the products, product raw materials and the manufacturers' geographical location, Solargain recognises these have a high potential of modern slavery risks.

In particular, materials used in the production of Solar modules, from China has been identified as a product whose production carries with it a high risk of modern slavery. Lack of visibility in overseas production markets, particularly in downstream material supplies adds additional modern slavery risks to the products used within our industry.

There is also some risk indirectly through the equipment used in corporate services (computers, laptops mobile phones and uniforms and safety equipment).

Within Solargain's Australian operations, the risk of modern slavery in the workforce is low. Apart from our direct employees, a large number of our suppliers are subcontractors who are small business operators with a majority of them working within their businesses. Solargain ensures that as a minimum are paid in line with the National Employment Standards and applicable Awards and contractors are paid commercial rates for their work.

Across 2021/2022, no specific modern slavery suspicions or concerns within our business or supply chains, have been brought to Solargain's attention, nor have we identified any specific modern slavery breaches, the risks are those areas identified above.

Actions and Due Diligence to assess Modern Slavery Risk

Solargain is committed to ensuring there is transparency in our own business and in our approach to handling modern slavery throughout our supply chain. Having a direct purchasing relationship with a majority of the manufactures we use; we request the same high standards from all of our suppliers and other business partners.

We are committed to improving our procurement systems to have better oversight over our suppliers, in particular those suppliers in high-risk jurisdictions, or who supply products that are seen as higher risk. For suppliers that represent a higher risk, Solargain will be evaluating and developing more comprehensively supplier assessment.

Due Diligence

Solargain has undertaken an initial internal risk assessment to identify any key modern slavery risks that exist within our operations and supply chains. Following the risk assessment, Solargain is either implementing or improving our process to address these risks.

Solargain undertakes an internal supplier assessment for all major suppliers as part of our due diligence, which is completed on an ongoing and regular basis. An assessment of modern slavery risk is incorporated into the supplier assessment, which includes a modern slavery questionnaire to be completed by suppliers and submitted to Solargain. We will be looking at including a section within this assessment relating to COVID and pandemics in general to assess any related risks exposure for suppliers in relation to this. We will also be seeking to include an annual declaration from suppliers of

their compliance to a Supplier Code of Conduct, including meeting modern slavery requirements within their organisation.

In doing so we will prioritise our suppliers with highest spend and those sourcing materials from countries identified as having a higher risk of modern slavery.

Solargain has also identified that a number of contracts with suppliers need to be reviewed to include a specific contractual commitment and clause with regard to Modern Slavery risks and will seek to ensure the inclusion of an appropriate contractual clause and terms with all suppliers. We are updating supply agreements and contracts to include clauses related to the implementation of procedures to address modern slavery and developing a supplier code of conduct in relation to modern slavery.

In the event that a risk is identified within our supply chain, or with a supplier, Solargain will work with the supplier to remedy the issue or risk, by applying corrective actions within a defined time frame, where this is not possible or not achieved, Solargain may terminate the supplier relationship.

From time to time, Solargain will undertake factory inspections of major suppliers. This is to meet with manufactures and inspect facilities to review quality and ethical practices. No inspections took place across the financial period 2021/22.

The Australian solar market only represents a small (minor) percentage of the global solar market, and as such we lack leverage or influence over large international manufacturers. We are therefore reliant on the global renewable energy industry and governments to apply influence over the manufacturers and suppliers' policies and processes in relation to modern slavery within the renewal energy sector.

Indirectly however, Solargain through its larger business partnerships is working towards offering only those products where the manufacturers comply with modern slavery obligations. And welcome industry groups providing consistency to participants in reducing the risks of forced labour in the supply chain.

Awareness and Training:

Solargain recognises it is essential that internal training and development promotes awareness in relation to modern slavery risks.

To assist with the identification of modern slavery risks Solargain is committed to developing and providing ongoing modern slavery awareness and training to employees to provide them with the knowledge to identify modern slavery and equip them with what to do if they suspect any modern slavery. This training will be required to be undertaken by all new employees on commencement and refresher training by all employees annually and will be available to all in an online platform that is being developed.

In addition, modern slavery awareness training will form part of the onboarding process for contractors and will be made available to our distributors where they do not already have one. We will also invite both contractors and distributors to establish their own statements, policies and procedures in relation to modern slavery.

Policies:

Solargain has implemented a Modern Slavery Policy as part of our continued effort to have in place effective systems and controls to identify modern slavery risks and ensure modern slavery is not taking place anywhere within our own business or our supply chain.

In addition to the Modern Slavery Policy, Solargain will review and improve any policies and procedures relevant to actions in relation to Modern Slavery. Including developing a Responsible Sourcing Policy and procedure and reviewing and updating the Solargain Code of conduct, which is also to be extended to contractors and suppliers.

Assessment and Effectiveness

Solargain will continue to review the effectiveness of our actions and refine our process for mitigating the risk of modern slavery.

Senior management meet annually to consider and review:

- Whether our modern slavery risks are being appropriately identified and evaluated.
- The number of actions that have been implemented in relation to modern slavery.
- Supplier evaluations including modern slavery assessments and responses.
- Supplier factory visits, observations, and results of discussions in relation to modern slavery.
- Assessment of effectiveness and adherence of our policies and procedures, regarding modern slavery, procurement and HR.

Our focus to date has been to gain better understanding of modern slavery risks within our operations and supply chains. We know that there are further steps we can take to assess and address the risk of modern slavery in our operations and supply chains and to work collaboratively with our employees and suppliers to recognise modern slavery risk.

During the 2023 reporting period, Solargain will focus on:

- Review of company policies and procedures to address modern slavery issues, and ensure these are implemented across the business, including rolling out the Supplier Code of Conduct.
- Review and revise of relevant contractual agreements and templates– to ensure Modern Slavery clauses are both included and relevant.
- Continued development of online training platform – to include modern slavery and forced labour training for all employees, development of training material.
- Continued supplier assessment, and refining the assessment process due diligence process, inclusion of an annual declaration statement for major suppliers and suppliers in higher modern slavery risk areas, to confirm compliance with Solargain’s policies.

COVID-19

Over the reporting period, whilst improved, COVID-19 presented challenges for our business. Solargain continues to proactively manage these risks to our business and employees, by working closely with our supply partners to minimise impacts on both parties and ensure continuity of business.

However, due to the impacts of COVID on resources and capacity and the need to priorities business needs and risks, several improvements that where to be implemented or refined in relation to Modern slavery have been delayed. In addition, travel restrictions meant a number of supplier assessment where unable to be undertaken.

Consultation

Solargain owns and controls Solargain (QLD) Pty Ltd (ACN 152 166 160). Solargain (QLD) Pty Ltd is currently inactive, there is no trading activity within this entity. One of the directors of Solargain PV Pty Ltd is also the director of Solargain (QLD) Pty Ltd this enables any consultation between the entities to occur naturally whenever and wherever required.

Solargain (QLD) Pty Ltd has no employees, the executives of Solargain PV Pty Ltd act and contribute to management of Solargain (QLD) wherever required and policies, procedures and management systems operate across the two entities.

Approval

This Statement was approved by the Board of Solargain PV Pty Ltd as the parent entity on 23rd December 2022.



Domenico Mercuri
Director and Secretary



Wayne Petridis
Director