

Smart Commercial Solar Modern Slavery Process 2024

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1. About this Process

This Modern Slavery Statement describes the actions we took to identify, prevent, and mitigate modern slavery in our own operations and in our supply chains. It is published in compliance with the Australian Modern Slavery Act 2018 by Smart Commercial Solar (SCS) which is headquartered in Sydney, Australia.

Smart Commercial Solar is currently reviewing its policies, systems, and processes to promote Modern Slavery risk management across operations and the supply chain. In particular, we wish to advise we are and will be undertaking due diligence to reduce the risk of engaging with suppliers who may have supply chains that have implications to modern slavery; bonded labour, child labour, unfair working conditions and wages, or exploitation including suppliers who are from countries covered by applicable sanctions legislation.

Refer to <https://dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list.aspx> to get more information on this matter.

Smart Commercial Solar values our suppliers, and we believe in working collaboratively with both suppliers and contractors, communicating clearly, and developing mutually beneficial relationships.

For this reason, we have engaged in a process of assessment of our suppliers, and ethical sourcing has become a priority within our company. This Modern Slavery Statement will cover the different steps of assessment we put in place. For more information about the Modern Slavery Act, please go to the Department of Home Affairs website <https://www.homeaffairs.gov.au/criminal-justice/Pages/modern-slavery.aspx>.

2. About Smart Commercial Solar (SCS)

Smart Commercial Solar is an EPC solar company specialised in Commercial and Industrial solar systems. Our goal is to improve our customers' businesses, and we put in place an 8-step process to make it happen:

- Energy Data Analysis: We develop a clear understanding of our customers' energy behaviours, requirements, and billing.
- Solar Feasibility Study: We assess the financial benefits of solar or storage for our customers' businesses.
- Pre-Sale Engineering: Our team inspects our customers' site to engineer a best-fit solution.
- Sales and Finance: We present a financing option tailored to our customers' needs.
- Project Management: We manage the end-to-end Engineering, Procurement, and Construction of the solar system.
- Quality Assurance: We implement stringent commissioning and testing to ensure reliable performance.
- Service: We set up a robust monitoring program and hand over the solar system.
- Customer Support: All Smart Commercial Solar clients receive detailed monthly reports and are supported by our dedicated Service Team.

3. SCS Modern Slavery Statement

Smart Commercial Solar's recognition of the Modern Slavery Act (2018)

As an independent ethos-based business, Smart Commercial Solar is fully committed to ensuring our operations and policies are aligned with identifying and managing Modern Slavery risks. For this reason, Smart Commercial Solar is constantly reviewing its policies, systems and processes to promote Modern Slavery risk management across operations and supply chain.

We undertake due diligence to reduce the risk of engaging with suppliers who have supply chains that may utilise modern slavery, bonded labour, child labour, unfair working conditions and wages, or exploitation including suppliers who are from countries covered by applicable sanctions legislation.

Whilst we recognise there are limits to our own and our suppliers' ability to establish a full confidence of no slavery involved in our supply chain, we are undertaking efforts to limit the possibility.

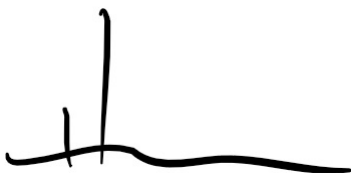
Refer to <https://dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list.aspx>
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Smart Commercial Solar values our suppliers and we believe in working collaboratively with both suppliers and contractors, communicating clearly, and developing mutually beneficial relationships. For this reason, we wanted to let you know that over time we will be including modern slavery considerations in our supplier onboarding and supplier review processes. We will also be undertaking a review of high impact, high risk suppliers.

For more information about the Modern Slavery Act, please go to the Department of Home Affairs website. <https://www.homeaffairs.gov.au/criminal-justice/Pages/modern-slavery.aspx>

And if you have any other questions on this matter or wish to communicate any key information regarding your business's approach, please feel free to get in touch.

Yours Sincerely,



Huon Hoogesteger

Managing Director, Smart Commercial Solar

4. SCS Modern Slavery Framework

4.1. 4.1 Commitment and Governance

The SCS framework to prevent modern slavery is a combination of:

- a.) commitments made by all SCS employees, formulated in policies,
- b.) an identification process of where we are most at risk of contributing to modern slavery,
- c.) a risk management process, in how we deal with identified risks,
- d.) a monitoring process to ensure we remain aware of potentially changing risk profiles, and
- e.) physical meetings and inspections of our supplier factories, accommodation and supply chain

SCS affirms its commitment to ethical behaviour and to the prevention and eradication of modern slavery in our operations and supply chain via well-defined and established policies including the following

- SCS Modern Slavery Statement (section 3 of this document)
- SCS Code of Conduct
- SCS Grievance Policy

4.2. 4.2 Risk Identification Process

To inform our review of modern slavery related risks relevant to SCS's business operations and supply chain, we considered a range of potential modern slavery risk indicators drawn from external sources including the Modern Slavery Act 2018 Guidance for Reporting Entities.

Based on SCS's assessment the following key modern slavery related risk indicators were assessed to be relevant to SCS's business operations and supply chain.

1. Vulnerable populations (VP) - *Groups of people more likely to be exposed to harm, or unable to advocate for themselves in exploitative situations. The level of worker vulnerability, and risk of poor labour practices and exploitation are recognised to be higher in contexts where base skill labour is relied upon.*
2. High risk sectors (HRS) - *Products and services regarded as having more significant inherent modern slavery risk including industries that rely heavily on low-skilled labour and/or involve menial and repetitive work, often performed at night-time or in remote locations.*

3. High risk business models (HRBM) - *Business models that rely on third parties for the provision of services – often labour hire. Outsourcing reduces company visibility over third-party recruitment practices and provision of worker entitlements.*
4. High risk geographies (HRG) - *Countries or regions which are known to have higher human rights (and modern slavery) risks. High risk geographies include countries and regions vulnerable to bribery and corruption, or without strong labour laws and governance.*

Supply Chain	Description	Key Risk Indicators	Hypothetical Scenario
Sourcing of solar modules and other solar system components	The procurement of solar modules is considered a high-risk industry for modern slavery due to risks present throughout the supply chain. Specifically, the manufacturing of solar modules has been associated with the exploitation of Uyghur and Kazakh minorities in Xinjiang, China.	VP, HRS, HRBM, HRG	SCS sources solar modules that include components manufactured using forced labour.
Sourcing of batteries	The procurement of commercial scale batteries is considered a high-risk industry for modern slavery due to risks present throughout the supply chain. Specifically, the mining and processing of rare metals such as lithium and cobalt can be sourced from mines in DRC where forced and child labour is common.	VP, HRS, HRG	SCS sources a battery system which includes rare metals sourced from a mine in DRC using child and/or forced labour.

Operations	Description	Key Risk Indicators	Hypothetical Scenario
Subcontracted Labour, within Australia	SCS subcontracts install work to a network of installers. SCS has limited visibility on the team of workers employed by the installer. There could be migrant workers involved in the tasks not requiring skilled labour, or, in case of an area with less enforcement of safe work practices, unskilled migrant workers could be engaged in tasks requiring skilled labour.	VP, HRG	Hypothetical scenario: SCS engages installers to install solar panels in metro as well as remote regional areas who may use and exploit migrant workers and thereby subject these workers to conditions of forced labour.
Offshore labour	SCS engages offshore labour through a third party in the Philippines, a geography which is inherently more likely to face modern slavery risks.	HRBM, HRG	Unethical recruitment practices associated with SCS's offshore labour, or the offshore staff being paid less than the agreement made between the third-party employer and SCS.

4.3. 4.3 Risk Management

As detailed in chapter 4.2, most of the risks of modern slavery identified in SCS's business undertakings relate to the supply chain, sourcing components for solar systems, and to management of labour, both onshore and offshore.

4.3.1. 4.3.1 Process for managing the risk in SCS's supply chain

1. All existing and any new supplier(s) is (are) rated for modern slavery risk using the four modern slavery related risk indicators.
2. If a supplier operates in a region or makes use of a supply chain at risk to modern slavery, the supplier will be asked to supply the following documents, as they are available:
 - a. Modern Slavery Statement
 - b. Filled in SCS Supplier Questionnaire
 - c. Traceability Audit Report
 - d. Code of Conduct
 - e. Labour and Human Rights Policy
 - f. Anti-Bribery and Anti-Corruption Policy
3. The submitted documents are reviewed by one of the members of the Projects Leadership team.
4. If the review finds that sufficient measures have been taken by the supplier to guarantee their product is free of modern slavery related labour, the supplier can be engaged by the SCS Projects team to procure materials from.
5. If the review finds that insufficient measures have been taken or documents are incomplete, the supplier will be asked to update or complete their documentation, before the SCS Projects team is allowed to engage in procurement activities with the supplier.

4.3.2. 4.3.2 Process for managing the risk in SCS's sub-contractor labour in Australia

1. All installer subcontractors, prior to working with SCS, enter into a Master Service Agreement. This agreement requires the subcontractor to have insurances in place covering their staff.

2. Periodically, subcontractors will be audited on site for quality of workmanship and conditions that subcontractor employees are required to work in. This decreases the distance between SCS and the front-line workers, allowing for SCS to have a better chance of picking up on signals of subcontractor employees being exposed to modern slavery.

4.3.3. 4.3.3 Process for managing the risk in SCS's third party contracted labour abroad

1. SCS engages offshore labour, based in Manila, Philippines, through a reputable, Australian owned, remote labour party, ASW Global. ASW Global are committed to prevent modern slavery, which is worded in their Modern Slavery statement and associated policies.
2. SCS engage with the ASW Global account manager on a quarterly basis, to gauge how the staff employed through ASW Global are doing.
3. More importantly, SCS managers engage with the staff employed through ASW Global on a weekly basis, to develop a working relationship and build a level of trust which will make offshore staff more comfortable to use the grievance policy if needed.

4.3.4. 4.3.4 Monitoring

On an annual basis, SCS reviews existing suppliers' Modern Slavery Statement and SCS Supplier Questionnaire to determine if they need to be updated.

SCS requests every supplier to update their Modern Slavery Statement, if available, annually, and confirm the responses in the questionnaire remain applicable.

SCS has regular updates from external platforms such as [SEDEX](#) and other 3rd party reporting platforms that provide potentially helpful context to our existing research.

5. Looking Forward

While we have made significant progress in this area, we acknowledge that there is always room for improvement. We are continuously reviewing and refining our processes to strengthen our commitment to ethical sourcing and ensure that it remains a fundamental pillar of our supplier relationships.

By prioritising ethical sourcing, we aim to not only mitigate risks but also drive positive social and environmental change within our supply chain. We believe that by making responsible sourcing decisions, we can create a more sustainable and equitable future for all.

Annex A: Supplier Questionnaire

Photovoltaic Supply Chain Modern Slavery Ethical Sourcing Questionnaire

General Information:

Company Name:

Contact Person:

Email Address:

Phone Number:

Address:

Supply Chain Information:

Please provide details of all countries where your company operates facilities, sites, factories, or any other operations:

What is your primary industry sector?

Briefly describe the primary goods, materials, and/or services provided by your company in the Photovoltaic supply chain:

Responsible Sourcing Audits and Certifications:

Has your organization conducted any responsible sourcing audits (including social, ethical, or environmental) within the past 5 years? (Yes/No)

If yes, please provide details of the most recent audit(s), including the date and any corrective actions taken.

Has your organization obtained any responsible sourcing third-party certifications, accreditations, or undertaken other relevant inspections within the past 5 years? (Yes/No)

If yes, please provide details of the most recent certifications, accreditations, or inspections.

Modern Slavery Policy and Procedures:

Does your organization have an overarching policy (or equivalent) that establishes a commitment to addressing modern slavery in its own operations and supply chain? (Yes/No)

If yes, please provide details about the policy and its implementation.

Does your organization have processes and procedures to identify, investigate, mitigate, and remedy the risk of and any instances of modern slavery within your organization? (Yes/No)

If yes, please briefly describe the processes and procedures in place.

Does your organization provide training or information to employees and suppliers on modern slavery risk? (Yes/No)

If yes, please describe the training programs or information provided.

Worker Conditions and Rights:

Are all workers provided with written contracts where terms are in accordance with all applicable laws? (Yes/No)

Are workers paid their legal pay entitlements, on time, and provided with pay slips clearly showing how wages have been calculated and details of any deductions? (Yes/No)

Can workers anonymously raise concerns about labour conditions or workplace issues with access to a suitable remedy? (Yes/No)

Are workers free to lawfully resign from your organization without restriction or penalty? (Yes/No)

Does your organization provide accommodation to workers? (Yes/No)

Does your organization comply with the United Nations ILO Conventions that prohibit the worst forms of child labour, hazardous child labour, and minimum age for work? (Yes/No)

Does your organization undertake checks to ensure child labour is not being used within your organization and/or through your suppliers? (Yes/No)

Environmental Sustainability:

Does your organization have an environmental policy that outlines commitments to sustainable practices, pollution prevention, and the protection of biodiversity?

How does your organization promote the use of sustainable resources and practices, such as recycling and reducing waste?

Has your organization obtained any environmental certifications or accreditations, such as ISO 14001, that demonstrate a commitment to environmental responsibility?

Labour Standards and Health & Safety:

Does your organization comply with all applicable labour laws and standards, including working hours, overtime, and rest breaks?

How does your organization ensure the health and safety of workers in its facilities and throughout the supply chain?

Does your organization provide training to workers on health and safety practices and emergency procedures?

Fair Trade and Fair Wages:

Does your organization support fair trade practices and fair wages for workers?

Does your organization engage in initiatives to improve the economic and social well-being of workers and local communities?

Anti-Corruption and Fair Competition:

Does your organization have policies in place to prevent bribery, corruption, and unfair competition?

Does your organization engage in fair and transparent business practices with suppliers and partners?

Responsible Minerals Sourcing:

If your products contain minerals or metals, does your organization have a responsible minerals sourcing policy to ensure that they are not sourced from conflict-affected or high-risk areas?

Has your organization taken steps to trace the origin of minerals used in your products and ensure they are ethically sourced?

Animal Welfare:

If applicable, does your organization have a policy that promotes the ethical treatment of animals involved in the supply chain?

Does your organization work to avoid animal cruelty and ensure the humane treatment of animals used in any production processes?

Product Safety and Quality:

Does your organization have robust quality control measures to ensure the safety and reliability of your products?

How does your organization handle product recalls and customer safety concerns?

Data Protection and Privacy:

Does your organization have policies and measures in place to protect customer data and ensure privacy compliance?

How does your organization handle data breaches and ensure data security throughout the supply chain?

Prohibitions and Denunciations:

Does your organization have a policy or process that specifically prohibits all forms of forced labour, bonded labour, servitude, and human trafficking within your organization and/or through your suppliers? (Yes/No)

Does your organization denounce and prohibit the retention of any original identity-related documents of workers within the organization and/or through your suppliers (e.g., passports, birth certificates, national identity cards, licenses)? Please note that securely held copies of such documents are not regarded as original documents. (Yes/No)

Does your organization denounce and prohibit practices that require workers to lodge any 'security deposits' (including financial or personal property) or to pay any recruitment fees within your organization and/or through your suppliers? (Yes/No)

Does your organization denounce and prohibit the deduction or withholding of wages, pay, or other entitlements, or imposing fines or penalties for any reason, including misconduct, poor performance, or poor production within your organization and/or through your suppliers? (Yes/No)

Due Diligence and Supplier Engagement:

Does your organization conduct due diligence for modern slavery risks on your own suppliers? (Yes/No)

Do you require suppliers to conduct due diligence for modern slavery risks on suppliers in their own supply chains? (Yes/No)

Does your organization take action or have consequences for suppliers if modern slavery practices are suspected or identified? (Yes/No)

Does your organization provide training or information to suppliers on modern slavery risk? (Yes/No)

Does your organization require your suppliers to address any sustainability matters, such as environmental concerns or fair operating practices? (Yes/No)

Does your organization require manufacturers of solar panels and their input materials to sign a declaration stating that they meet the principals of ISO26000 regarding modern slavery? (Yes/No)

Engagement of Diverse Suppliers:

Does your organization have policies and/or practices in place that encourage the engagement of diverse suppliers in its supply chains? (e.g., social enterprises, disability enterprises, Indigenous businesses, Maori/Pasifika businesses, local suppliers, etc.) (Yes/No)

Does your organization actively seek to engage diverse suppliers, including small and minority-owned businesses, in its supply chain?

How does your organization support and promote supplier diversity and inclusion?

Does your organization engage with local communities and invest in social initiatives to support community development?

How does your organization measure and track the positive impact of its social investments?

Declaration:

Please declare that the information provided in this questionnaire is true, complete, and correct:

I declare that the information provided here is true, complete, and correct.

Thank you for taking the time to complete this questionnaire. Your responses will help us ensure that our supply chain is free from modern slavery risks and that we work together to create a responsible and ethical business environment. If you have any additional documents or information relevant to modern slavery in the Photovoltaic supply chain, please provide them at the end of this questionnaire. If you have any questions or need further clarification, feel free to contact us at the provided contact details.

Sincerely,

Smart Commercial Solar