

MODERN SLAVERY STATEMENT FY2022

MADE BY HENG TONG CABLE AUSTRALIA PTY LTD WITHIN AUSTRALIA
MODERN SLAVERY ACT, 2018 (CTH) (THE “ACT”)

Introduction

This Statement is made under the ACT by Hengtong Cable Australia Pty Ltd as the reporting entity on behalf of itself for the 2022 calendar year. This statement is approved by the Board of Hengtong Cable Australia Pty Ltd in their capacity as principal governing body of Hengtong Cable Australia Pty Ltd on 30/03/2023.

The principal and sole operating entity in Australia is Hengtong Cable Australia Pty Ltd which has no subsidiaries. Hengtong Cable Australia Pty Ltd does not own or control any other entities and therefore this criteria is not applicable. Hengtong Cable Australia Pty Ltd is a subsidiary in the Hengtong Group of Companies in China which is committed to protecting human rights and fair labour practices to stop modern slavery.

Modern slavery can occur in many forms, such as forced labour, unfair wages & conditions, bonded labour, child labour, domestic servitude, sex trafficking, and human trafficking.

Hengtong Group of Companies (including Hengtong Cable Australia Pty Ltd) is committed to respecting internationally proclaimed human rights and fair labour practices and Hengtong recognises the key responsibility we have within our supply chains of providing for skilled and unskilled labour and professionals, to ensure that individuals are engaged and treated fairly, ethically and in compliance with legislative requirements.

HENG TONG’S standard practices are designed to protect Human Rights throughout the recruitment, selection, and placement cycle.

Operations

Hengtong provides customers with the most complete cable and system solutions, and even EPC service.

Hengtong Group is an international company with a diverse range of areas covering Fibre-Optic, Power Cable, Construction and Maintenance, Financial Service, Capital Investment, Information Technology and Tourism Estate.

The Hengtong group of companies is the largest system integrator and network service provider in the fields of fibre optical network and electric grid in China, it owns more than 70 wholly funded and holding companies (including 3 listed companies), establishing industrial bases in 13 provinces in China and 8 countries in Europe, South America, Africa, and Asia, etc., setting up marketing and technical service companies in more than 40 countries overseas and registering international

trademarks in 119 countries, with business covering more than 150 countries and regions, ranking one of Top 500 of China and one of Top 100 of private enterprises in China. With optical fibre communication ranking near the top globally, Hengtong has its optical fibre network covering approximately 25% of the domestic market and 15% of the international market.

Committing to innovation and social responsibility is at the heart of Hengtong. Hengtong is implementing and transforming to intelligent manufacturing to make Hengtong the most advanced cable manufacturer in the world.

Risks

Hengtong operates in a manufacturing industry where a large number of the suppliers will source materials and supplies that are from areas of countries that are regarded as having difficult human rights environments and maybe products that are manufactured by low skilled and low paid workforces.

Hengtong acknowledges that these workforces may be on labour hire/day rates and are priced in highly competitive tendered markets.

Hengtong engages with its suppliers to make sure that they acknowledge and understand the importance of complying with HENGTONG'S Corporate Social Responsibility and legislative requirements.

Policies and Procedures

HENGTONG'S value lies in the satisfaction and success of our customers, our constant pursuit of becoming a trailblazer in the market, and our ultimate mission to be a booster of the industry.

HENGTONG'S Business Conduct Guidelines set out the fundamental principles and rules of conduct we expect from our employees. These well-established guidelines, which are applicable to all Hengtong employees, provide detailed instructions on how to develop self-discipline, promote sustainable partnership, support affiliated transactions, compete fairly for business and so on. With our Business Conduct Guidelines, we are committed to full compliance with all applicable rules and regulations wherever we do business.

The annual CSR (Corporate Social Responsibility) reports are made on the base principles of objectivity, standardization, integrity, and transparency and fully and fairly reflects the company's economic, social, and environmental performances from January to December each year. The basis of preparation is, Guidance on Social Responsibility Reporting (GB/T36001), issued by State General Administration of the PRC for Quality Supervision and Inspection and Quarantine (AQSIQ) and the Standardization Administration of PRC (SAC) ISO 26000: Guidance on Social Responsibility (2010), issued by International Organization for Standardization (ISO) Sustainability Reporting Guidelines (G4), issued by Global Reporting Initiative (GRI).

HENGTONG'S responsibility towards employees includes:- (i) Rights and Interests Protection as Hengtong strictly abides by various labour laws and regulations, ensures that all employees are

signed up to the employment contracts and in China are covered by the social insurance system (five social insurance one housing funds). Hengtong has been advocating that everyone be given equal opportunities, guaranteeing that employees are not discriminated against, on the basis of race, gender, age, or other factors and opposing all forms of forced labor and (ii) Talent strategy which is the leading strategy for HENGTONG'S development. Hengtong creates a healthy atmosphere and progressive culture for employees, takes various measures to ensure the occupational health and safety, legitimate rights and interests of employees and strives to create a good employment environment where talents can realize their own value.

HENGTONG carefully selects suppliers and prefers to award business to quality suppliers for win-win growth. With a sustainable and stable supply chain system and a well-established quality assurance system, we ensure the quality of all products for our customers.

Hengtong strictly follows the principles as below while carrying out business with our partners.

1. We have close cooperation and partnership with our suppliers and partners.
2. We support our suppliers in improving their production capacity and developing their production technologies.
3. We conduct proper due diligence on any supplier or partner we cooperate with for the first time according to the internal management requirements of the Group.
4. We always assess risks including the supplier's labour force before bidding.

HENGTONG always cares for people. We have respect for human rights, which is reflected by our business operations and the same is expected from all suppliers. We are continuously improving our internal incentive and control system for the purpose of developing a people-centred culture and ensuring the lawful rights and interest of our employees.

Going Forward

The effectiveness of the Business Conduct Guidelines including compliance with human rights and modern slavery depends not only on our compliance with the guidelines but also on the cooperation of all employees in promptly disclosing any conduct believed to violate these guidelines or applicable laws.

HENGTONG undertakes that we strictly prohibit retaliation of any kind against anyone who in good faith reports suspected misconduct. Hengtong has completed its review 2022 operations and activities and reaffirms compliance with its Corporate Social Responsibility and legislative requirements.



Steven Whitehead – Managing Director of Hengtong Cable Australia Pty Ltd
30 March 2023