

Flow Power

Modern Slavery Statement 2020/21

Important Information

Background

This statement is made on behalf of Kin Power Group Pty Ltd and its wholly owned subsidiaries, including Progressive Green Pty Ltd trading as Flow Power. References to “we”, “us”, “our” or “the company” are references to each of those entities. This statement sets out the steps that we have taken to ensure that modern slavery and human trafficking is not taking place within our operation or our supply chains. This statement is made pursuant to sections 13 to 16 of the Australian Modern Slavery Act 2018 with respect to the financial year ending 30 June 2020. This is our first year as a reporting entity under the Act.

This report may reference significant events occurring after 30 June 2020. Where this report contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events, these statements are not statements of fact and there can be no certainty of outcomes in relation to the matters to which the statements relate.

About our business

Kin Power Group Pty Ltd is an Australian company (ACN 623 522 467) and is the parent entity of Flow Power and Utilacor.

Flow Power is a specialist energy retail business providing innovating solutions for purchasing electricity from the wholesale market, generation solutions, green power as well as providing consulting and advice to approved commercial and industrial customers.

Utilacor is mainly an energy management business with 20 years' experience as a trusted authority and energy advisor to a broad range of customers to achieve their energy management goals.

We have over 80 employees across our offices in Melbourne, Sydney, Adelaide, and Brisbane. We also conduct part of our billing operations in India.

In addition to Flow Power's electricity retail and energy management business, we also have recently acquired a controlling interest in iEnergytech Pty Ltd (ACN 131 588 755) who supply solar photovoltaic solutions. We have not included iEnergytech Pty Ltd within our assessment.

Message from our CEO

I am pleased to present Flow Power's first Modern Slavery Statement in 2021.

We recognise modern slavery is a global problem and are putting our resources into helping to eradicate it.

We understand the importance of responsible procurement in the nature of our business and are committed to ensuring that environmental, social, and ethical considerations are considered when making procurement decisions. While we acknowledge that we have only made first steps to address the challenge, we look to build on that work in future years.

In FY2020, we began the assessment of modern slavery risks in our supply chains beginning with our major suppliers through our Supplier Self-Assessment Questionnaire and have developed a Supplier Code of Conduct. We have also expanded our grievance mechanism, Stopleveline, to include reporting of modern slavery concerns.

Any form of modern slavery is unacceptable, and I am proud of the work Flow Power has done and will continue to do to assess and address the risk of modern slavery within our operations and supply chain.



Matthew van der Linden

Chief Executive Officer and Founder

March 2021

Our approach

Human Rights Policy

Our approach and commitment towards human rights addressing modern slavery is enshrined in our Human Rights Policy. We protect and uphold fundamental human rights through our activities in line with our policy.

The policy applies to our directors, employees, contractors, and visitors to our work sites. A copy of the policy is available [here](#).

Supplier Code of Conduct

Our Supplier Code of Conduct sets our expectation that suppliers comply with all applicable laws and demonstrate their respect for the fundamental human and labour rights of workers. In relation to modern slavery, our Supplier Code requires that all workers have:

- Freely chosen employment, with no deceptive recruiting practices or any type of forced labour
- Freedom from child labour, or harsh or inhumane treatment; and
- Freedom to move and associate, including collective bargaining and the right to join or form trade unions (unless prohibited by applicable legislation)

Our Supplier Code is a key component of our overall approach to responsible procurement and is available [here](#).

Modern Slavery Contract Clauses

We are undergoing a review process of our supplier contracts and will seek to amend them to incorporate a modern slavery specific contract clause referencing our Supplier Code requirements. This will be important and necessary for any new suppliers.

Whistleblowing policy and programme

The purpose of this programme is to encourage people to raise concerns as soon as possible and to feel safe doing so. We have both an internal and external reporting mechanism. Internal reports are received and handled by Responsible Managers (members of the Senior Executive team) and employees also have the option to report independently to a third-party Whistleblower Service, Stopleveline. Stopleveline is provided for use by employees, ex-employees, past and present contractors and suppliers and the close family members and dependents of all these groups. We have expanded Stopleveline to include modern slavery concerns this year.

Our management of our modern slavery risks

Management of our human rights risks, including modern slavery, is underpinned by our Human Rights Policy and Risk Management Framework, with oversight from the Board of Kin Power Group.

We have used modern slavery guides and compasses ¹ to develop our own methodology to manage modern slavery risks in our operations and supply chain.

Modern Slavery Risk Factor Internal Assessment

We began by assessing modern slavery risk factors within business activities.

For the purposes of this Statement and in accordance with the legislation, reference to our business activities includes our:

- suppliers of goods – office supplies, hardware materials, marketing materials
- suppliers of services – IT services, professional services, consultancy services, legal services

We have used the following risk factors to inform our risk analysis:

- Country of operation – most of our operations and suppliers are in Australia.
- Category of supplier service – for example, we procure construction and facilities maintenance services which are industries with higher risks of domestic incidences of modern slavery.
- Resources used in goods – for example, we procure electrical equipment containing metals and minerals that may be sourced from regions known to be more highly exposed to risks of modern slavery practices.
- Type of workforce – for example, our contractors or consultants who are not our employees.

Assessment of major suppliers

To better understand our potential exposure to modern slavery in our supply chain and assist us in prioritising which areas required further diligence, we assessed our major suppliers by category spend and asked them to complete a Modern Slavery Supplier Survey.

We assessed 30 of our major suppliers by category spend to which 18 suppliers responded. The suppliers covered various sectors: software and IT; recruitment services, financial and banking services; legal services; insurance; property and market consultancy groups.

¹ Buritt, R & Christ, K. 2020. (Modern Slavery Compass - A New Tool to Point Business in the Right Direction. https://www.cpaaustralia.com.au/-/media/corporate/allfiles/document/professional-resources/esg/cpaaom3475_297x210_modern-slavery-act_fa_web.pdf?la=en&rev=7ec36e8b62544bed9d952d024093c338)

Our management of our modern slavery risks

Responses indicate that our major suppliers do not conduct activities or operations in any of the 10 countries with the highest prevalence of modern slavery identified by the Global Slavery Index 2018. Responses also indicate that these major suppliers were not aware of any specific instances of known or suspected modern slavery in their supply chains or operations. Results indicated that all were compliant with the ILO Conventions on Child Labour.

Further detail from our survey showed:

- 3 suppliers reported that they did not provide a mechanism to report workplace grievances. However, out of those suppliers, most employees would have access to bodies such as Fair Work Australia and an EAP for support.
- 9 suppliers reported that they do not require their suppliers to conduct due diligence on their suppliers. However, 9 suppliers also reported that they do conduct due diligence on their own suppliers.
- More than half of those who responded have completed or are in the process of updating their governance materials to reflect and minimise modern slavery risk.

Actions undertaken to address modern slavery risks

External engagement

We built and improved our understanding and capabilities of managing modern slavery risks by engaging with industry peers through guidance materials and seminars to understand current leading practices in this area. We have engaged external advisors about providing training programs on modern slavery risks for relevant personnel.

Policies and Processes:

We developed our Human Rights Policy to outline clear expectations which incorporate modern slavery related human rights. We began the rollout of the Supplier Code to our goods and services suppliers. We expanded the Whistleblower line (Stopline) to specifically reference human rights related concerns and consequently provide a primary grievance mechanism.

Supplier Engagement

We set expectations with our suppliers and gathered further insight into our supply chain by sending our Modern Slavery Supplier survey to major suppliers and have updated our standard supplier contracts for goods and services to include Supplier Code obligations.

Media report of potential modern slavery in the supply chain of a supplier

Early in 2021, a media report was published suggesting evidence of forced labour within the supply chain of one of our solar panel suppliers. Flow Power immediately contacted the relevant supplier requesting their response to the allegations. The supplier responded, stating that:

- It strongly condemns the use of forced labour and any reports suggesting otherwise are false and misleading. It affirmed their commitment to conducting their business in a lawful and ethical manner respecting human rights providing safe and inclusive workplaces.

Our management of our modern slavery risks

- The supplier engaged independent, third party, human rights experts to review the allegations and their workplace practices which confirmed that there was no forced labour in their facilities.
- The supplier provided Flow Power with an opportunity for an inline inspection at their facilities during the course of our projects.

Given the supplier's comprehensive response and the further work undertaken by the independent, third party human rights experts. Flow Power does not propose to take any further action at this time. However, we will continue to monitor the situation and will take further action if more information becomes available.

Reviewing the effectiveness of our actions

We are committed to consistently reviewing and improving our due diligence towards modern slavery risk management.

We have put in place a process to regularly review and assess the effectiveness of our policies, codes, standards, and procedures as part of our Risk Management Framework with the oversight of the Executive Leadership Team.

In future statements, we will include our analysis of the effectiveness of our prior actions.

Impacts of COVID-19 on our supply chain

In response to the COVID-19 pandemic, Flow Power has focused on safely maintaining energy supply and negotiating reasonable outcomes with customers and suppliers who have been financially affected.

To date there has been no material impact on Flow Power's energy supply operations, with customers continuing to receive reliable electricity.

The majority of Flow Power's workforce was transitioned to working from home during the pandemic and only critical or essential roles were on site in line with respective state restrictions. As of March 2021, we are gradually transitioning staff to work back in the offices in line with government restrictions.

Looking ahead

We recognise that eradicating modern slavery requires dedication to make a positive difference to people's lives, in line with our purpose. Delivering on this undertaking will take a concerted effort by Flow Power, our suppliers, peers, supported through cross-industry collaborations.

Looking ahead we plan to progress the following actions in FY2022 and beyond:

Building our understanding and capabilities

- Develop and deliver a training program for relevant personnel to increase their understanding and awareness of modern slavery risks in our operations and supply chain.
- Identify and conduct audits of suppliers where high exposure to the risks of modern slavery practices may exist, to enable deeper analysis of supplier practices.
- Expand our operations risk analysis to consider iEnergytech.

Improving our processes

- Integrate our Supplier Code and SAQ process for both existing and new suppliers.
- Continue to evolve our performance metrics to monitor the effectiveness of our actions.

Enhanced engagement with suppliers

- Engage with more suppliers in the highest risk profile groupings to deeply assess exposure to modern slavery practices.

Consultation and approval process

In performing the actions described throughout this Statement, consultation included engagement with

- various levels of management and business unit representatives.
- Flow Power's Executive Leadership Team who has reviewed the outcomes of relevant assessments

The Flow Power Risk & Compliance Committee will retain oversight of our human rights and modern slavery risks through our Risk Management Framework.

Our Executive Leadership Team has also been involved in the compilation and endorsement of this Statement for approval by the Board. The Statement was approved by the Board and is signed by the Chief Executive Officer.

Directory

Registered Office

Ground Floor, 109 Burwood Road
Hawthorn VIC 3125

PO Box 6074
Hawthorn VIC 3125

T: 1300 08 06 08

www.flowpower.com.au

go@flowpower.com.au

Secretary

Jonathan Mitchell

Auditor

Grant Thornton

Whistleblower Line

Stopline – Flow Power’s Independent
Whistleblower Service

Phone: 1300 30 45 50 (in Australia)
+61 3 9811 3275 (from outside of
Australia – note that this is a
reverse-charges line)

Fax: Flow Power, C/- Stopline +61 3
9882 4480

Email flowpower@stopline.com.au

Online: <https://flowpower.stoplinereport.com>

Mail: Flow Power, C/- Stopline
Locked Bag 8
Hawthorn Vic 3122