

Flow Power

Modern Slavery Statement FY22/23

21 December 2023

Important Information

Background

This is a joint statement made on behalf of Kin Power Group Pty Ltd and its wholly owned subsidiaries, including Progressive Green Pty Ltd trading as Flow Power, Utilacor Pty Ltd and Flow Power Solar Pty Ltd. References to “we”, “us”, “our”, “Flow Power” 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 2023.

Flow Power is fundamentally committed to supporting and respecting human rights across all our business activities. Flow Power acknowledges the risks of modern slavery globally and we are committed to identifying and preventing instances of modern slavery in all its forms

This statement may reference significant events occurring after 30 June 2023. 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.



Matthew van der Linden

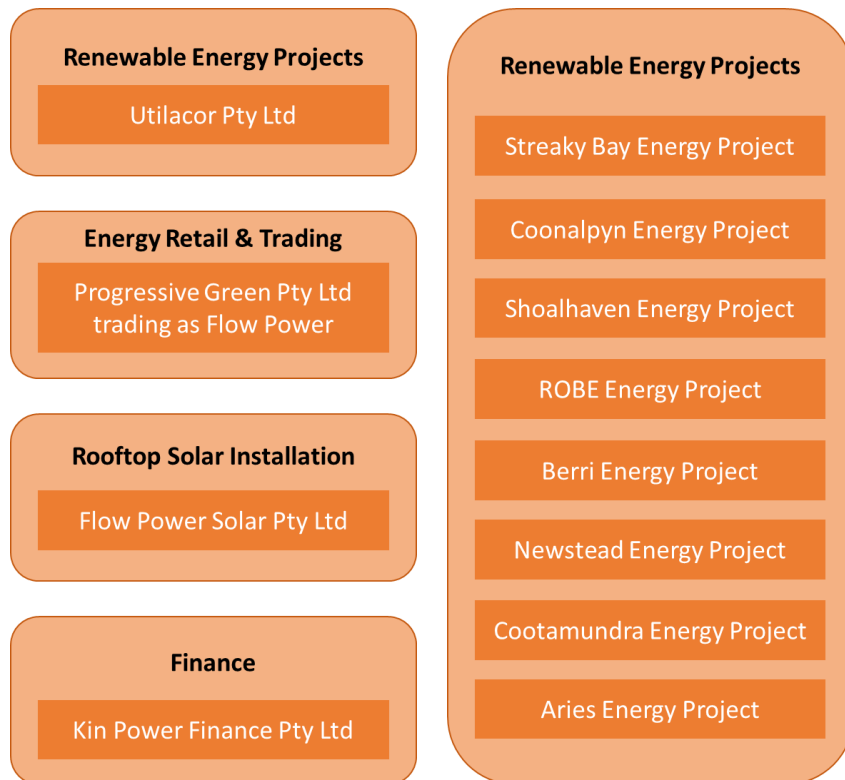
CEO

Flow Power

Our approach

Our structure

Kin Power Group Pty Ltd is an Australian company (ACN 623 522 467) and is the parent entity of Progressive Green Pty Ltd trading as Flow Power (ACN 130 175 343), Utilacor Pty Ltd (ACN 077 006 850), Flow Power Solar Pty Ltd (ACN 131 588 755) and the entities depicted in the diagram below. Flow Power's renewable projects portfolio is operated by several trusts which are subsidiaries of Kin Power Group Pty Ltd. All of Kin Power Group Pty Ltd's subsidiaries are Australian entities.



Progressive Green Pty Ltd trading as Flow Power is a specialist energy retail business providing customers with innovative ways to access clean energy. Flow Power offers a range of energy solutions to commercial and industrial customers including retail electricity and hedging solutions, access to the wholesale market and renewable project PPA portfolio, integrated demand response systems, generation and firming technologies, as well as providing consulting and advice to approved customers.

Flow Power develops, builds and operates its own portfolio of small-scale solar projects. The business is also developing a portfolio of energy storage projects. Flow Power also sources renewable energy output under power purchase agreements to supply to its customers.

Our approach

Utilacor Pty Ltd is primarily 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. Utilacor also develops early stage large-scale renewable developments.

Flow Power Solar Pty Ltd supplies behind the meter solar photovoltaic solutions to customers.

We have over 130 employees across our offices in Melbourne, Sydney, Adelaide, and Brisbane. All direct Australian employees are employed by contract and our employees are free to associate with unions. We also conduct part of our billing operations under a services contract with an entity owned and operated in India.

Our operations

Our operations as a specialist energy retail business providing innovative electricity solutions involve:

- + **Energy and Client Solutions** which comprises our customer portfolio and is responsible for electricity retailing.
- + **Projects** which is responsible for establishing our solar and energy storage projects which are currently all at different stages of completion. Currently 18.6 MW and 7MWh of storage of solar is operational, with a further 49.6MW and 244 of storage in commissioning, construction and late-stage development.
- + **Engineering** which is responsible for assisting customers to achieve their energy management goals, including hardware services and the supply of solar photovoltaic solutions.
- + **Finance** which is responsible for accounting and reporting, planning and analysis, tax and insurance.

Other relevant functions include our Human Resources, Legal and Technology teams. Our operations are predominantly based in Australia.

Employees are encouraged to raise concerns with Flow Power's Independent Whistleblower Service.

Our supply chain

Our supply chain includes over 500 direct suppliers. Key categories of spend include the following sectors:

- + Energy distributors
- + Renewable energy generation projects
- + Development and IT solutions
- + Hardware
- + Electricity equipment and supplies, including solar panels
- + Professional services e.g. marketing, consultancy services, legal services
- + Cleaning services

Our major suppliers comprise of energy distributors and suppliers of parts for our solar and energy storage projects. Most of our major suppliers are based in Australia.

Our policies

Flow Power has implemented strong corporate governance frameworks, which involve monitoring and addressing compliance and corporate policies including human rights. These frameworks involve practices and procedures within Flow Power that encourage ethical behaviour and professionalism. Flow Power has a strong, embedded value of integrity, which is important to ensure that we retain the trust of our people, clients and customers.

We have a number of policies in place that ensure our values are maintained in Flow Power's operations, including:

- + Whistleblowing Policy
- + Supplier Code of Conduct
- + Human Rights Policy

Risks of modern slavery within supply chain

In FY20, we conducted due diligence to assess modern slavery risks that exist in our operations and supply chains to consider the risk that we may cause, contribute to, or be directly linked to, modern slavery practices as set out in the UN Guiding Principles. This due diligence process involved working with each part of our operations to obtain details of the external suppliers used by each area and then conducting a risk assessment of those external suppliers to identify those suppliers which may have a higher potential exposure to modern slavery risk.

In FY22, we revisited this risk assessment and concluded that it had not changed materially. That is, our highest potential exposure to modern slavery is in our indirect supply chain, rather than in our own operations. By applying the UN Guiding Principles, we consider that we may be directly linked to modern slavery practices through the activities of a supplier to an entity we have a business relationship.

We recognise that the manufacture of components for our solar farm projects and energy storage, including the extraction of raw materials used to make those components, by entities that we do not have a contractual relationship with is a point of vulnerability in our supply chain.

- + Solar projects: The production of polysilicon is a key component in solar panels and the Xinjiang Uyghur Autonomous Region of China is the origin of a significant portion of the world's polysilicon. As such, we recognise that procuring any solar panels with a predominately Chinese supply chain represents a high-risk geography for modern slavery as Uyghur and Kazakh citizens are alleged to be subject to labour risks. We have been monitoring this risk closely for several years, engaging with suppliers on our concerns, and this year we have seen several suppliers establish supply chains that are exclusively located in the east coast regions of China to avoid use of Xinjiang polysilicon. We will continue to engage with suppliers on this point.
- + Energy storage projects: We recognise that cobalt is used in the supply chain of many battery energy storage systems and that there are modern slavery concerns surrounding small-scale mining of cobalt in the Democratic Republic of the Congo. Our grid scale battery project (Berri Energy Project) uses battery cells with chemistry that does not include cobalt and will continue to utilise this technology which limits modern slavery risks. However, we understand there are also modern slavery concerns regarding the production of nickel and other raw materials used in batteries. We intend to work with our suppliers and industry forums to understand where our supply chain is vulnerable.

As part of our risk identification process, we have also identified that the supply of hardware components for our proprietary technology services, IT services and corporate clothing may present a risk of a direct link to modern slavery in our supply chain. These categories of supplies are considered high risk sectors or categories for modern slavery as they rely heavily on low-paying labour.

Risks of modern slavery within supply chain

As set out above, we have identified a risk that we may be directly linked to modern slavery practices where we lack visibility in the supply of the goods referred to above which are sourced further down our supply chain, including a risk of adverse labour practices used by raw material suppliers. We understand minerals used in renewable energy technologies are often extracted in geographies with labour risks, including heightened risk of child labour.

We are continuing to conduct due diligence on our major direct suppliers by requiring each supplier to complete a Responsible Sourcing Self-Assessment Questionnaire and acknowledging and confirming compliance with our Supplier Code of Conduct. We have established processes that are designed to ensure that suppliers with spend equal to or in excess of \$100,000, complete the the Questionnaire before we will enter an agreement with the supplier.

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.

Actions undertaken to address modern slavery risks

During the reporting period for this statement, we undertook the following actions to address the risk of modern slavery practices in our operations:

- + updated our Responsible Sourcing Self-Assessment Questionnaire to an online platform, assisting us to efficiently reach a broader range of suppliers for assessment. This platform has also facilitated better analysis and reporting of the results of completed assessments, efficiently identifying new risks for further consideration;
- + updated our Supplier Code of Conduct as our understanding of modern slavery risks has evolved, targeting 100% sign-up to the Code by new suppliers and existing suppliers on renewal contracts;
- + updated our Whistleblowing Policy to more specifically address human rights and modern slavery concerns;

continued to actively participate in the Clean Energy Council's Risks of Modern Slavery Working Group. The working group allows us to regularly collaborate with other entities in the energy industry to understand how those entities are managing the risk of modern slavery in their operations and supply chains;

- + included modern slavery clauses in our procurement contracts;
- + we were previously a member of SEDEX, but found that most of our suppliers were not using SEDEX, so the service was of limited use. However, we will continue to engage with SEDEX to assess whether the platform experiences higher uptake from our suppliers in the future;
- + continued to require all major new suppliers to complete our Responsible Sourcing Self-Assessment Questionnaire and acknowledge and confirm compliance with our Supplier Code of Conduct; and
- + assessed our internal Modern Slavery Framework to consider future improvements according to best practice.

Looking ahead we plan to progress the following actions in FY23/24 and beyond:

- + continue to develop our Responsible Sourcing Policy as our business grows and we begin to operate in new areas;
- + In 2022/23, we undertook a review of the key inputs in the supply chain of our battery energy storage systems, recognising that batteries present a risk of modern slavery practices such as forced labour and child labour; in 2023/24, we will extend this review to our suppliers. This will help us better understand our exposure to the specific risks associated with the various mining and minerals refining processes that are used to develop battery cells.

Our management of our modern slavery risks

- + provide key employees with access to training on modern slavery. To date, we have provided targeted training to senior employees and employees with contract administration or procurement responsibilities;
- + target zero modern slavery issues to be flagged through our Independent Whistleblower Service. There were zero modern slavery issues reported through the service in the reporting period for this statement; and
- + The NSW anti-slavery commissioner is working with the Clean Energy Council to develop a Renewable Energy Code of Practice. This Code will provide a set of principles for effective management of modern slavery risks in renewable energy value-chains. The consultation of this Code is considering initiatives such as traceability protocols to assist industry in assessing and managing modern slavery risks. Flow Power will engage with the Clean Energy Council and its working group to show our support for the development of this Code of Practice.
- + We plan to investigate the opportunity to use independent testing to confirm claims from our suppliers that their products do not use materials sourced from Western China.

Assessing our effectiveness and looking ahead

On reviewing our actions and policies during FY22/23, we have not identified any confirmed modern slavery practices in our operations or direct supply chain.

Recognising that reviewing our actions to identify and address modern slavery risks in our operations and across our supply chain is an ongoing and evolving process, we plan to take a number of further steps in FY23/24 to manage the modern slavery risks associated with our existing process and approach.

Our review of our actions to date has also informed the steps we plan to take to build upon our processes for monitoring the effectiveness of our actions in the future, including:

- + In addition to participating in the Clean Energy Council's Modern Slavery Working Group, we will seek to join the UN Global Compact Network Australia's Modern Slavery Community of Practice forum to expand our knowledge on the United Nations Guiding Principles on Business and Human Rights (UNGPs), and connect with other industry players to further enhance our practices.
- + Continue to engage with the business and identify and assess ongoing and new risks of modern slavery as part of our Risk Assessment Framework;
- + Continue to run (and seeking feedback on) modern slavery training for management personnel;
- + Development a metric for assessing the effectiveness and impact of our actions and evaluating the effectiveness of our actions in prior years against those metrics.

Consultation and approval process

In order to prepare this joint statement, we engaged with each of the reporting entities covered by this statement and consulted the entities we own or control.

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.

The Flow Powers Risk & Compliance Lead 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. This Statement was approved by the Board of Kin Power Group Pty Ltd in their capacity as principal governing body and is signed by the Chief Executive Officer.

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