

Fluence Modern Slavery Statement

Reporting Entity

This Modern Slavery Statement (**Statement**) covers the activities of Fluence Corporation Limited (A.C.N 127 734 196) (**Company, Fluence or FLC**) for the Company's Financial Year 2021 (ending 31 December 2021). Fluence is a reporting entity under the *Modern Slavery Act 2018 (Cth)* (the '**Act**').

Fluence is committed to limiting the risk of modern slavery occurring within its own business, infiltrating its supply chains or through any other business relationship.

Company structure, operations and supply chains

The purpose of the Fluence group is to make the world a better place by delivering sustainable water treatment solutions that produce high quality water, while saving energy and improving resilience. This involves the design and construction of water and wastewater facilities as well as the design, manufacture, supply and installation of water and wastewater treatment products and solutions. Where requested, we also provide operation and maintenance services for our installed water treatment solutions.

We have a strong global presence with operating entities in the USA, Israel, Italy, China, Egypt, Dubai, Argentina and Brazil that provide our water and wastewater treatment solutions to both municipal and industrial customers worldwide. With our corporate head office in the USA, we have simplified our organization structure into six Business Units (**BUs**) as follows:

- USA (Minneapolis, MN)
- Italy (Padova)
- China (Shanghai main office),
- Middle East (Dubai, UAE)
- Israel (Caesarea)
- South America (Mar del Plata, Argentina)

The Fluence group employs approximately 300 professionals worldwide across all disciplines, with the majority in the operations and manufacturing fields. We have manufacturing and assembly operations in Minneapolis, Padova, Caesarea, Mar Del Plata and three locations in China (Changzhou, Yiyang and Panjin).

Fluence's supply chains are both local and global, with a total annual spend of ~\$86M for goods and services from more than 100 suppliers. These supply chains include the manufacture and transportation of raw materials or products used in assembling our solutions such as sheet metal, membranes, tanks, pumps, valves, pipes, instrumentation and control, as well as products or specialist sub-contractors used in the installation and construction of our plants. Our supply chains also include support services that contribute to our operations, such as the cleaning and security companies used at our offices and building sites.

Areas of Risk of Modern Slavery

The Company has identified the following key areas where modern slavery risks may occur in the operations and supply chains of Fluence, the reporting entity, and the entities that Fluence owns or controls:

- a) **Manufacturing:** Our manufacturing and assembly operations across the globe are fully controlled by us and our HR policies are strictly in compliance with local labor regulations.
- b) **Supply chain:** The market for water treatment products is very competitive and price sensitive and so our operations and procurement teams are focused on obtaining the best prices and delivery timeframes as possible from our supply chain. This presents a risk that a supplier may try to obtain a competitive edge by using exploited labour.

Actions taken to assess and address the risks

The Company has implemented and established the following measures to assess and address the risks:

- a) Our EH&S department at each operating entity conducts monthly safety checks and ensures all employees are in compliance with our EH&S practices, and also in line with the respective local labor safety practices. This effectively controls the risk of modern slavery practices in these operations.
- b) The majority of products and services we procure through our supply chain come from large well-known suppliers within the water industry that have well documented anti-slavery policies and compliance procedures. However, diligence is required when dealing with less well known, smaller or local suppliers. To address this, we have provided anti-slavery training to the entire corporate executive management team as well as the General Managers and Procurement Managers of each of our six BUs. This ensures that management is conscious and aware of the risk of modern slavery in our supply chain, knows how to spot the signs and has the confidence to speak up about any concerns.
- c) We also have formal policies in place that are intended to promote ethical and legally compliant business conduct. These policies, including mechanics to foster whistleblowing, contribute to our commitment to prevent violations of human rights such as modern forms of slavery in our business.
- d) Our procurement teams in each BU have a number of risk mitigation and robust procurement processes in place including supplier engagement principles and supplier on-boarding requirements. These procedural controls will be reviewed and improved where necessary to ensure that we have strong processes in place to minimize the risk of modern slavery in our operations and supply chain.

Assessment of the effectiveness of actions and the process of consultation

The management team assess the effectiveness of these actions through the following process:

- a) The issue of modern slavery is discussed in our monthly business review meetings attended by the Executive Management team and the General Managers for all BUs. This

is then discussed more fully during monthly meetings attended by the Executive Management team and the General Managers and Finance Directors of each BU.

- b) Given the size and geographical spread of the Fluence group, our supply chain is managed locally by each BU rather than through a central global procurement organization. This means that supplier engagement is handled directly at BU level, and this is where the effectiveness of our actions is most likely to be observed from onboarding of a particular supplier, to negotiating a purchase agreement through to delivery of the product at the specified location. Our teams also conduct Factory Acceptance Tests at the facility where the products we purchase are manufactured, and this provides an opportunity to ensure that suppliers share our commitment to anti-slavery practices.
- c) At each of our construction sites we appoint a Project Manager to oversee and manage our scope of works. This Project Manager is responsible for reporting any concerns he or she may have regarding modern slavery on site. Periodic site visits by the executive management team or senior BU management provide an opportunity for supplier engagement and assessing the effectiveness of our Modern Slavery policy.

Ongoing plan and commitment

The Board of the Company is committed to ensure that the Company complies with all relevant legal and ethical obligations to fight against modern slavery activities. Fluence's Chief Executive Officer (CEO) is actively monitoring Fluence's activities to ensure the appropriate processes and the control systems are implemented at all times so that Fluence group's anti-slavery measures can operate effectively. The General Managers for each BU will ensure that relevant colleagues receive adequate training on Fluence's anti-slavery policy and any supporting processes applicable to their roles.

This statement has been approved by the Managing Director on 30 June 2022.

A handwritten signature in black ink, appearing to read "Tom Pokorsky".

Tom Pokorsky

Managing Director and CEO of Fluence Corporation Limited

30 June 2022

This statement was approved by the principal governing body of Fluence Corporation Limited on 20 July 2022.

USA

10 Bank Street, Suite 830
White Plains, NY, 10606
Phone: +1-212-572-5700
Facsimile: +1-212-572-5704

Fluence Corporation Limited

ABN: 52 127 734 196
www.fluencecorp.com

AUSTRALIA

Level 4, 96-100 Albert Road,
South Melbourne, Victoria 3205
Phone: + 61 3 9692 7222
Facsimile: + 61 3 9077 9233