

Flow Power

Modern Slavery Statement FY23/24

9 December 2024

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 2024.

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 2024. 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

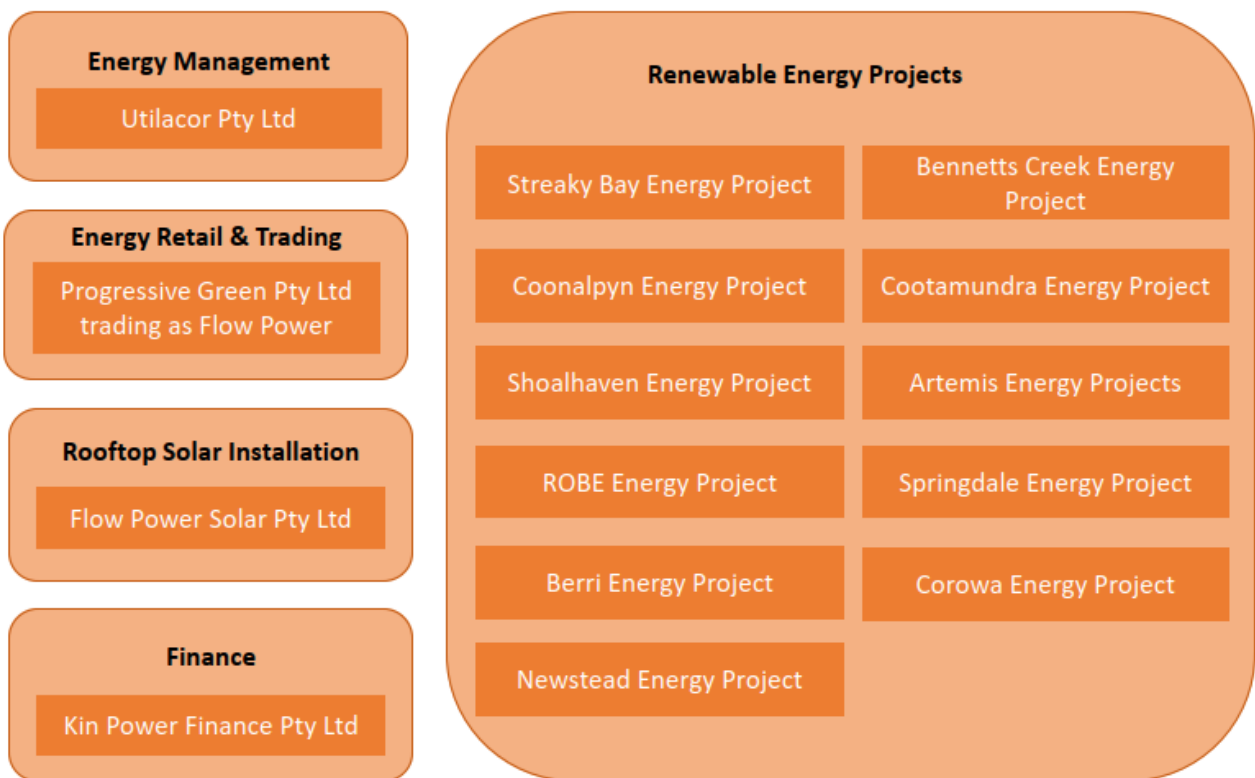
CEO

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 Group'**). Flow Power's renewable projects portfolio is operated by several trusts which are subsidiaries of Kin Power Group Pty Ltd. All of the subsidiaries in the Flow Power Group are Australian entities.



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.

The Flow Power Group also develops, builds and operates its own portfolio of wind, solar and battery energy storage system (BESS) 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 and energy storage solutions to customers.

We have over 140 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 back-office operations and software development under a services contract with an Australia entity with operations 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 wind, solar and energy storage projects which are currently all at different stages of completion. Currently 30MW of solar and 12MWh of storage is operational, with a further 130MWh solar and 295MWh 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 and energy storage 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

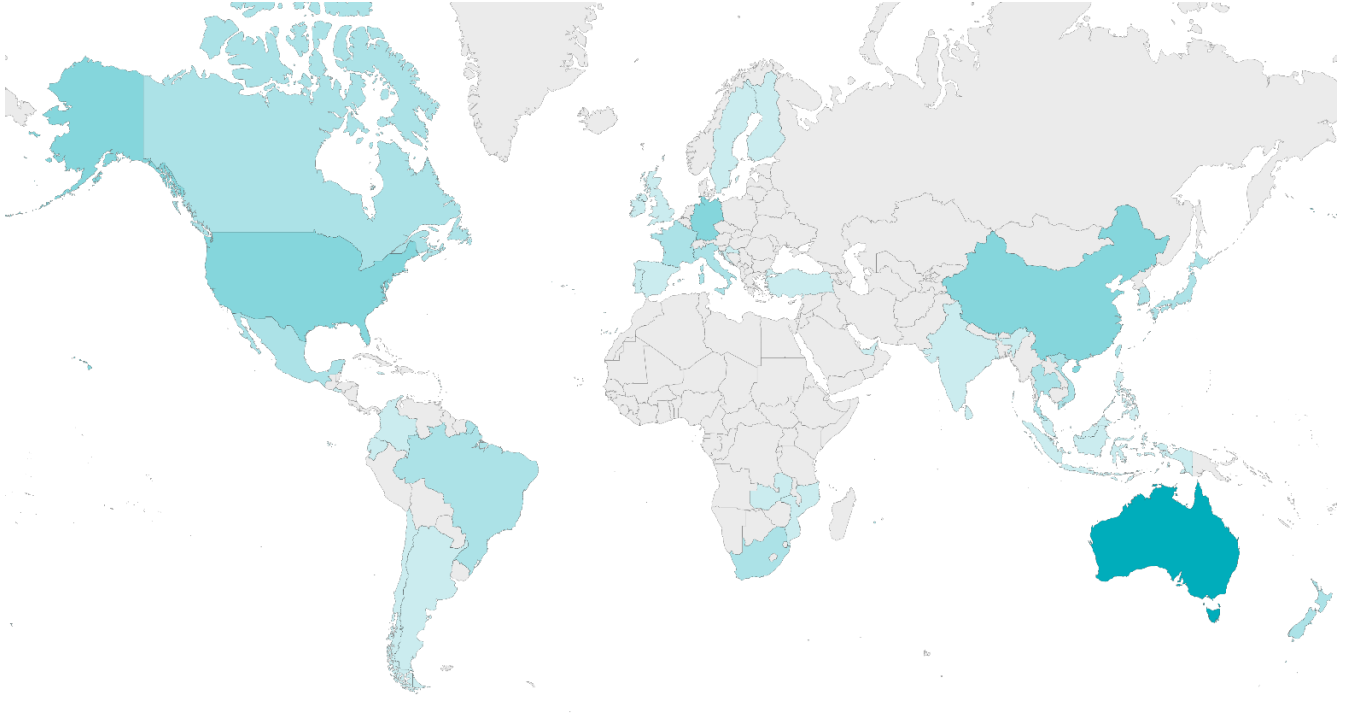
Our supply chain includes over 500 direct suppliers. Key categories of spend include the following sectors:

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

Our approach

+ Manufacturing

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 but they operate in many locations across the world, including those shown on the map below.



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.

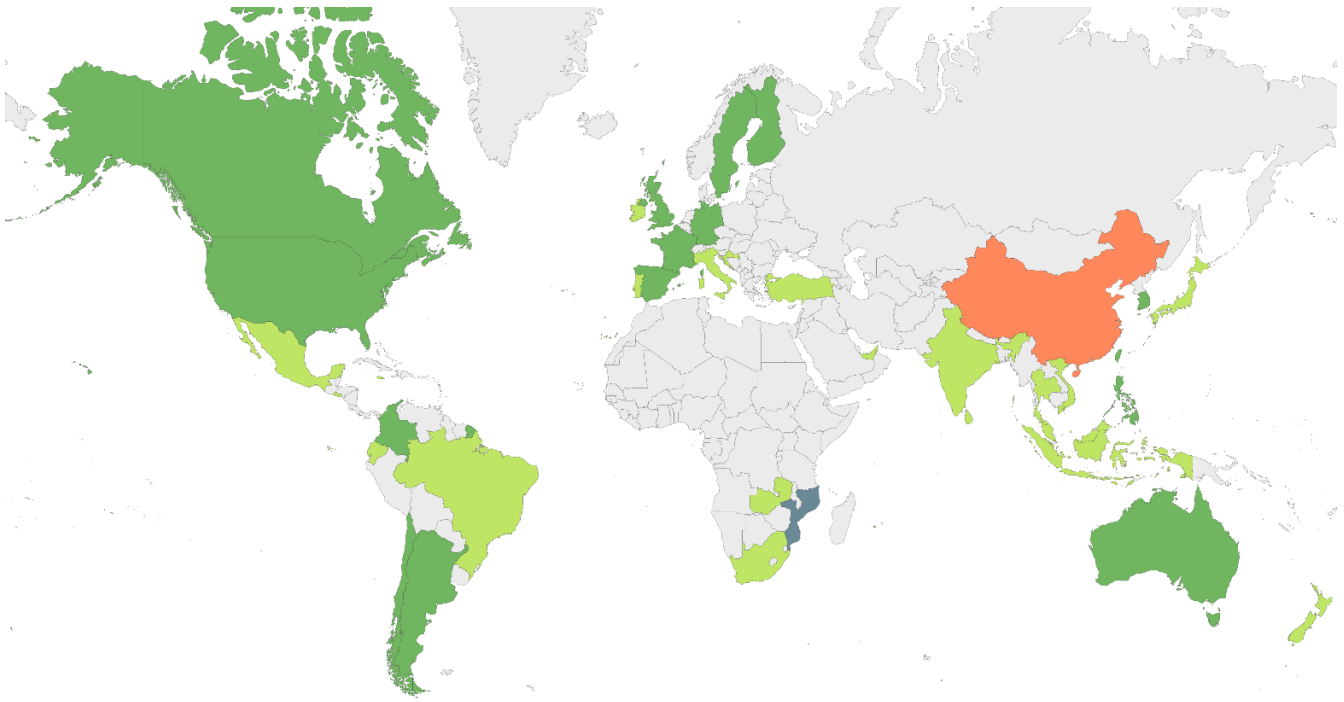
We have several policies in place that ensure our values are maintained in Flow Power's operations, including:

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

Risks of modern slavery within supply chain

Flow Power's suppliers operate, produce and source across a range of sectors, with some of those sectors being considered high-risk for human trafficking activities. As in previous reporting years, we believe 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 recognize that we may be directly linked to modern slavery practices through the activities of a supplier with whom we have a business relationship.

The geographical regions where our supply chain partners operate are shown in the map below. This map has been overlaid with the colour tier system of the Trafficking-in Persons Report (June 2023, Department of State, United States of America). The map illustrates the modern slavery risk associated with sourcing polysilicon and electronics from China.



As in previous reporting years, 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, a key component in solar panels, is concentrated in the Xinjiang Uyghur Autonomous Region of China, which supplies a significant portion of the world's polysilicon. Consequently, procuring 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. We will continue to engage with suppliers on this issue.

Risks of modern slavery within supply chain

- + 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, the Berri Energy Project, as well as our smaller battery projects use battery cells with chemistry that does not include cobalt and we 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 electronics, 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.

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.

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

The Flow Power Group continues to screen for modern slavery risks during the onboarding and re-onboarding stages of supplier engagement using the iPRO Modern Slavery Assessment Tool. During the reporting period, we engaged iPRO to conduct assessments on our operations and major suppliers. We intend to continue using iPRO's platform for annual assessments of our operations and supply chain.

Flow Power Group's major suppliers were asked to complete an online self-assessment questionnaire. After submission, their responses were assessed to determine their modern slavery risk scores and associated risk categories. This includes an evaluation of the suppliers' inherent risk score (based on geographical location, type of goods, industry sector, and workforce parameters) and unmitigated risk score (based on policy and procedure responses). This score determined whether a supplier was categorized as having inadequate, partial, or adequate risk control.

The iPRO screening assessment provided Flow Power Group with further insight into how many of our Tier 1 suppliers have conducted supply chain and operational risk assessments on their own suppliers (Flow Power's Tier 2 suppliers) and identified areas requiring further attention and improvement. The key actions that Flow Power Group's suppliers could take to lower their unmitigated risk scores included issuing a modern slavery risk compliance policy to its suppliers and enrolling workers in modern slavery, human trafficking and child labour risk awareness education and training. We intend to work with the identified suppliers to see whether Flow Power Group can assist with these improvements.

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

- + included modern slavery clauses in our procurement contracts;
- + continued to require all major new suppliers to acknowledge and confirm compliance with our Supplier Code of Conduct;
- + 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;
- + assessed our internal Modern Slavery Framework to consider future improvements according to best practice.

Our management of our modern slavery risks

Looking ahead we plan to progress the following actions in FY24/25 and beyond:

- + continue to develop our Responsible Sourcing Policy as our business grows and we begin to operate in new areas;
- + hold standalone sessions with suppliers of battery energy storage systems to 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. This includes a deep dive with a senior executive from a global battery energy storage manufacturer with a member of Flow Power's Executive Leadership Team;
- + provide key employees with access to training on modern slavery. Senior Legal Counsel, Procurement Officer and Supply Chain Lead will complete a short course by the University of Technology Sydney, Faculty of Law, titled A Practical Guide to the Modern Slavery Act;
- + 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;
- + continue to monitor the development of the NSW Anti-Slavery Commissioner's Renewable Energy Code of Practice and any guidance from the inaugural Australian Anti-Slavery Commissioner; and
- + discuss the opportunity to use independent testing to confirm claims from our suppliers that their products do not use materials sourced from Western China and consider the use of third party auditors more generally to screen our supply chain.

Assessing our effectiveness and looking ahead

Upon reviewing our actions and policies for FY23/24, we have not identified any confirmed modern slavery practices in our operations or direct supply chain.

We acknowledge that the process of identifying and addressing modern slavery risks in our operations and supply chain is ongoing and evolving. We remain committed to continuously improving our approach to modern slavery risk assessment and collaborating with peers and industry leaders to implement best practices for mitigating these risks.

Our review to date has informed the steps we plan to take to enhance our processes for monitoring the effectiveness of our actions in the future, as set out in the table below.

Focus	Objective	23/24 proposed action	23/24 outcome	24/25 proposed action
Risk identification	Identifying modern slavery risks in Flow Power's operations and supply chain	Review suppliers of battery energy storage systems	Achieved. Major suppliers of battery energy storage systems were assessed using iPRO assessment tool	Standalone sessions with suppliers of battery energy storage systems, including a deep dive with a senior executive from a global battery energy storage manufacturer with a member of Flow Power's Executive Leadership Team
Corporate governance	Implement a strong corporate governance framework	Develop our Responsible Sourcing Policy	We are continuing to develop this policy as our business grows.	Responsible Sourcing Policy to be approved by Senior Management
		Continue to engage with the business and identify and assess ongoing and new risks of modern slavery as part of our Risk Assessment Framework	Achieved	Continue to engage with the business and identify and assess ongoing and new risks of modern slavery as part of our Risk Assessment Framework
Education	Educate Flow Power senior management, staff and suppliers on corporate social responsibility	Provide key employees with access to training on modern slavery	Achieved	Senior Legal Counsel, Procurement Officer and Supply Chain Lead will complete a short course by the University of Technology Sydney, Faculty of Law, titled A Practical Guide to the Modern Slavery Act

	including modern slavery			
Engagement	Engage with industry and leaders on best practice in modern slavery assessment and mitigation	Participate in the Clean Energy Council's Modern Slavery Working Group	Achieved	Participate in the Clean Energy Council's Modern Slavery Working Group and engage with any guidance from the NSW Anti-Slavery Commissioner and the Australian Anti-Slavery Commissioner
		Seek to join the UN Global Compact Network Australia's Modern Slavery Community of Practice	After conducting further inquiries we have decided to pursue other industry associations that have similar challenges.	Seek to participate in industry forums and other bodies to bring about knowledge sharing on modern slavery challenges in the renewable energy industry in Australia
Compliance and evaluation	Mitigate and address modern slavery issues	Target zero modern slavery issues flagged through our Independent Whistleblower Service	Achieved	Target zero modern slavery issues flagged through our Independent Whistleblower Service
		Investigate the opportunity to use independent testing to confirm supplier claims	Achieved. Discussed with third party auditor.	Investigate whether we should engage third party auditor to complete independent audit on any suppliers.
		Develop a metric for assessing the effectiveness and impact of our actions and evaluating the effectiveness of our actions in prior years against those metrics	We have engaged with industry participants to determine an appropriate assessment metric and are still considering the most appropriate steps forward.	Continue to evaluate and implement appropriate assessment 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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