

Flow Power

Modern Slavery Statement FY21/22

21 December 2022

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 iEnergytech 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 2022.

Flow Power is fundamentally committed to ensuring that there is no slavery or human trafficking in its supply chain or in any part of the business.

This statement may reference significant events occurring after 30 June 2022. 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

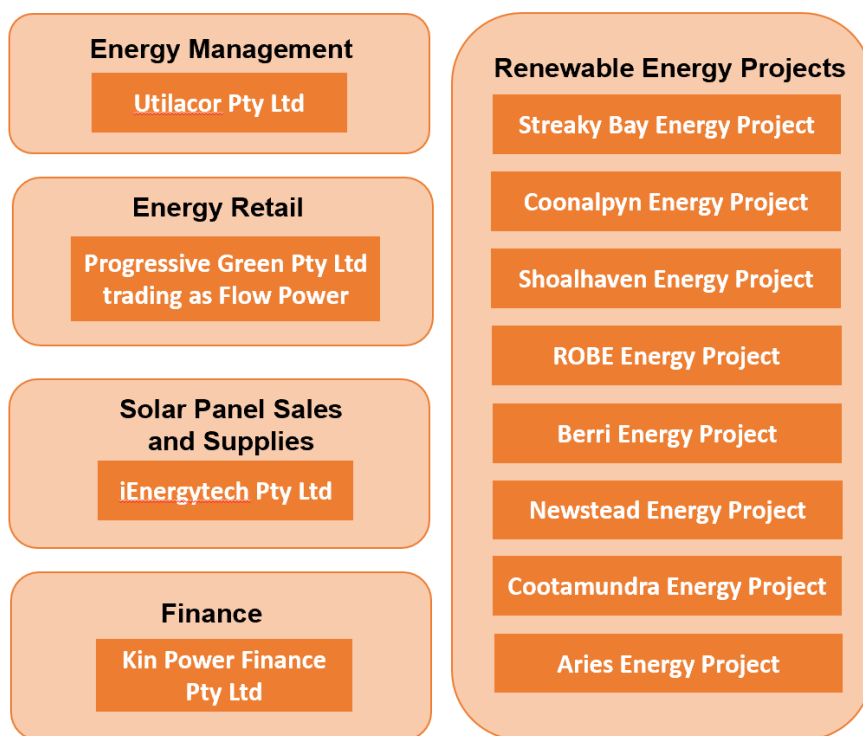
CEO

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), iEnergytech 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.

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.

iEnergytech Pty Ltd supplies solar photovoltaic solutions to customers.

We have over 100 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 13.3MW of solar is operational, with a further 17.4MW and 12MWh of storage in 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 all 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. Analysing our top 50 suppliers in 21/22, 99.77% of our spend was with suppliers based in Australia and 0.23% of our spend was with suppliers based in India. We are beginning to establish preferred suppliers in some areas of our business, such as for the supply of solar panels, whilst in other areas we may change suppliers due to quality and/or price. We recognise that there is a risk of inadvertently contributing to modern slavery risks where a business focuses on securing the lowest possible cost from suppliers and we try to mitigate this risk by requiring our suppliers to complete our Responsible Sourcing Self-Assessment Questionnaire and acknowledging and confirming compliance with our Supplier Code of Conduct.

Our policies

The following policies guide our operations and are available on our website:

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

Risks of modern slavery within supply chain

We assessed modern slavery risks in our operations and supply chains over the reporting period 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.

We have identified that our highest potential exposure to modern slavery is in our indirect supply chain, rather than in our own operations. Applying the UN Guiding Principles, 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 approximately 40-45% of polysilicon. We recognise that procuring goods from this area of China is a high-risk geography for modern slavery as Uyghur and Kazakh citizens are alleged to be subject to labour risks. While all of our panel suppliers have made commitments to remove the risk of modern slavery from their supply chains, only some have stated they only use suppliers from the east coast regions of China to avoid use of Xinjiang polysilicon. We will continue to monitor supplier responses on this point.
- + Energy storage projects: We have battery energy storage systems in development stage. 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. 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 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.

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.

Risks of modern slavery within supply chain

We are continuing to conduct due diligence on our 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. For suppliers with spend equal to or in excess of \$500,000, the Questionnaire must be completed 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:

- + throughout the reporting period we have 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;
- + sought advice from external advisors to assist our understanding of the requirements of the Modern Slavery Act;
- + included modern slavery clauses in our procurement contracts;
- + as a member of SEDEX, we attended a learning session with SEDEX to assist our understanding of how SEDEX could be used to enhance due diligence in our supply chain. We found that most of our suppliers are not currently using SEDEX so the service is of limited use to us at this stage. 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 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 FY22/23 and beyond:

- + review and update our Responsible Sourcing Self-Assessment Questionnaire. Develop a more formal process for review of the Questionnaires and an escalation process to Legal, Risk and Compliance in the case of any modern slavery concerns;
- + review and update our Supplier Code of Conduct as our understanding of modern slavery risks evolves. Target 100% sign up to our Supplier Code of Conduct by our new suppliers and existing suppliers on renewal of contracts;
- + review and update our Whistleblowing Policy to more specifically address human rights and modern slavery concerns;
- + continue to develop our Responsible Sourcing Policy as our business grows and we begin to operate in new areas;

Our management of our modern slavery risks

- + review our template modern slavery clause for contracts and assess whether changes need to be made to the clause and whether the clause should be included in more of our template contracts;
- + undertake a review of suppliers and 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;
- + 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
- + advocate for an Australian industry-led supply chain traceability protocol. A framework like this has been established in the USA by the Solar Energy Industries Association (<https://www.seia.org/research-resources/solar-supply-chain-traceability-protocol>) which has been supported by 175 solar companies, including large manufacturers such as Jinko Solar.

Reviewing the effectiveness of our actions

On reviewing our actions and policies during FY21/22, we have not identified any confirmed modern slavery practices in our operations or direct supply chain. However, as set out above in this statement, we recognise that we may be directly linked to modern slavery practices through entities in our supply chain that we do not have a contractual relationship with.

We recognise that review and assessment of our actions to identify and address modern slavery risks in our operations and across our supply chain will be an ongoing and evolving process. The steps we plan to take in FY22/23 to manage our modern slavery risks are a direct product of our ongoing evaluation of 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:

- + establishing a process to regularly review the actions we have taken. Our Risk and Compliance lead will engage with the business and identify and assess ongoing and new risks of modern slavery as part of our Risk Assessment Framework;
- + tracking the actions we have planned to take in FY22/23 and beyond and measuring their impact, including where we have specified targets in relation to the Whistleblower Service, Supplier Code of Conduct and employee training;
- + seeking feedback from employees on modern slavery training;
- + where our suppliers are required to submit modern slavery statements in any jurisdiction, reviewing those statements, or any publicly available audit reports or NGO reviews, to understand how our suppliers are assessing and addressing their risk of modern slavery exposure;
- + effectively responding to any issues raised through our Independent Whistleblower Service; and
- + continuing to collaborate with other entities in the renewable energy industry through the Clean Energy Council's Modern Slavery Working Group.

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 Power 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 on 22 December 2022 and is signed by the Chief Executive Officer.

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Whistleblower Line

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Whistleblower Service

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