

Modern Slavery Statement

Report FY
2024

01

Consultation & Approval

This Modern Slavery Statement (“Statement”) was voluntarily prepared in alignment with section 14 of the Modern Slavery Act 2018 (Cth) (“Act”), acting as a joint statement made on behalf of all entities in the Hydroflux group of companies. The Statement has been prepared for the 2023-24 Financial Year (1 July 2023-30 June 2024) (“Reporting Period”).

In the development of this Statement, we actively engaged and consulted all companies we own and control. We discussed reporting requirements, shared information on actions to address these requirements, and provided supporting materials and updates throughout the process.

This Statement has been prepared in consultation with all entities owned or controlled by Hydroflux Pty Ltd (as listed in Section 5) and approved by the Board of Hydroflux Pty Ltd, as the principal governing body of the Group of companies, on behalf of Hydroflux Pty Ltd and its controlled entities.

JK

John Koumoukelis
Chair / Chief Executive Officer
(CEO) of Hydroflux Pty Ltd

Intro

CEO. Statement



At Hydroflux, we recognise that the responsibility to respect human rights extends beyond compliance. It reflects who we are and how we do business.

John Koumoukelis

Hydroflux CEO/Chair



We are proud of our management systems and the work we do to safeguard against modern slavery risks in our business and supply chains. Although Hydroflux’s FY24 consolidated revenue is below the AU\$100 million threshold for mandatory reporting under the Commonwealth Modern Slavery Act 2018 (Cth), we have chosen to voluntarily prepare and publish this Modern Slavery Statement. We do so because we understand that modern slavery can occur in any region, sector, or supply chain, and that transparency and due diligence are essential to preventing harm.

Hydroflux does not tolerate any form of modern slavery, servitude, human trafficking, forced labour, child labour, bonded labour, forced marriage, or deceptive recruitment practices. We are committed to conducting our business ethically, with integrity and transparency, and to ensuring that our decisions and partnerships reflect those values. We take pride in maintaining responsible business practices and are determined to safeguard against the risk of exploitation in our operations and supply chains.

Our approach is guided by the United Nations Guiding Principles on Business and Human Rights (UNGPs), which set the global benchmark for how companies should identify,

prevent and address harm to people. This means taking proactive steps to understand where Hydroflux might cause, contribute to, or be directly linked to modern slavery, and acting decisively to manage those risks. We recognise our responsibility to respect the rights of everyone connected to our business, from our employees and contractors to the workers within our extended supply chains.

Our people are our strength and are at the core of delivering high-quality, reliable, and sustainable outcomes for our clients. While we cultivate a culture of technical excellence, innovation, and continuous improvement, we are committed to protecting the human rights of our employees, the communities in which we operate, and the workers within our supply chains. We continue to strengthen our systems to ensure, as far as reasonably practicable, that the goods and services we procure are sourced and delivered ethically.

Through this statement, we reaffirm our commitment to acting ethically, with integrity and transparency in all our business dealings and relationships.

John Koumoukelis



About This Statement

This Statement has been prepared in alignment with the reporting criteria in the Modern Slavery Act 2018 (Cth) (“Act”). The table of contents below highlights where each of the criterion is addressed in the statement.

Requirements of the Act	Section	Page
Identify the reporting entity	4) Our structure, operations, and supply chains	5 - 7
Describe the reporting entity’s structure, operations and supply chains		
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	5) Risks of modern slavery in our operations and supply chains	8
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	6) Our actions to address key modern slavery risks	9 - 10
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	6) Our actions to assess the effectiveness of these actions	11
Describe the process of consultation with any entities that the reporting entity owns or controls	1) Consultation and approval	2
Include any other information that the reporting entity, or the entity giving the statement, considers relevant	N/A	-

Disclaimer

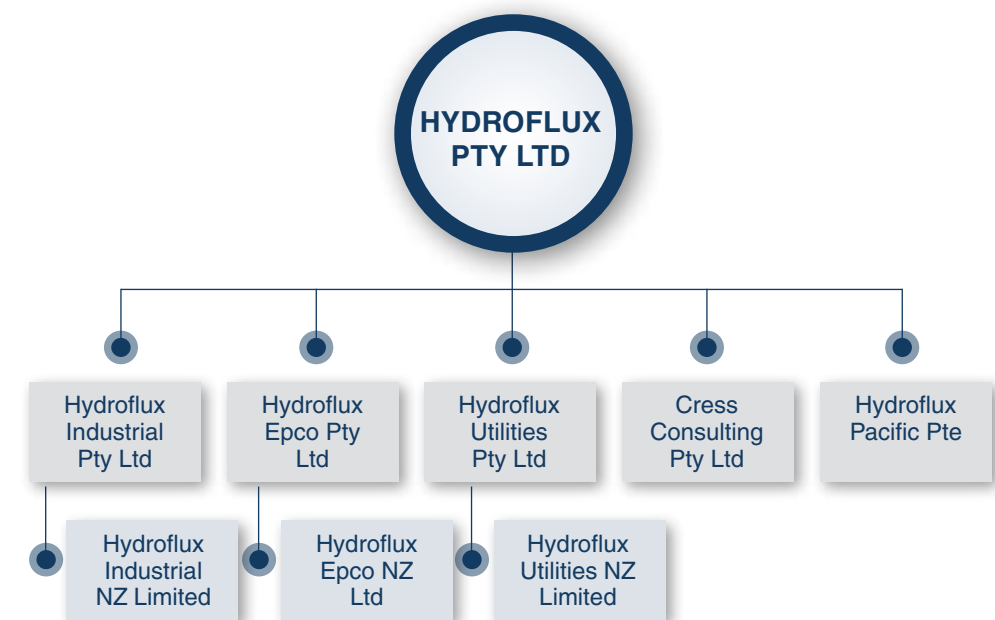


This Statement has been prepared by Hydroflux Pty Ltd for the purposes of reporting in alignment with the Act. All information contained in the report is provided in good faith, however, we make no representation or warranty of any kind, express or implied, regarding the accuracy, adequacy, validity, reliability, availability or completeness of any information.

Our Structure

Hydroflux, ABN 19 163 533 186, is a privately owned Australian company in the water industry headquartered at 44 Market St, Sydney NSW 2000. Hydroflux is the parent entity and owns and controls seven subsidiary entities, each operating independently while providing complementary products and services across industrial, municipal, and sustainability consulting sectors.

With over 100 employees across the organisation, Hydroflux maintains a shared governance framework where each subsidiary retains operational autonomy but adheres to the Group’s overarching policies and ethical standards. This structure supports oversight over our people and supply chains, enabling us to maintain a consistent approach to modern slavery risk management.



Legal Entity Name	Location	ABN / Business Number
Hydroflux Industrial Pty Ltd	Australia	86 163 374 338
Hydroflux Industrial NZ Limited	New Zealand	9429046950734 (NZBN)
Hydroflux Epco Pty Ltd	Australia	93 161 226 606
Hydroflux Epco NZ Limited	New Zealand	9429046927620 (NZBN)
Hydroflux Utilities Pty Ltd	Australia	68 166 065 461
Hydroflux Utilities NZ Limited	New Zealand	9429046950727 (NZBN)
Cress Consulting Pty Ltd	Australia	98 150 137 723
Hydroflux Pacific Pte	Fiji and Pacific Islands	50 56620 06 (TIN)

Our Operations

Hydroflux is an Australian-headquartered group of companies providing specialised products and services in water, wastewater, sludge management, and renewable energy solutions throughout the ANZ-Pacific region. Through our subsidiary companies, we deliver projects and support to industries, municipalities, and communities

through the provision of design services, equipment supply, complete design and construction projects, service and operation contracts, high-performance chemicals, and sustainability consulting services. The nature and types of activities undertaken by each specialist entity are distinct but complementary:



Designs, engineers, and manufactures proprietary wastewater treatment equipment and provides turnkey solutions



Provides municipal clients and contractors a sustainable and diverse range of water and wastewater treatment equipment and solutions



Provides expert support, servicing, original equipment manufacturing (OEM) spare parts, chemicals, and operation contracts to industrial and municipal water and wastewater customers



Provides sustainability consulting services



Our national footprint spans six office branches across Australia, New Zealand, and Fiji. We are supported by a skilled and diverse team of engineers, scientists, project designers, and sustainability specialists, amounting to a total of 105 employees as of 30 June 2024, allowing us to deliver projects across the region:



» Supplier Arrangements

Our supplier arrangements are characterised by stable, long-term partnerships with leading global equipment manufacturers and a wide network of local service providers. We often act as the sole distributor of specialist equipment in the Australia-Pacific region, while also sourcing specialist chemicals and technical services to support the delivery of its water and wastewater solutions.

Our Supply Chains

2200+

Suppliers

34

Overseas Suppliers

75%

Spent On Domestic Suppliers

Out of our 144 priority suppliers assessed based on spend, invoice volume, sector, and location, 75% of our spending was on domestic suppliers, as we strive to source locally whenever possible. The remaining suppliers assessed were located across Europe (Switzerland, the Netherlands, and Germany), North America (USA and Canada), and Asia (China, Thailand, India, and Türkiye).

» Our most significant spend categories in FY24 were:



Equipment & Fabricated Components

Specialised equipment, materials, & manufactured components.



Process Chemicals

Chemical products used in water & wastewater treatment processes.



Site Contractors

Engagement of specialist trade & construction contractors to support project delivery.



Office & Operational Supplies

General business supplies including uniforms & stationery to support day-to-day operations & employee safety.



Domestic Haulage & International Freight

Transport of equipment and materials across project locations and between suppliers.



Professional Services

Engagement of professional providers offering administrative support services.

Risks Of Modern Slavery In Our Operations & Supply Chains

Hydroflux recognises that modern slavery risks may occur in our operations and supply chains. Consistent with the UN Guiding Principles on Business and Human Rights (UNGPs), we consider whether we cause, contribute to or are directly linked to modern slavery through our business activities.

Hydroflux takes a risk-based approach to identify and assess modern slavery risks by considering indicators and drivers across:



High Risk Sectors



High Risk Products & Services



High Risk Geographies



Entity Risks

Risks In Our Operations

As an employer, Hydroflux recognises that its operations could potentially cause modern slavery if employment practices failed to meet legal or ethical standards. However, given our direct employment model under the Fair Work Act 2009 (Cth), strong governance systems, and established workplace policies, the overall risk of modern slavery occurring within our operations has been assessed as low.

Risks In Our Supply Chains

While Hydroflux's operational risk is low, we recognise that we may contribute to or be directly linked to modern slavery risks through our procurement and business relationships. These risks are driven by procurement in high-risk sectors and geographies, where suppliers often have limited governance systems and use vulnerable labour forces.

To understand supply chain risks, visibility and controls we distributed a questionnaire between 29 April and 28 May 2025 to 79 suppliers (55 local and 24 overseas) in which we gained 32 responses and supplemented any gaps with desktop research. The assessment identified that higher-risk categories include equipment manufacturing, chemical manufacturing, and fabrication, where raw materials such as steel, aluminium, PVC, and chemical precursors are often produced in jurisdictions with a high prevalence of modern slavery, such as Türkiye, India, Thailand, and China, which have documented cases of forced and child labour. Service-based activities such as cleaning, catering, and logistics also present elevated risks due to their reliance on low-skilled or temporary workers and limited contractual oversight.

A proportion of our suppliers, particularly small and medium-sized enterprises, had limited measures to manage modern slavery risks. Several suppliers lack formal policies, grievance mechanisms, or visibility beyond their immediate (Tier 1) supply chains, which limits effective identification and management of modern slavery risks in their own supply chains. We also found that approximately 47 per cent of surveyed suppliers engage low-skilled, migrant, Indigenous, or labour-hire workers, groups known to face higher exposure to exploitation.

In applying the UNGP framework, Hydroflux recognises that:

- ✔ We may cause modern slavery through our own practices if internal oversight were inadequate.
- ✔ We may contribute to risks where our procurement decisions indirectly enable exploitative practices.
- ✔ We may be directly linked to modern slavery through the activities of our suppliers or subcontractors.

Our Actions

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Our Actions To Address Key Modern Slavery Risks

Our People

While the risk of modern slavery within Hydroflux's own operations has been assessed as low, we have continued to implement and strengthen measures that uphold fair and ethical employment practices. These actions help ensure that our workforce remains protected from potential exploitation and that governance processes are aligned with evolving best practice. During FY24, Hydroflux:

- » Adopted a Zero Tolerance for Inaction Policy to encourage suppliers to disclose risks or cases of modern slavery without fear of automatic contract termination.
- » Delivered an annual company-wide modern slavery awareness session to maintain staff understanding of human rights risks and responsibilities.
- » Provided onboarding training on safety, risk management, and ethical conduct for all new employees.
- » Conducted employment screening, including verification of work rights in Australia, with copies of visa and passport details retained in accordance with privacy requirements.
- » Maintained robust employment procedures covering pay, hours, and workplace conditions, consistent with the Fair Work Act 2009 (Cth) and relevant Modern Awards.
- » Undertook an annual management review of HR policies and procedures to ensure alignment with changes in workplace legislation and industrial relations requirements.
- » Maintained a confidential staff email channel for employees to raise workplace or modern slavery concerns.
- » Promoted access to the Employee Assistance Program (EAP), providing confidential, external advice and counselling support to all staff.

Our Actions

Our People (continued)

The way we manage modern slavery risks is supported by our key policies and procedures:

- ✓ Modern Slavery Policy, which outlines Hydroflux’s commitment to prevent, detect, and address modern slavery risks across our operations and supply chains, defines governance and reporting responsibilities, and reinforces our zero tolerance for inaction
- ✓ Discrimination, Bullying and Sexual Harassment Policy, setting the direction on how we will behave, interact and work together to live and work free of fear, discrimination, bullying and sexual harassment.
- ✓ Leave Policy, supporting equitable and flexible work arrangements.
- ✓ Risk Management policy, to ensure that environmental aspects and health and safety hazards are systematically identified, assessed, and controlled to eliminate or mitigate potential impacts.
- ✓ Workers Compensation Policy, for the compensation and management of work-related injuries.
- ✓ Working Alone Policy and Working from Home Policy, to remove or reduce risks to the health, safety and welfare of all employees who work alone or from Home.
- ✓ Employment Lifecycle Procedure, ensuring employees are trained and competent to undertake their role and are aware of Hydroflux policies, processes and procedures.

Our Suppliers

At onboarding, Hydroflux requires all new suppliers, including contractors, fabricators, and consultants (CFC), to complete a qualification and review process using the CFC Form. Supported by the Approved Supplier Procedure and CFC Procedure, suppliers are asked to:



Following onboarding, supplier management is supported by a broader framework of policies and procedures that reinforce our expectations of ethical conduct and fair treatment of workers in our supply chains:

1. Supplier audits for safety, undertaken to verify compliance with our standards and to identify any gaps.
2. Sustainable Procurement Policy, promoting responsible sourcing practices throughout the supply chain.
3. Timely payments particularly to small business suppliers, ensuring that there are no late payments that could lead to reduced cashflow and consequently under payment for their workers.

These frameworks are regularly reviewed and updated as required.

Our Actions

Our Actions To Assess The Effectiveness Of These Actions

Our approach integrates modern slavery oversight into our wider risk management framework. Our integrated management system (IMS) aligned with ISO 31000:2018, alongside a dedicated IMS manager, provides a strong foundation for governance and risk management. Through the Hazards and Aspects Management Procedure, risks in routine and non-routine activities are systematically identified, assessed, and controlled.

We have established several mechanisms to regularly evaluate the effectiveness of its actions to assess and address modern slavery risks:

- **Internal Grievance Mechanism**
Hydroflux maintains a confidential staff email to report grievances. While no reports were made in FY24 it creates an ongoing channel to track and assess whether issues are being raised, escalated, and resolved appropriately.
- **IMS Internal Audit**
The IMS manager conducts internal audits under the IMS, evaluating compliance across Hydroflux’s operations, including health, safety, environmental, and quality management. These focus on direct activities and sites, contractors operating on-site, helping to monitor supply chain compliance and provide early visibility into practices that may indicate potential modern slavery risks.
- **Conducting Annual Reviews Of The Modern Slavery Response**
Each year Hydroflux reviews its Modern Slavery Statement and associated policies ensuring risk assessments remain current and reflective of changes in operations, supply chains, and regulatory guidance. This process helps tracks corrective actions, supplier engagement, and lessons learnt.
- **Embedding Due Diligence In Supplier Management**
Supplier engagement is managed through the Contractor, Fabricator, Consultant (CFC) form, which collects information on modern slavery, such as statements. Suppliers are also required to provide regular updates on their processes, if any. Responses are reviewed to monitor risks and gaps, while ongoing updates provide a feedback loop to assess whether engagement improves supplier practices.

Continuous Improvement

Addressing the risk of modern slavery is complex, therefore Hydroflux understands the importance of continuous improvement. We are committed to ensuring our processes and interventions remain effective in preventing and responding to modern slavery in our operations and supply chains.

Focus area	FY2025 continuous improvement initiatives
Our People	Refresh the Modern Slavery training module for all staff, incorporating practical case studies and emerging risk indicators. Perform competitor benchmarking to understand how our approach compares with industry best practice. Develop baseline metrics to assess the effectiveness of actions taken and track year-on-year improvements.
Our Suppliers	Establish Supplier Code of Conduct Complete the scheduled review and update of the CFC Form to strengthen due diligence questions. Continue targeted engagement with key suppliers in higher-risk categories to build awareness and capability on modern slavery prevention.



We believe every organisation has a role to play in ending modern slavery. At Hydroflux, we hold ourselves accountable for ongoing vigilance and improvement across our operations, supply chains, and partnerships.

Thank You

Feedback & Contact

For questions, feedback, or concerns related to this Modern Slavery Statement, please contact:



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