

Modern Slavery Statement 2023

Reporting entities

On 1 January 2019, the Modern Slavery Act 2018 (Cth) (the “Act”) came into force in Australia. The Act requires entities with an annual consolidated revenue of at least \$100 million, and which are either an Australian entity or an entity carrying on business in Australia, to prepare a modern slavery statement.

This joint modern slavery statement has been prepared by Meridian Energy Limited and relates to Meridian’s financial year ending 30 June 2023.

Our business – structure and operations

For the purposes of this statement, “Meridian” refers to the Meridian Group of operating companies (“we”/“us”/“our”), which consists of:

- Meridian Energy Limited (ABN 58355917919, NZCN 938552) and its operational subsidiaries:
 - Dam Safety Intelligence Limited (NZCN 6152623);
 - Flux Federation Limited (ABN 9821961).

Meridian is Aotearoa New Zealand’s largest 100% renewable energy generator and a major electricity retailer across New Zealand.

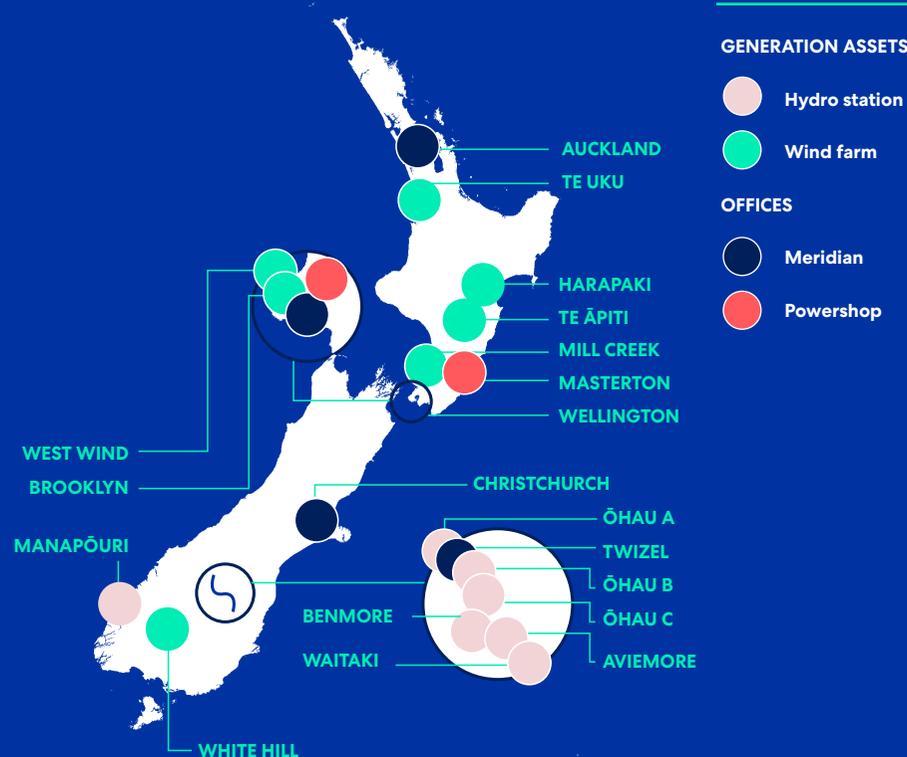
Meridian is listed on the New Zealand and Australian stock exchanges and is 51% owned by the New Zealand government.

Meridian generates electricity from 100% renewable sources through wind, water and sun. Meridian produces approximately 30% of New Zealand’s electricity from its integrated chain of hydro power stations on the Waitaki River and Lake Manapōuri (the largest hydro power station in New Zealand), together with

five wind farms around the country. Meridian continues to maintain its existing assets and invest in its renewable energy pipeline options to grow New Zealand’s generation capacity, such as the new Harapaki wind farm and the Ruakakā Energy Park, both currently under construction.

Meridian retails electricity in New Zealand through two unique brands – Meridian and Powershop. As at 30 June 2023, Meridian had 363,000 customer connections, accounting for approximately 15% of national customer connections.

Meridian’s energy retailing software company, Flux Federation Limited, operates in New Zealand, Australia and the United Kingdom. In addition, Meridian owns Dam Safety Intelligence Limited, a dedicated group of engineers, scientists and geologists focused on the safe management of dams and other water infrastructure. Meridian currently employs around 1,000 people across its New Zealand operations, and has two employees based in the United Kingdom.



Meridian.

The Power to Make a Difference.

Sustainability defines who we are

Meridian is committed to sustainability – it's at the heart of what we do, and one of the key reasons why we only generate electricity from renewable sources.

Meridian has a **robust sustainability programme** and conducts a detailed annual assessment to identify our impacts on the environment, economy and people, including human rights, that are material to our business and our stakeholders. Our sustainability programme focuses on the United Nations Sustainable Development Goals (UN SDGs) where we believe we can make the most impact. There are four UN SDGs in which we believe we have a significant role to play: SDG7 Affordable and Clean Energy; SDG8 Decent Work and Economic Growth (noting target 8.7 to end modern slavery, trafficking, and child labour); SDG12 Responsible Consumption and Production and SDG13 Climate Action. We also take action in support of a number of other UN SDGs, including SDG5 Gender Equality and SDG10 Reduced Inequalities.

We joined the UN Global Compact (UNGC) in 2022 – a voluntary leadership platform for the development, implementation and disclosure of responsible business practices. As a participant in the UNGC, we're committed to aligning strategies and operations with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption, whilst also taking action in support of **UN goals and issues embodied in the SDGs**¹. We prepared our

first Communication on Progress response for the UNGC during FY23. Due to persistent technical issues with the new digital platform, submission was not possible and all UNGC members have been advised a voluntary interim platform for 2023 submissions will be made available.

Embedded in our FY23 board approved Code of Conduct is our recently adopted **commitment to human rights** – which recognises all rights under the International Bill of Human Rights including freedom from slavery, forced labour and child labour. We commenced our first human rights risk assessment in FY23 that was informed by Meridian's sustainability team members' learnings from the United Nations Global Compact Academy – Business and Human Rights Accelerator course. This shift represents an opportunity to expand on our modern slavery focused due diligence today, and we look forward to taking further maturity steps with the purpose being to improve outcomes for people. The global transition to a decarbonised economy powered by renewable energy requires a just transition underpinned by respect for human rights. The speed and urgency of this transition means that Meridian is engaging with complex and distant supply chains in an unprecedented way. All of this makes it more important than ever that we take steps to protect human rights.

Authenticity in reporting

In FY23 we were assessed for and included in the Asia Pacific Dow Jones Sustainability Index (DJSI), which adopts a robust and structured Environmental, Social and Governance framework to assess performance – it includes assessment of human rights (commitment, assessment, due diligence and remediation actions). We were pleased to achieve a higher assessment outcome in the human rights criteria this year.

Our annual integrated report is prepared using the Global Reporting Initiative (GRI) Universal Standards integrated reporting framework, which was revised in 2021 to align with the UN Guiding Principles on Business and Human Rights. The updated GRI Standards require an objective assessment of the positive and negative impacts of a company's business activities that affect the environment, society and the economy, including human rights. Disclosure on our material impacts and actions taken to manage, avoid or mitigate modern slavery risks can be found in our [2023 Integrated Report](#), see *Impacts of supply chain/ethical sourcing* (page 154).

Meridian's supply chains

We work with suppliers who align with our purpose of clean energy for a fairer and healthier world, recognising that who we work with and how they go about their business, treat their staff, and manage their supply chain is our business too.

Our supply chains vary, depending which parts of the business they relate to.

Local and global suppliers provide our generation business with parts and components to build and maintain our generation assets. We also work with general engineering consumable and specialist parts suppliers, and providers of services such as ICT (information and communications technology) and facilities management. We recognise the size and complexity of our supply chain will grow as our business grows, such as through delivery of our renewable energy development pipeline. Most of our work is conducted by permanent employees, not contractors.

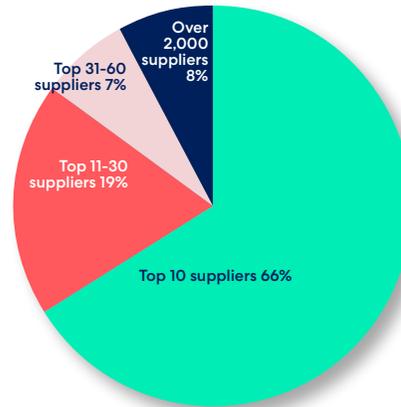
In contrast, we generally have a short supply chain in our retail business. This is because the physical assets used to distribute energy and meter its use are managed by national and local lines and metering companies. The exception relates to action we're taking to develop and deliver products to support customer decarbonisation, such as EV charging solutions, which involves international supply chains.

1. www.unglobalcompact.org/what-is-gc/mission/principles

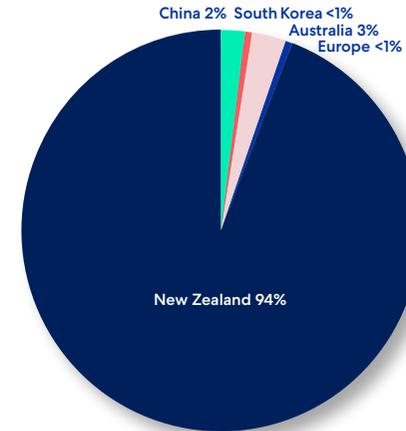
Our corporate and customer facing operations have facilities, ICT, sales and marketing, billing and governance functions that are office based. Our Customer Care and Delivery Team is in New Zealand and staffed by Meridian employees, while our ICT technical support (service desk and onsite IT support staff) and facilities management are delivered by our service providers based in New Zealand.

The graphs to the right show that 92% of Meridian's spend is with its top 60 Tier 1 (direct) suppliers, which are largely located in New Zealand and Australia with a few based in Europe, USA, China and South Korea². These 60 suppliers make up approximately 3% of our total suppliers. The remaining 8% of spend is with around 2,000 suppliers. Over 86% of our spend is with suppliers involved in the energy markets or distribution businesses in New Zealand and Australia. In FY23 there was a significant increase in the percentage of spend in relation to construction and maintenance, which reflects the delivery of our development pipeline.

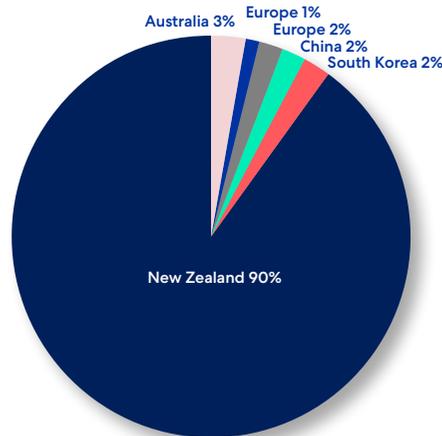
Total spend (percentage by spend)



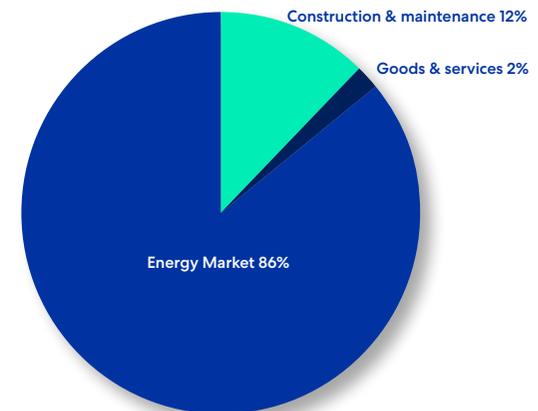
Location of top 60 Tier 1 suppliers (percentage by spend)



Location of top 60 Tier 1 suppliers (percentage by number)



Top 60 supplier (spend by category)



2. Tier 1 suppliers are those who directly provide services/products to Meridian.

Our Modern Slavery Framework

We have a robust Modern Slavery Framework (the Framework) for assessing, managing and continually improving our response to modern slavery risks in our operations and supply chain.

Meridian's employment conditions meet and in many cases exceed the requirements of New Zealand employment laws; the focus of our Framework is therefore on Meridian's supply chain where we have less direct control over employment conditions and increased risk.

Our Framework is broken into six key elements, as shown below:



In 2023 we reviewed and updated our Framework, in accordance with our requirement for review every two years.

Flux Federation Limited also created a separate Flux Modern Slavery Framework, modelled on our Framework, to uphold Meridian's Supplier Code of Conduct, and which reflects its ICT business focus.

Governance

The Modern Slavery Framework assigns responsibilities within Meridian for its review and implementation, including the review of risk assessment and questionnaire responses.

Our policies and contractual controls

Our [Code of Conduct](#) sets out the behaviours expected of all Meridian employees, contractors (in an employment relationship with Meridian) and board members.

We recommend that suppliers and partners also understand the principles and expectations we have committed to upholding in the Code of Conduct.

The Code of Conduct set expectations are for both ourselves and others to measure our actions against under the headings we value - people, safety, sustainability and customers. In 2023 we updated our Code of Conduct with a commitment to human rights that includes a commitment to the United Nations Declaration on the Rights of Indigenous Peoples and Te Tiriti o Waitangi³.

Meridian's expectations of suppliers in the areas of ethical business, social responsibility, health, safety and wellbeing, labour standards, wellbeing and the environment

are set out in our Supplier Code of Conduct, which is aligned with the Act. The Supplier Code of Conduct is incorporated into Meridian Energy Limited's standard form supply contracts.

We have a Group Procurement Policy which applies to all procurement activities. The Code of Conduct and the [Supplier Code of Conduct](#) support this policy.

Assessment of risk

Our procurement categories are reviewed every two years to identify which categories have the highest risk of modern slavery and warrant further due diligence and other actions to help reduce the risk. This review was undertaken in 2023 in line with risk assessment process outlined in our framework.

The assessed risk categories include high-risk geographies (including countries subject to United Nations sanctions), vulnerable populations (including work that involves migrant workers or base-skilled workers) and high-risk raw materials, services and/or business models (such as where there is outsourcing of significant labour needs).

We hold a risk record for those categories considered highest risk (extreme risk rating). Our current controls are recorded or new controls implemented to reduce the gross risk to an acceptable level in these categories.

The procurement categories our Tier 1 suppliers or the supply chain of our Tier 1 suppliers are considered highest risk are:

- Promotional / merchandise / banners and signage*
- Security
- Apparel
- Cleaning and grounds maintenance
- IT hardware & equipment
- Accommodation and conferences
- Construction – Civil engineering / Design, build and fitout / General*
- Warehousing and storage*
- Health and Safety equipment*
- Office and consumables and stationary*
- Travel –Rideshare-eMobility / Taxi / Vehicles & other mobile plant / Charters / Marine*

*new or updated categories identified in FY23

Other drivers of risk include high-risk geographies and high-risk raw materials.

Categories with a high, medium or low risk were considered to be adequately covered by the requirements of the Supplier Code of Conduct, and enables focus to implement due diligence and other treatments to highest risk procurement categories. As Meridian's human rights framework and due diligence processes are developed and Meridian's business-wide sustainability capacity review is completed in FY24, this threshold will be reviewed to ensure it remains appropriate.

Meridian commenced a human rights assessment across its entire value chain, including customers, to start to identify the most salient human rights risks to focus on. We expect to update the Modern Slavery Framework based on the outcome of this work.

3. [Meridian Energy Code of Conduct](#), page 9.

Addressing the risk

Our embedding section of the framework is split into three areas: due diligence, grievance and remediation, and training.

Due diligence

We have a supplier self-assessment questionnaire to help provide us with a greater level of understanding of our risks. The questionnaire is based on New Zealand labour legislation and best practice. It contains questions on employment agreements, induction processes, policies and management systems, audits and governance practices. It also requests supporting documentation. All existing suppliers in the highest-risk category are required to complete this on a two-yearly basis or as-requested based on reasonable potential emerging risks.

Updates to our framework this year included guidance on steps to take where a questionnaire is not responded to, as well as an escalation pathway up to the General Manager for the procurement category for when potential issues are identified. Our approach reflects our belief that rewarding transparency allows us to focus on improving outcomes for people, and as such seek to exhaust sources of leverage/influence before ceasing the procurement of critical goods/services.

In FY23 a total of 75 questionnaires were requested from suppliers (more than double the number of questionnaires requested in FY22). A total of 62 were completed. Questionnaire responses were reviewed on a quarterly basis, or sooner if timeframes required (eg. request for proposals). We continue to work with suppliers to receive the outstanding questionnaires or responses to follow-up clarification questions we asked.

While some questionnaire responses sought follow-up clarification from suppliers, there were two instances where concerns were raised which warranted further investigation. Both related to working conditions of a Tier 2 supplier (ie. a party contracted by our direct supplier), and the following action was taken to address these instances:

- Instance 1: Engagement with the Tier 2 supplier gave assurances that action would be taken to improve identified weaknesses and follow-up audits demonstrated some progress, which we will continue to monitor for the duration of the agreement.
- Instance 2: Engagement with our supplier resulted in steps being taken to improve the working conditions, including increasing the number of workers to provide the service. A new supplier has now been selected to perform the services on expiration of the agreement with the incumbent. This change in supplier will result in an increase to above living wage for the role, and more flexible work conditions.

Other action taken in FY23 in relation to supplier due diligence included:

- A review of all Meridian preferred accommodation providers, including Modern Slavery questionnaires as part of the selection process.
- Direction to cease future engagement with supplier due to their failure to complete a modern slavery questionnaire. This decision was made after multiple requests to the supplier to complete, including offer of support.

The process of reviewing modern slavery questionnaire responses allows us to gain an aggregate insight for improvement areas across suppliers. The areas identified to help target future supplier engagement and other opportunities to support improved practice, focused on better guidance to suppliers on why the questionnaire response is requested, plus updates to our modern slavery questionnaire.

In FY20 we surveyed our Tier 1 suppliers providing cleaning and security services. Follow-up on responses from these surveys continued into FY21 as part of ongoing contract performance management, and no issues were identified as part of this process, or have been identified for those service providers or categories subsequently.

Grievance and remediation

Suppliers and workers of suppliers may raise concerns regarding compliance with the Supplier Code of Conduct through their contact at Meridian or through procurement@meridianenergy.co.nz.

Meridian Energy employees can raise concerns with their manager, the Chief People Officer, the General Counsel or Meridian Legal Team, the Chief Financial Officer or Chief Executive, as outlined in Meridian's Whistleblowing Policy.

We do not have a specific remediation process for Modern Slavery at this stage. We will follow the intent in our Supplier Code of Conduct to work collaboratively with suppliers to help them develop their capability to meet our expectations. Suppliers who cannot demonstrate progress towards conformity with these expectations are likely to have limited future business opportunities with Meridian and in extreme cases, could result in termination of the relationship.

Training

We have a sustainable procurement e-learning module for the Meridian team. Part of this module covers ethical procurement including modern slavery risks. In FY22 we launched a Sustainable Procurement Hub and piloted sustainable procurement workshop for key buyers in the business (providing more in-depth training than the e-learning module). This year we have developed a resource to share internally, and with suppliers, to raise awareness of what Modern Slavery is, and why Meridian is taking action to reduce the risk of Modern Slavery in its operations and supply chain, including through the supplier modern slavery questionnaire.

These tools are designed to build staff knowledge of and confidence in promoting sustainable practices for products, materials and processes throughout the supply chain, and to ensure we source ethically and uphold human rights. The Hub includes guidance, for example, on why and when modern slavery due diligence is required during supplier engagement.

We will work with our suppliers to raise awareness of modern slavery risks and issues and help them improve their practices where required.

Monitoring effectiveness and reporting

An internal audit of ethical practices was undertaken late in FY21. Modern slavery due diligence was noted as a part of our response to manage ethical risks. The audit found the overall control environment to be developing. An ethical practices improvement plan was created with focus on Governance, Process and Assurance, and Culture – actions included the introduction of a human rights commitment and commencement of a human rights risk assessment during FY23.

We continue to undertake quarterly Modern Slavery questionnaire reviews, plus regular sustainability audits and sustainability sub-committee meetings at our development sites (Harapaki Wind Farm and the Ruakākā Energy Park), to regularly capture insights and opportunities to improve awareness and practice.

The modern slavery concerns identified in the reporting period, noted in the due diligence section, indicate a degree of maturity of our processes and business awareness, but we have and will continue to take steps to improve our practices in this area (see continuous improvement section).

Continuous improvement

Following the FY21 ethical practices audit, an 18-month three phase plan (guidance development, documentation, training) was developed to improve the control environment around ethical practices.

An ethical practices improvement plan was developed highlighting: what ethical risks guidance would be developed for, escalation criteria, and articulation of a balanced approach across governance, process and assurance, and culture to best serve ethical risk management. During FY23 Meridian's Code of Conduct was updated with new core sections on ethical practices, and human rights⁴. A new e-learning training module has been created for the updated Code of Conduct for all staff to complete annually from FY24.

Meridian has a renewable development pipeline as well as new emerging business opportunities. This means our supply chain is changing in scale and profile and as such, we continue to ensure our supply chain assessment framework is fit for this expanding purpose. We continue to conduct targeted due diligence on Modern Slavery risk for relevant renewable developments with high risk materials; including as part of the Ruakākā battery and solar development project procurement process, to understand how risks to human rights, including modern slavery, are being mitigated.

4. [Meridian Energy Code of Conduct](#), pages 9 and 21.

We continue to look for opportunities to improve our modern slavery due diligence processes to ensure impact and influence on our procurement practices and those of our suppliers. In summary, in FY23, we took the following actions:

- Updated our Modern Slavery Framework to reflect areas for improvement based on our last two years' experience, including an update to our supplier Modern Slavery questionnaire.
- Continued internal engagement on Modern Slavery to raise awareness and practice with key internal stakeholders and buyers. We doubled the number of questionnaires requested from suppliers in FY23 than in FY22, providing a positive indicator of practice.

- Flux Federation adopted its own Modern Slavery Framework, allowing a more tailored focus reflecting the nature of their business activity.
- Developed an 'Introduction to Modern Slavery' Guidance document for suppliers and as an internal resource.
- Continued to promote internal support and tools, such as Meridian's Sustainable Procurement e-learning module for staff.
- Updated Meridian's procurement template documents to include Modern Slavery due diligence requirements.

Consultation with our entities

Meridian Energy Limited prepared this joint statement and the Meridian Group of operating companies have been consulted regarding the contents of this statement.

This statement was approved by the board of Meridian Energy Limited on 13 December 2023⁵.

Signed on behalf of Meridian Energy Limited by:



Mark Verbiest
Chair of Meridian Energy Limited

13 December 2023

287-293 Durham Street North
Christchurch 8013
New Zealand

5. For the purposes of section 14(2)(d) of the Act, Meridian Energy Limited was in a position to influence and control Powershop Australia Pty Ltd, while it was a wholly owned subsidiary