

Genesis Energy Limited

FY23

**Modern Slavery
Statement**





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Reporting entity

Genesis Energy Limited (Genesis) is a diversified New Zealand energy company whose operations include generation and wholesale procurement of energy through to the sale of energy to residential, business and wholesale customers. We supply electricity, LPG and natural gas to 483,700 customers in New Zealand through two retail brands (Genesis and Frank*Energy). We own a 46% share of the Kupe Joint Venture, which owns the Kupe gas field.

Genesis is listed on both the ASX and NZX with more than 1,200 employees across New Zealand. It is headquartered at 155 Fanshawe Street, Auckland Central, 1010, New Zealand.

Scope

This Modern Slavery Statement covers Genesis and its subsidiaries and controlled entities, as disclosed in Note D1 of the Consolidated Financial Statements contained in the [Genesis FY23 Integrated Report](#). It does not cover any joint operations or entities that Genesis holds an interest in but does not control. However, we have communicated our view on modern slavery risks to our joint venture partners and non-controlled entities via our representatives in those entities.

Introduction from our Chair

Genesis has a unique role in New Zealand's transition to a low carbon future. Our thermal generation assets can provide the security of supply that gives others confidence to invest, while we also play our part in creating new renewable sources of electricity.

Our **Sustainability Framework** provides targets and guidance as we move through this work. One of its key pillars is to do all we can to support A More Equal Society.

We cannot help New Zealand become more sustainable without our people and those who work for our suppliers. To maximise their potential we must be fair. At Genesis, we're working to achieve greater equality of opportunity, and improve our people's health, safety and wellbeing while being a diverse and inclusive place to work.

We expect the same high standards of our suppliers, but know expectations are not enough. Other jurisdictions have recognised that policies and processes to reject poor working conditions, inequity and, at worst, modern slavery, are necessary.

Australia's Modern Slavery Act received Royal Assent on 10 December 2018 and required all businesses trading on the ASX with a turnover greater than A\$100 million to disclose their risk of modern slavery in their operations and supply chain. As a New Zealand-domiciled company listed on the ASX, adopting a rigorous approach to modern slavery is a relatively new step but one we take willingly.

In New Zealand, the Ministry of Business, Innovation and Employment (MBIE) undertook consultation in June 2022 on Modern Slavery legislation. While we await progress from MBIE and likely new legislation, we are not standing still.

While we are required to comply with New Zealand and Australian law on human rights and modern slavery, we take the view that we should go above and beyond compliance. Our goal is to take an advanced approach to modern slavery by the end of June 2025.

We have made significant progress in the past year, particularly in developing management processes, and engagement.

Late in 2022 we set up an internal Modern Slavery Action Group of senior people in finance, risk, procurement, people and culture and sustainability to identify gaps in processes. The group prioritised work required to identify our risks, create an overarching framework, and developed processes for engaging with our suppliers and our people on the issue.

We are confident we are managing our modern slavery risks appropriately. New Zealand has a high degree of governmental and private sector response to this issue; it has, according to the 2023 Global Slavery Index, a low prevalence of modern slavery and overall, one of the lowest ratings for modern slavery among the 160 countries in this index.¹

However, like climate change, modern slavery knows no borders. In New Zealand, the higher risk industries include forestry, hospitality, horticulture, and cleaning. If Genesis has a risk to modern slavery from within New Zealand, it is likely to be from a domestic supplier in these industries.

We must continue to build employee awareness and understanding of what constitutes modern slavery, have the right processes to identify it, exclude it from our operations and report it. Working towards A More Equal Society means not only looking after our own, but helping protect all those engaged in our purpose of empowering New Zealand's sustainable future.

Signed on behalf of
Genesis Energy Limited



Barbara Chapman
Chair
23 August 2023



This statement was approved by the Board of Genesis Energy Ltd in its capacity as principal governing body of Genesis Energy on 23 August, 2023.

What is modern slavery?

Modern slavery is used to describe serious forms of exploitation including human trafficking, servitude, forced labour, debt bondage, forced marriage, deceptive recruitment and the worst forms of child labour.

Key milestones FY23

Genesis is pleased to report the following progress in alleviating modern slavery:

- Development of a Modern Slavery Framework.
- Development of a key supplier questionnaire, which was sent to 38 Tier 1 suppliers assessed as higher risk.
- Enhanced internal capability, with the formation of a Modern Slavery Action Group, and increased employee awareness.

Aligned with UN Sustainable Development Goals

We have aligned our Sustainability Framework to six of the United Nation's Sustainable Development Goals (SDGs). The SDGs were developed as a blueprint to achieve a better and more sustainable future for all. The goals we have chosen are identified as the areas that Genesis can make the most positive impact and, where relevant, are aligned to modern slavery.



1. NZ rating: 1.6 vs 104.6 for the worst performing countries, and 0.5 for the highest rated country

Our commitment

Genesis' purpose is empowering New Zealand's sustainable future.

We are committed to upholding human rights within our own operations and throughout our supply chain in both New Zealand and abroad. As a responsible and ethical business, Genesis is committed to preventing and addressing modern slavery in all its forms throughout its operations and supply chain.



The solar panels Genesis will use at our first solar farm in Lauriston, Canterbury



Compliance



Framework



Engagement

Our structure, operations, and supply chain

Genesis is one of New Zealand's largest energy companies with a significant presence in electricity generation, wholesale markets and energy retailing, with two brands, Genesis and Frank*Energy. We provide energy to 483,700 customers across New Zealand. We own and operate a diverse portfolio of thermal and renewable generation assets.

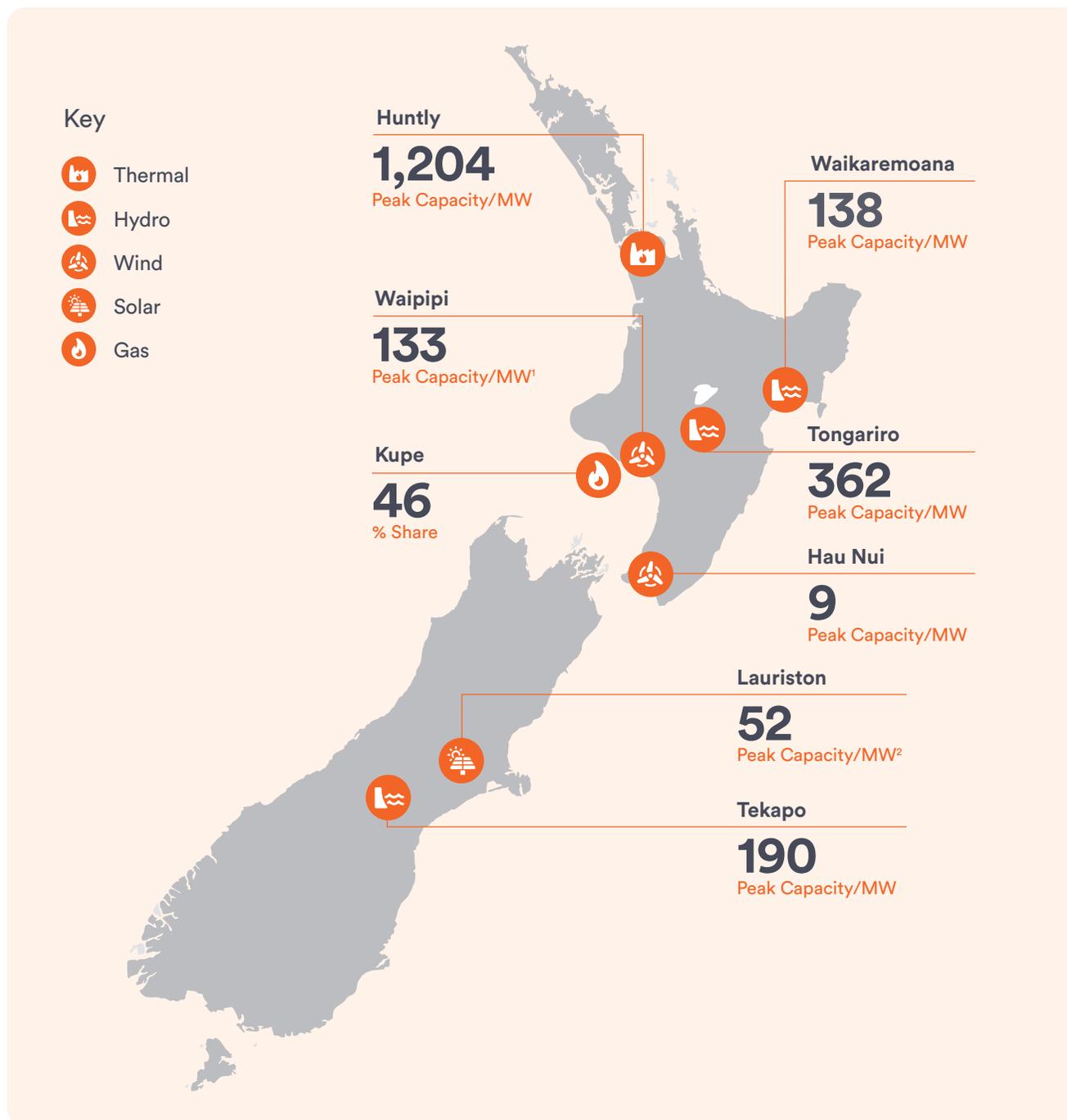
Our pipeline of new renewable generation projects includes generation purchased through power purchase agreements with wind farm and geothermal electricity operators. We have an ambition to be a leading developer of solar generation and have signed a joint venture agreement with FRV Australia, a solar farm developer. These projects will further reduce baseload thermal generation.

Genesis is also a partner in two joint ventures established to plant marginal and non-productive land for afforestation and carbon sequestration. DrylandCarbon One Limited Partnership has planted 10,000 hectares and Forest Partners Limited Partnership intends to invest in 27,000 hectares of new afforestation.

We had approximately 1,500 suppliers in FY23. More than 84% of our spend is allocated to the generation, purchase and distribution of gas and electricity to our customers. This takes a number of forms and includes purchasing electricity on the energy market for our retail customers, and purchasing gas used to generate electricity. Genesis expects its suppliers and contractors to comply with our [Supplier Code of Conduct](#), which emphasises Genesis' action to build sustainable and strong communities.

Key

-  Thermal
-  Hydro
-  Wind
-  Solar
-  Gas



1. Genesis has an electricity offtake agreement for the energy from Waipipi.
 2. Subject to final investment decision. Construction is expected to start late 2023 and be operational by late 2024.

Risk identification

As a leading energy company, our procurement function has the opportunity to influence human rights directly through purchasing decisions and indirectly by influencing product design or materials purchasing by our suppliers.

Genesis' largest area of external spend is the purchase and distribution of electricity and gas for our customers. We also purchase site services, customer services and IT services, including hardware and software.

We consider modern slavery risk in our operational workforce to be low. New Zealand is ranked as a low modern slavery risk country (Global Slavery Index 2023).

All of our employees are protected under our own employee policies, human rights and labour legislation.

Approximately 12% of our employees are covered by an agreement with the E tū union. All other employees are employed on individual contracts underpinned by New Zealand workplace laws. We have a comprehensive suite of employment policies and practices in place to ensure the risk of modern slavery within our own workforce is low.

All of Genesis' operations and most of our suppliers are New Zealand based. 96% of our annual spend is with domestic suppliers.

High risk supply chain



Fuel supply: Genesis has imported coal from Indonesia in the past. The last purchase of coal was made in FY22. It was delivered in 20 shipments, with the last arriving in July 2022. No domestic or Indonesian coal is currently on order. While coal mining in some Asian countries could be at risk of worker exploitation, Indonesian coal mining is not identified as a higher risk in the Global Slavery Index.



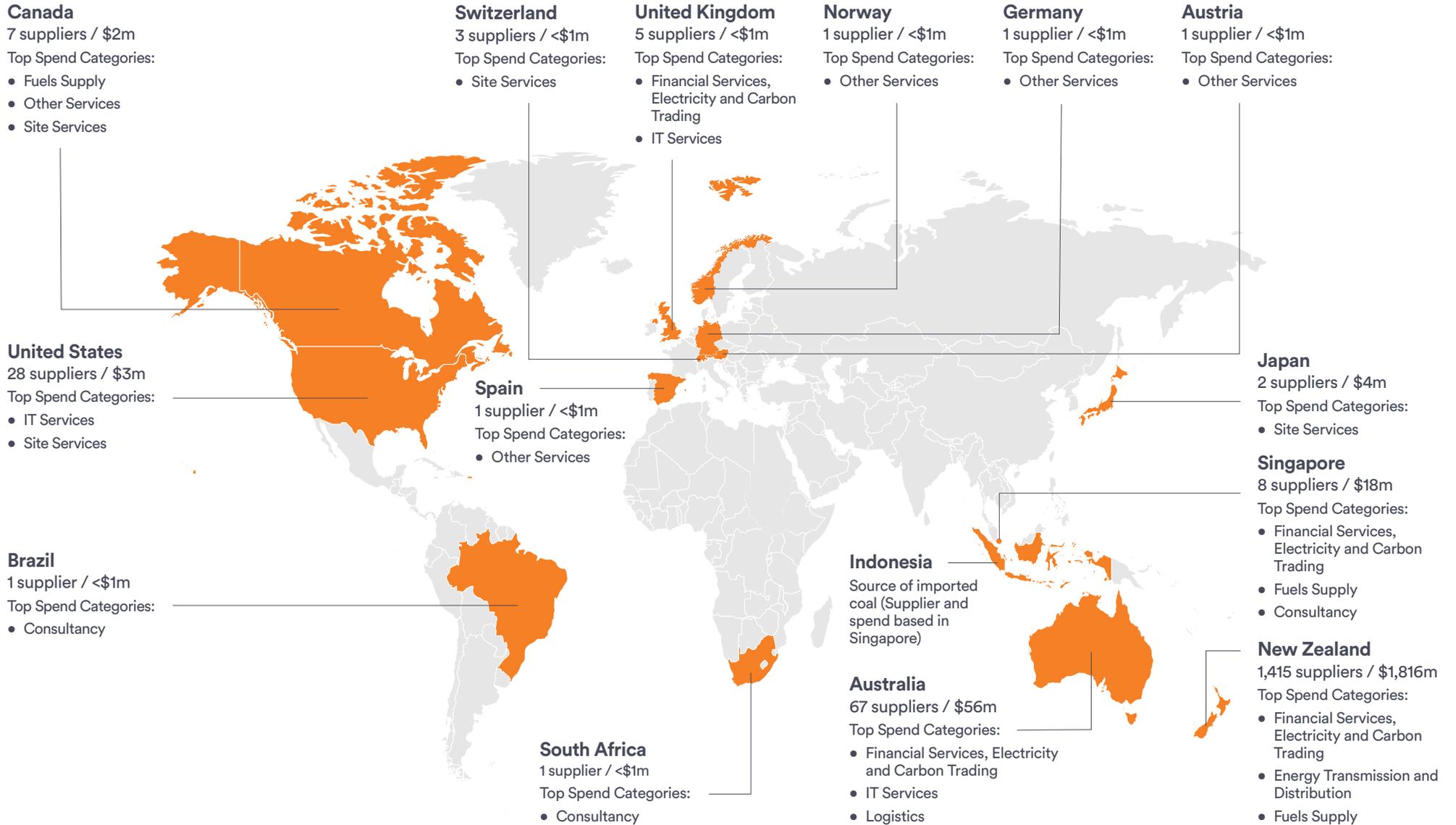
Solar: The production of solar panels has been reported as involving labour exploitation by international organisations. Our solar joint venture is yet to purchase solar panels for our solar project and we will integrate Modern Slavery considerations into future purchasing decisions.



Electric vehicles (EVs): Cobalt is an essential component of rechargeable lithium-ion batteries. Some cobalt is extracted from artisanal mines that have reports of the worst form of child labour, particularly in the Democratic Republic of Congo. Genesis leases EVs for fleet use and our most recent order in June 2023 for seven vehicles was for EV models that do not contain cobalt.

Geographic location of Genesis' direct supply chain

The map below shows the geographical locations of our direct suppliers in FY23, including the number of suppliers, the top spend categories and spend by location.



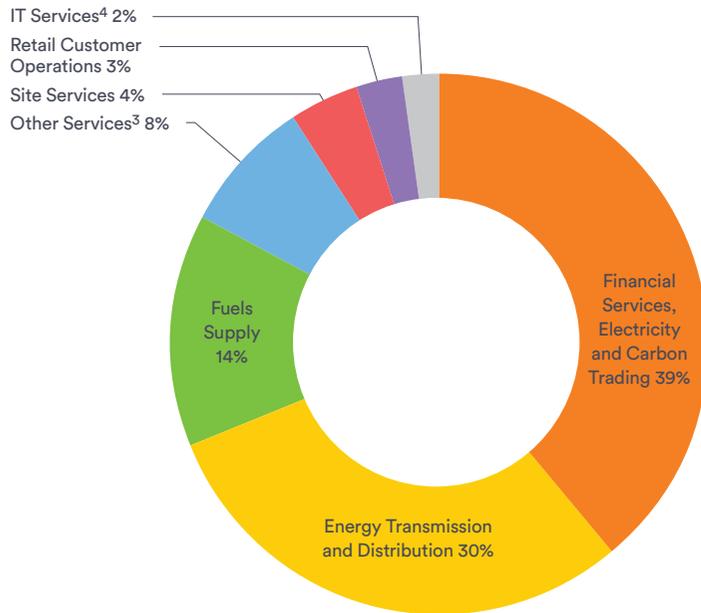
Spend by country and Government Response Rating

The Government Response assessment from the Global Slavery Index 2023 provides a comparative look at the legal, policy, and programmatic actions that governments are taking to respond to modern slavery. It is based on 141 indicators, such as supporting survivors to exit and remain out of modern slavery.

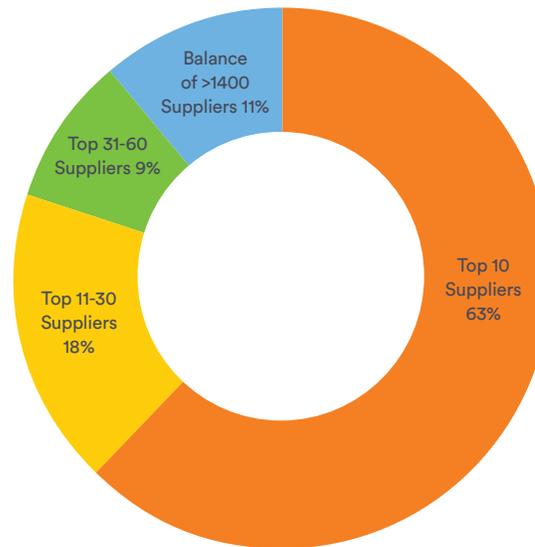
Spend by country

Country	FY23 Spend NZ\$ million	Vulnerability Rating (%) ¹	Government Response Rating ¹
New Zealand	\$1,815.5	8%	54
Australia	\$56.0	7%	67
Singapore	\$18.0	24%	47
Japan	\$4.2	11%	44
United States	\$2.7	25%	67
Canada	\$2.0	11%	60
Switzerland	\$0.3	14%	50
Brazil	\$0.1	47%	51
United Kingdom	\$0.1	14%	68
Other ²	\$0.2		
Total	\$1,899.1		

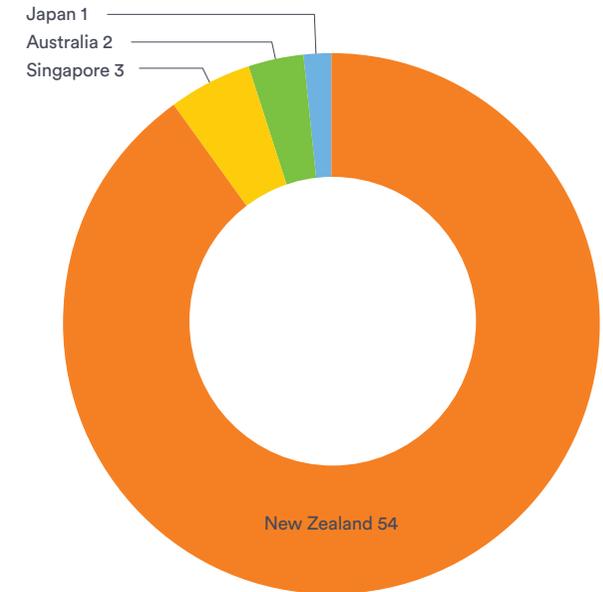
Spend by category (%)



Distribution of spend across suppliers (%)



Location of Top 60 suppliers by spend (count)



1. Source: Global Slavery Index 2023.

2. Other includes Austria, Germany, Norway, South Africa and Spain.

3. Other Services includes: Consultancy, Customer Services, Logistics, Marketing, Property Leases and Regulatory, Shared Services, Trusts & Sponsorship.

4. IT Services includes Information and Communication Technology, services, hardware and software.

Actions taken

At Genesis we are on a journey to alleviate modern slavery in our supply chain. This year our actions to build our capability to identify, mitigate and remediate modern slavery risk included establishing a Modern Slavery Action Group, developing a Modern Slavery Framework, creating a supplier risk assessment process, creating a modern slavery risk register to capture potential risks, engaging with suppliers and raising modern slavery awareness throughout our organisation.

Modern slavery is an operational risk; the assessment and management of the risk is being approached in the same manner to other risks in our business in accordance with our Risk Management Framework.

Improving risk assessment

A key action in FY23 has been to understand how we best risk assess our supply chain when we have many suppliers and imperfect information.

In our FY22 Modern Slavery Statement we chose not to focus on our New Zealand based supply chain owing to New Zealand's low rating in the Global Slavery Index. However, New Zealand is not free from modern slavery risks. From time to time, issues closely related to modern slavery arise in certain industries, including forestry and horticulture.

For this reason, in FY23 we have engaged with off-shore and New Zealand-based companies to better understand risks. The New Zealand Government has stated a commitment to collaborating with global partners to eliminate modern slavery, including forced labour, child labour, and human trafficking.

We therefore have developed a methodology to map our suppliers based on location, industry and expenditure.

We have looked at the location they're domiciled in or where the bulk of the work is undertaken or product is made, based on the records we have in our payment system, and compared that against the prevalence risk by country, reported in the Walk Free Foundation's 2018 Global Slavery Index.

We also overlaid a filter of spend per supplier, which we have set at more than \$100,000 per annum.

Using this methodology, for the first detailed study of our suppliers, we created a questionnaire to send to 38 suppliers. Broadly, the selection of suppliers has been from a product and industry perspective, in the areas of catering, coal mining, civil contracting, and IT or technology hardware and software supply.

At the end of the reporting period, 21 companies had responded to the survey and of those we identified 43% where we required further understanding of their practices and policies.

For some New Zealand-based suppliers, this was the first time they had seen a questionnaire of this type and they may have a limited understanding of modern slavery and our responsibilities.

Genesis sees this process as an opportunity to engage and educate our suppliers about modern slavery issues, compliance and reporting responsibilities under the Australia's Modern Slavery Act 2018 and prior to the introduction of potential legislation in New Zealand.

Firms that did not respond to the survey will receive further engagement and those that declined outright to provide information may, in future, be removed from our roster of preferred suppliers.



Above: Huntly power station

Actions taken (cont'd)

Modern Slavery Action Group

Towards the end of 2022, we established an internal Modern Slavery Action Group with 12 members representing relevant areas of the business – finance, risk, procurement, people and culture and sustainability.

The purpose of the group was to develop and deliver the actions outlined in our FY22 Modern Slavery Statement. The group identified work required to better understand our risks, create an overarching framework, and developed processes for engaging with our suppliers and our people on the issue.

Modern Slavery Framework

The Modern Slavery Framework (Framework) will continue to be developed as Australian and New Zealand legislation, as well as our understanding of modern slavery risk evolves.

This Framework shows our commitment to alleviating modern slavery from our supply chain. It goes beyond compliance as the Modern Slavery Action Group is determined to put the business in a position where it has a fully developed understanding of its modern slavery risks and understands how to partner with suppliers and other organisations to prevent and remediate any modern slavery in our industry.

The Framework clarifies roles, responsibilities and the governance structure for management of our modern slavery risks. It sets out the risk management process in place and it lists controls, monitoring and remediation procedures.

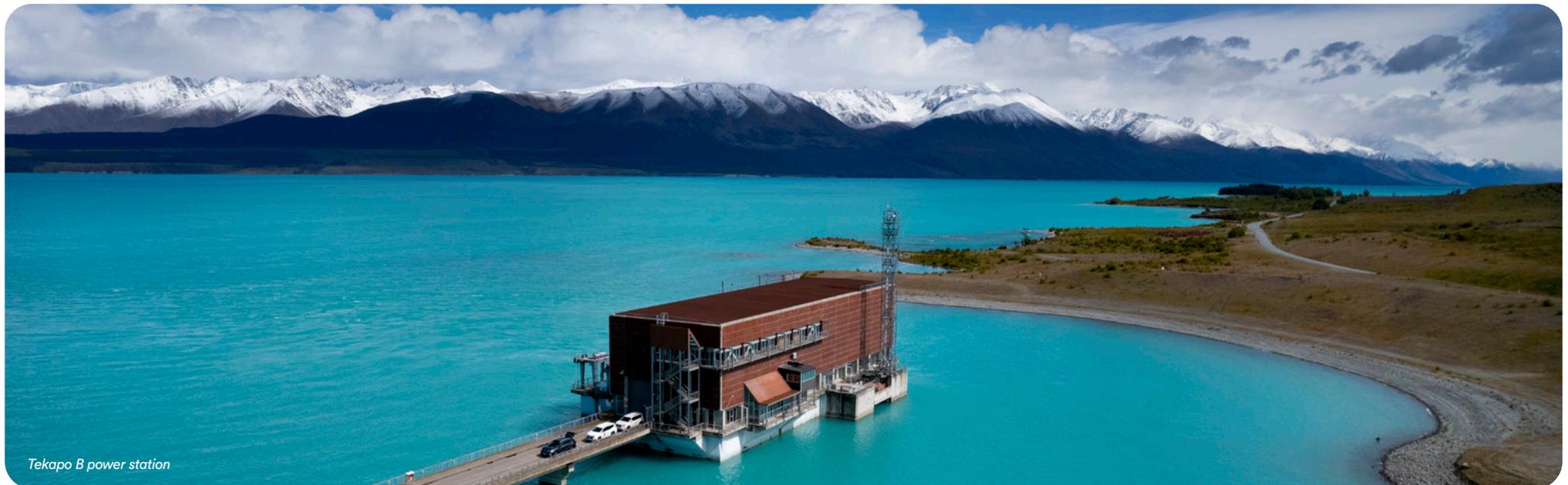
Building internal awareness

We are working to build internal awareness of modern slavery. It is our intention that all employees understand that modern slavery is a subset of human rights.

This programme will be a phased approach as we identify the different audiences, levels of training for each group, how training modules are incorporated into our induction and training programmes and required behavioural outcomes.

In the short term we have prioritised training for around 70 employees who choose suppliers and people who engage with vendors. Training will then be extended to include all senior leaders and all procurement system users.

We have held conversations with teams who are involved in compliance and procurement to build an understanding of modern slavery issues.



Tekapo B power station

Assessing our effectiveness

Genesis has a track record of viewing compliance with environmental and social impact legislation as a platform for organisation behaviour; in many instances it has gone above and beyond legislative compliance to support communities and New Zealand's unique biodiversity.

One of the functions of the Modern Slavery Action Group is to assess the effectiveness of the modern slavery programme. In this regard, the Modern Slavery Action Group receives guidance and input from the Chief Corporate Affairs Officer (General Counsel), General Manager Group Treasurer and Risk, General Manager Financial Control and Assurance, General Manager Property and Commercial Partnerships and external advisors.

Controls and processes have also been implemented to address the risks in our supply chain. During onboarding of a new supplier, Genesis employees complete a questionnaire relating to potential risks and Procurement will engage with the supplier if risks are identified.

Several supplier codes and policies are also in various stages of development or revision to ensure they reflect modern slavery considerations. These include:

- Supplier Code of Conduct – existing
- Human Rights Policy – in development
- Risk Management Policy – existing
- Procurement Policy – existing
- Compliance Management Policy – existing
- Code of Conduct – existing

Remediation

Genesis has developed a remediation procedure in the event that we discover the existence of modern slavery in our supply chain, and we are in the position to influence or alleviate that impact on workers wherever they may be through our Code of Conduct policy and discussion with our suppliers.

To date, we have not needed to put a remediation plan into practice, and we are continuing to focus on our supplier engagement and education.

Monitoring and reporting

We are developing processes to measure, document and report on the effectiveness of our modern slavery risk management and will be focussing on continuous improvement initiatives to achieve this. We expect to develop a set of Key Performance Indicators for modern slavery, establish data collection and reporting mechanisms and set targets for improvement.

Our metrics

Capability

- Regular engagement and feedback
- Collaborating with joint venture and business partners
- Annual review of modern slavery framework, risk assessment, contract terms, standard of behaviour for suppliers and employees

Supply chain

- Number of suppliers requested to complete a risk assessment questionnaire (FY23 38)
- Percentage of high-risk suppliers who responded to questionnaire (FY23 55%)
- Number of modern slavery incidents reported (FY23 0)

Governance

- Modern slavery risks are reported to the Board's Audit and Risk Committee

Operations

- Internal employee engagement
- Number of employees involved in procurement who receive training
- Percentage of employees who have been given relevant training

Actions for 2024

- Continue to engage with suppliers
- Develop Human Rights Policy and review associated policies
- Roll out internal training programme for procurement system decision-makers and users