



MERCURY NZ LIMITED

MODERN SLAVERY STATEMENT 2025



INTRODUCTION.

One target of the UN Sustainable Development Goals is for the international community to end modern slavery by 2030. The global adoption of these goals continues to increase focus on eliminating modern slavery, with specific regulations introduced in several countries, including Australia.

Mercury is listed on both the NZX and ASX and complies with the requirements of the Australian Modern Slavery Act 2018. An equivalent obligation does not yet exist in New Zealand. Mercury supports and encourages progress towards legislation on modern slavery and worker exploitation in New Zealand.

REPORTING ENTITY.

Mercury NZ Limited (NZBN: 9429037705305/ ARBN: 162 804 668) (Mercury) is listed on the New Zealand Stock Exchange (NZX:MCY) and the Australian Stock Exchange (ASX:MCY) as an ASX Foreign Exempt Listing. The New Zealand Government holds a legislated minimum 51% shareholding in Mercury.

This statement has been prepared for the Mercury Group (Group), which comprises Mercury, its subsidiaries and the New Zealand-based (unincorporated) joint arrangements in which Mercury has majority ownership.

This statement has been prepared using the [Guidance for Reporting Entities](#) and outlines what we

have done in FY25 (the 12 months to 30 June 2025) to assess and address the risk of modern slavery in our operations and supply chains.

IN FY25, WE:

-  Completed the assessment of material suppliers transferred to Mercury as part of the acquisition of Trustpower's retail business.
-  Reviewed NOW Broadband's supply chain.
-  Updated our Supplier Code of Conduct.
-  Refreshed our five-year programme of work to combat modern slavery.

ORGANISATIONAL STRUCTURE, OPERATIONS AND SUPPLY CHAINS.

Mercury's generation assets produce electricity from 100% renewable sources: hydro, geothermal and wind. We also retail electricity, gas, broadband and mobile services.

We have nine hydro power stations along the Waikato River, five geothermal stations in the northern part of the Central Plateau and five wind farms in the Manawatū, South Taranaki, Otago and Southland regions. The electricity we generate is sold on the wholesale market. Our retail arm buys electricity from this market to supply businesses and households across New Zealand.

During the year we commenced construction of our new Kaiwaikawe Wind Farm near Dargaville in Northland, and we expect full generation by the end of 2026.

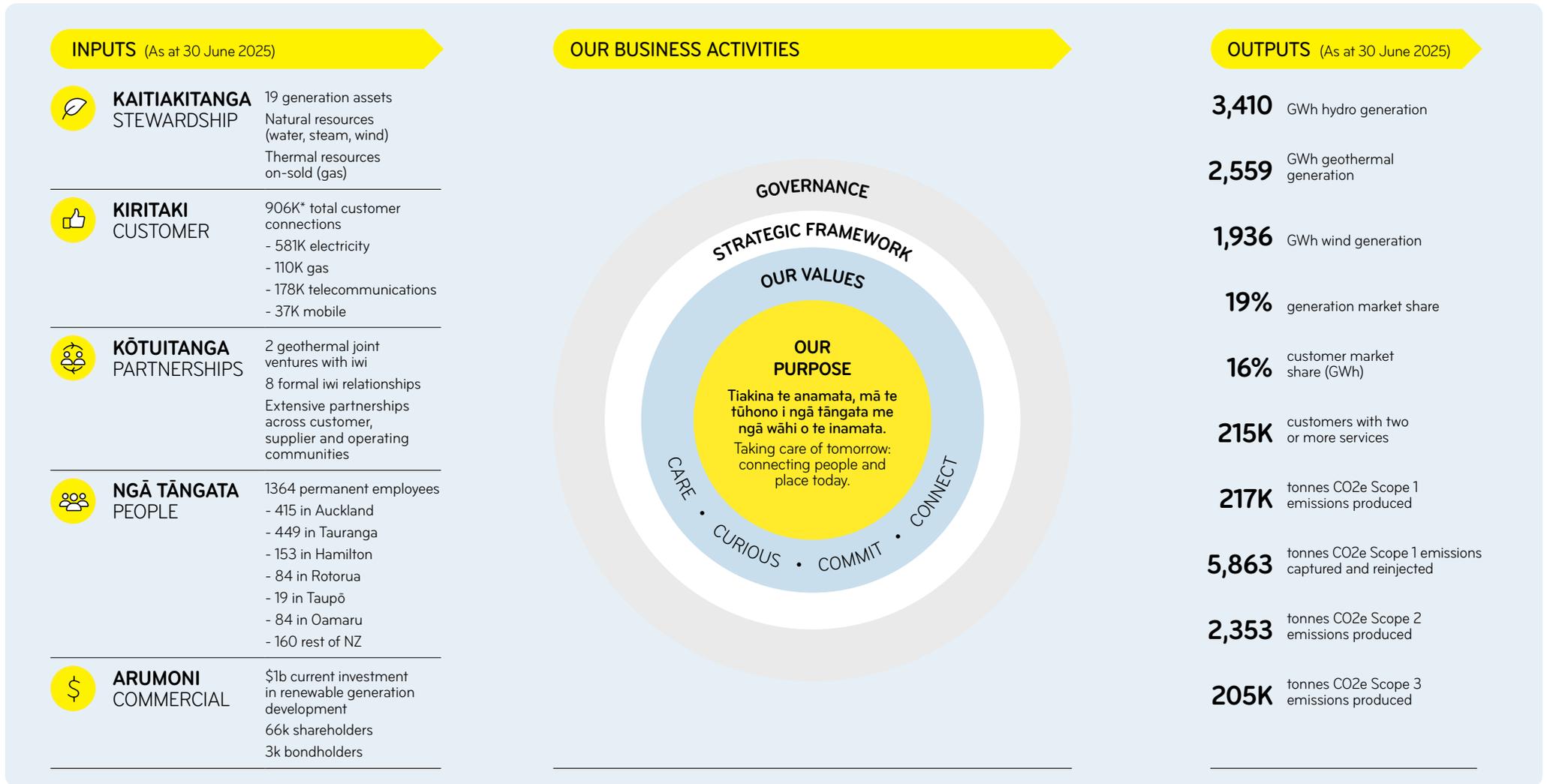
We also continued construction of the second stage of our Kaiwera Downs Wind Farm near Gore and the fifth generation unit at Ngā Tamariki Geothermal Station.

We sell our multi-product utility services through our retail operations to residential and small-to-medium-sized business customers. Our commercial sales team service industrial and wholesale market customers offering electricity. Our sub-brand GLOBUG is our pre-pay electricity product for residential customers.

We are committed to building and maintaining authentic relationships with iwi/Māori and stakeholders across our business. This will be achieved through ongoing conversations and careful listening to understand where our values and aspirations align.

OUR BUSINESS MODEL.

This diagram shows the key inputs of our business across our five drivers of value, our business activities and outputs (products, services and byproducts).



*Includes Commercial & Industrial and mass market connections.

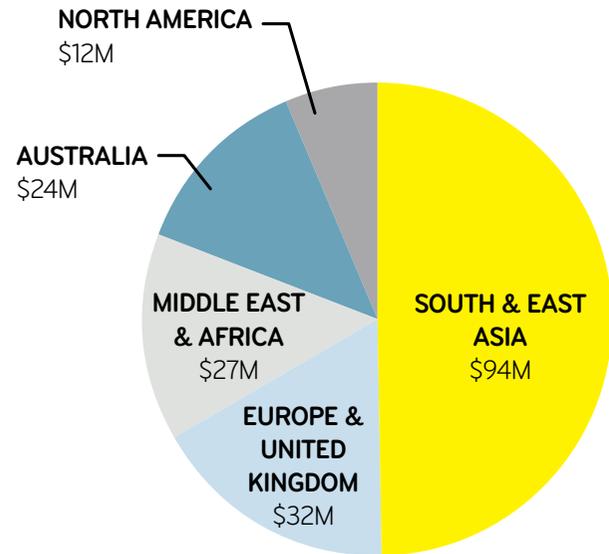


MERCURY SUPPLY CHAIN SPEND IS \$2.1B

Our spend on goods and services in FY25 was NZD \$2.1 billion, with 91% of this paid to New Zealand-based* suppliers.

MERCURY SPEND OUTSIDE OF NZ IS \$189M

Our international spend is comparatively low, and mostly in countries with low instances of modern slavery. We understand and acknowledge that we may have indirect suppliers in countries with an elevated risk of modern slavery.



*Country of spend is identified by the country of the invoicing entity. Suppliers with a spend over \$1m are cross-checked for foreign currency transactions and the country of invoicing entity readjusted accordingly.

Some suppliers have been adjusted based on their primary base of operations or headquarters.

SUPPLY CHAIN

Our supply chain is diverse and includes the following goods and services categories:

- Energy purchases and lines charges;
- Generation operations: engineering and specialist services, plant and machinery, mechanical and electrical maintenance, generation critical facilities, well and reservoir services, chemicals and fuels;
- Retail services: metering services, sales and marketing;
- Environmental: monitoring and testing, resource consents;
- Support services: IT, control and instrumentation, travel and recruitment, mail logistics and freight, training providers, professional services and consultancy; and
- Facilities: office maintenance and supplies, PPE, fleet and fleet management.

MERCURY AND MODERN SLAVERY RISKS.

Our operations are all New Zealand-based. New Zealand is a signatory to international human rights standards, including the UN Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

As per the 2023 [Global Slavery Index \(GSI\)](#), the electricity generation and retail industry in NZ is not considered high risk for modern slavery. Our assessment is that there is a low risk that we cause or contribute to modern slavery in New Zealand.

Our spend with suppliers outside New Zealand accounts for 9% of our spend and is in countries with lower estimated prevalence of modern slavery.

We recognise our responsibilities as a corporate citizen of New Zealand and are working to identify and address any risks of modern slavery in our operations and supply chains. Building robust frameworks, policies and processes is fundamental to the areas we have identified as most important to our ability to create value: Customer, Partnerships, Stewardship, People and Commercial. These underpin the long-term sustainability of our business and assets, and relationships with our stakeholders.

OPERATIONS

Companies can inadvertently elevate the risk of human exploitation by placing unreasonable demands on suppliers, so we consider this when engaging with suppliers. We have a [Mercury Code](#), which is our equivalent to a code of conduct and ethics and it requires all Mercury people, including directors and employees, to act honestly, with integrity and fairness, to strive to foster these standards within Mercury.

MERCURY AND MODERN SLAVERY RISKS. (CONT.)

RISKS OF MODERN SLAVERY

We consider that the risk of modern slavery in our supply chain exists in instances where we are directly linked to suppliers of goods that have been identified as high risk, such as safety apparel for our operational staff, electronic goods such as laptops and mobile phones in our offices, and cobalt and lithium used in batteries for our fleet of electric vehicles.

Our safety apparel supplier reports on modern slavery under the Australian Modern Slavery Act. While we do not have a high level of influence with electronics and EV suppliers, our spend on these products is not material, and these are not strategic suppliers.

Electronic goods and vehicle manufacturers are large multinational global suppliers and our suppliers have mineral source policies, so we assess our risk with these suppliers as low.

MANAGEMENT OF MODERN SLAVERY RISKS.

Risk management is an integral part of Mercury's business. We have an overarching Risk Management Policy supported by a suite of risk management procedures and practices appropriate for our business, including a Risk Appetite Statement and the Mercury Code.

The purpose of the Risk Management Policy is to embed within Mercury a group-wide capability in risk management which provides a consistent method of identifying, assessing, controlling, monitoring and reporting existing and potential risks faced by Mercury's business.

The Policy sets out the risk management objectives and requirements of Mercury within which management is expected to operate. The Policy applies to all business activities of the Group including Mercury-controlled joint ventures and is reviewed annually by the Board Audit and Financial Risk Committee and approved by the full Board.

The risk management framework encompasses Mercury's key safety and wellbeing, compliance, reputation, operational, financial and people risks. The risks associated with modern slavery are assessed and managed in accordance with our risk management framework.

In FY25 we updated our supplier categorisation framework as part of our five-year programme of

work to combat modern slavery. This framework outlines our approach to conducting annual reviews of supplier supply chains, with suppliers assessed according to the following categories:

- Category 1: Suppliers with annual spend exceeding NZ\$1 million
- Category 2: Suppliers operating within at-risk supply categories, as identified by [Walk Free](#)
- Category 3: Suppliers operating within at-risk countries, as identified by [Walk Free](#)
- Category 4: All other suppliers with annual spend below NZ\$1 million and not classified as at-risk by category or country

This structured approach ensures consistent and risk-based oversight of our supply chain.

We endeavour to work with suppliers who share our commitment to acting ethically and doing the right thing. Our Supplier Code of Conduct describes the way we work with our suppliers and what we expect in return, including our expectations in respect of modern slavery requirements. It is available on the Corporate Governance section of our [website](#).

Mercury's reputation with investors, stakeholders and the broader community is one of its most important assets. Modern slavery is recognised as a risk to that reputation and could lead to negative publicity resulting in reduced ability to engage or partner with key stakeholders and the loss of business revenues or reduction in Mercury's value.



All Mercury employees must complete Mercury Code training when they start with Mercury and complete an annual re-certification training. The Mercury Code is supported by Mercury's wider policy framework and guidelines. As well as the Mercury Code, Mercury's comprehensive internal employment policies include anti-bullying, harassment and discrimination, disputes resolution, leave policies, diversity, equity and inclusion, health, safety and wellbeing, drug and alcohol and flexibility guidelines. Mercury also has a whistle-blowing policy outlining the steps an employee can take, and the protections and support offered to that employee if wrongdoing is identified.

Our procedures in relation to responsible procurement and contractor engagement provide internal governance to help align the contracting of goods and/or services from external parties with the Mercury Code and New Zealand laws.

FY25 ACTIONS

In FY25, we completed the assessment of material suppliers transferred to Mercury as part of the Trustpower retail acquisition, as well as NOW Broadband's supply chain. No risks were identified within their supply chains.

We reviewed and updated our Supplier Code of Conduct to include cyber security, sanctioned countries, ESG reporting, and health and safety compliance.

We refreshed our five-year programme of work, including updating our supplier categorisation framework to support ongoing governance and oversight. More detail on the framework is included on page 5.

LOOKING AHEAD TO FY26

We will conduct an annual review of all new Category 1, Category 2, and Category 3 suppliers engaged within the past 12 months to ensure compliance with our modern slavery requirements.

In addition, we will deliver our first annual modern slavery training session for key staff and business units, aimed at strengthening awareness and understanding of global efforts to address modern slavery and reinforcing our commitment to responsible business practices.

REVIEWING THE EFFECTIVENESS OF OUR ACTIONS.

Our work on modern slavery is led by representatives from our Procurement and Sustainability teams who report to the Chief Financial Officer and Chief Sustainability Officer and our modern slavery statement is endorsed by our Board of Directors.

Mercury is involved in the Collaborative Advantage Business Network which is jointly run by Deloitte, Walk Free, and Sustainable Business Council. This network helps us gauge how other businesses are addressing modern slavery and share best practice.

It is evident that countries with modern slavery legislation have a greater ability to take steps to identify and deal with modern slavery. There is currently no modern slavery legislation in New Zealand. We are supportive of the New Zealand Government making progress towards modern slavery legislation, although we note that the Ministry of Business, Innovation & Employment indicated in 2024 that this work is on hold. In the meantime, we believe the first step is to grow awareness of modern slavery in New Zealand.

Of the suppliers we worked with in FY25, we found that generally larger New Zealand suppliers are actively taking steps to address modern slavery in their policies, processes and procedures, as well as investigating their operations and supply chain for modern slavery risks. Small and medium-sized suppliers are mostly unaware of modern slavery risks.

We consider that the area where we will have the greatest level of effectiveness will be with suppliers that see us as a strategic customer. We recognise that we will have little ability to influence large multinational suppliers. An example is electric vehicle and electronic goods suppliers who we are unlikely to be able to influence. However, we hope that growing awareness of modern slavery and participation in larger groups such as the Collaborative Advantage business network will enable us to leverage our influence with these suppliers.

MODERN SLAVERY CONSULTATION.

While Mercury has many subsidiaries, the Group's employees, policies and procurement practices are managed centrally and so the implementation of processes to assess and mitigate modern slavery risks across these entities is consistent.

Mercury has a high level of consultation and engagement with its joint venture arrangements and is contracted as the operator to perform operations and maintenance services in these entities. These entities are included in Mercury's risk settings. There is a high level of alignment across the Group in procurement practices and the full Group has been considered in our identification and assessment of modern slavery risk. Our FY26 initiatives will apply across the full Group supply chain.

This statement has been approved by the Board of Directors on 1 December 2025, and signed by:



SCOTT ST JOHN
CHAIR, MERCURY NZ LIMITED



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