

Genesis Energy Limited

**FY24**

# **Modern Slavery Statement**





## Contents

Introduction from our Chair	2
Our commitment	3
Our structure, operations and supply chain	4
Risk identification	5
What we achieved in FY24	8
Assessing our effectiveness	11
Monitoring and reporting	11

## Reporting entity

Genesis Energy Limited (Genesis) is a diversified New Zealand energy company whose operations include electricity 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 496,000 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 and a 40% share in a limited partnership which is constructing a solar farm in Lauriston and evaluating a number of other potential opportunities to build additional solar generation capacity.

Genesis is listed on both the ASX and NZX. It has 1,255 employees in New Zealand and 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 Energy FY24 Integrated Report](#). It does not cover any joint operations or entities that Genesis holds an interest in but does not control.

## Introduction from our Chair

Genesis' purpose is powering a sustainable and thriving Aotearoa. This purpose manifests through our Gen35 strategy to reduce emissions from electricity generation and through the way we interact with iwi and mana whenua, our customers, our people, and our suppliers.

Doing all we can to support a More Equal Society is a key pillar of our Sustainability Framework and sits behind our approach to managing the risk of modern slavery in our global supply chain.

At Genesis, we are 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 are committed to respecting the human rights of all people we are in contact with, either directly or indirectly.

We expect the same high standards of our suppliers, but we know expectations alone are not enough. Policies and processes to reject poor working conditions, inequity and, at worst, modern slavery, are necessary.

Australia's Modern Slavery Act requires all businesses trading on the Australian Stock Exchange with a turnover greater than AUD \$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 one we take willingly.

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. Progress from the New Zealand Government on modern slavery legislation is also expected in the near term.

While we are required to comply with Australian law on modern slavery, we take the view that we should go above and beyond compliance and do what we can to alleviate modern slavery from our supply chain. We can do this by engaging with and educating our suppliers and our people regarding the principles and scope of modern slavery.

This year we have developed our understanding and acknowledgment of human rights and of the risk of modern slavery in our supply chain and operations. Internally we

continue to build employee awareness and understanding of what constitutes modern slavery, ensure we have the right processes to identify it, exclude it from our supply chain 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 powering a sustainable and thriving Aotearoa.

This year we identified 184 suppliers in our risk assessment, and have conducted a detailed survey of 48, prioritised by spend.

As part of our Gen35 strategy of renewable energy development, we began construction of a 63 MW solar farm at Lauriston in Canterbury with our joint venture partner FRV Australia (51% owned by Abdul Latif Jameel Energy and 49% by OMERS Infrastructure). Working with FRV, we set guidelines and expectations of the project's suppliers to ensure we are not sourcing equipment from regions known to be at risk of modern slavery.

As the country increases its intermittent renewable generation from wind and solar farms, at certain times supply will not match demand, particularly if hydro lakes are low. Thermal generation needs to swing in and out of operation in an unpredictable way, and Genesis will maintain an operational solid fuel stockpile of 350,000 tonnes to keep the lights on for our customers through the 'yo-yo' effects of the energy transition.

We assessed our stockpile would fall below 350,000 tonnes by the end of winter 2024, which triggered the order of more coal deliveries. Our Modern Slavery Risk Assessment Framework was used to ensure our purchase of coal in FY24 was managed in the appropriate way.

Signed on behalf of  
Genesis Energy Limited



Barbara Chapman  
Chair  
21 August 2024



*This statement was approved by the Board of Genesis Energy Ltd in its capacity as principal governing body of Genesis Energy on 21 August, 2024.*

### 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 FY24

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

- Expansion of a key supplier questionnaire, which was sent to 48 Tier One suppliers who were assessed as a higher risk.
- Delivery of a training workshop for key procurement decision makers.
- Development of a human rights policy for our business.

### 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 where Genesis can make the most positive impact and where relevant are aligned to modern slavery.



## Our commitment

# Genesis' purpose is powering a sustainable and thriving Aotearoa.

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*



## 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 496,000 customers across New Zealand. We own and operate a diverse portfolio of thermal and renewable generation assets.

Our strategy, Gen35, focuses on investing around \$1.1 billion in new renewable generation by FY30, and setting a clear future for Huntly Power Station as the Huntly Portfolio, New Zealand's grid scale peaking and firming facility for new renewable generation that will be built over coming decades.

As the country increases generation from wind and solar farms, at certain times supply will not match demand. Thermal generation needs to swing in and out of operation in an unpredictable way, driven by fluctuating wind and sunshine. Genesis will maintain its solid fuel stockpile to keep the lights on for its customers through the 'yo-yo' effects of the energy transition. We look forward to gradually transitioning our coal stockpile at Huntly Power Station to biomass between FY25 and FY30.

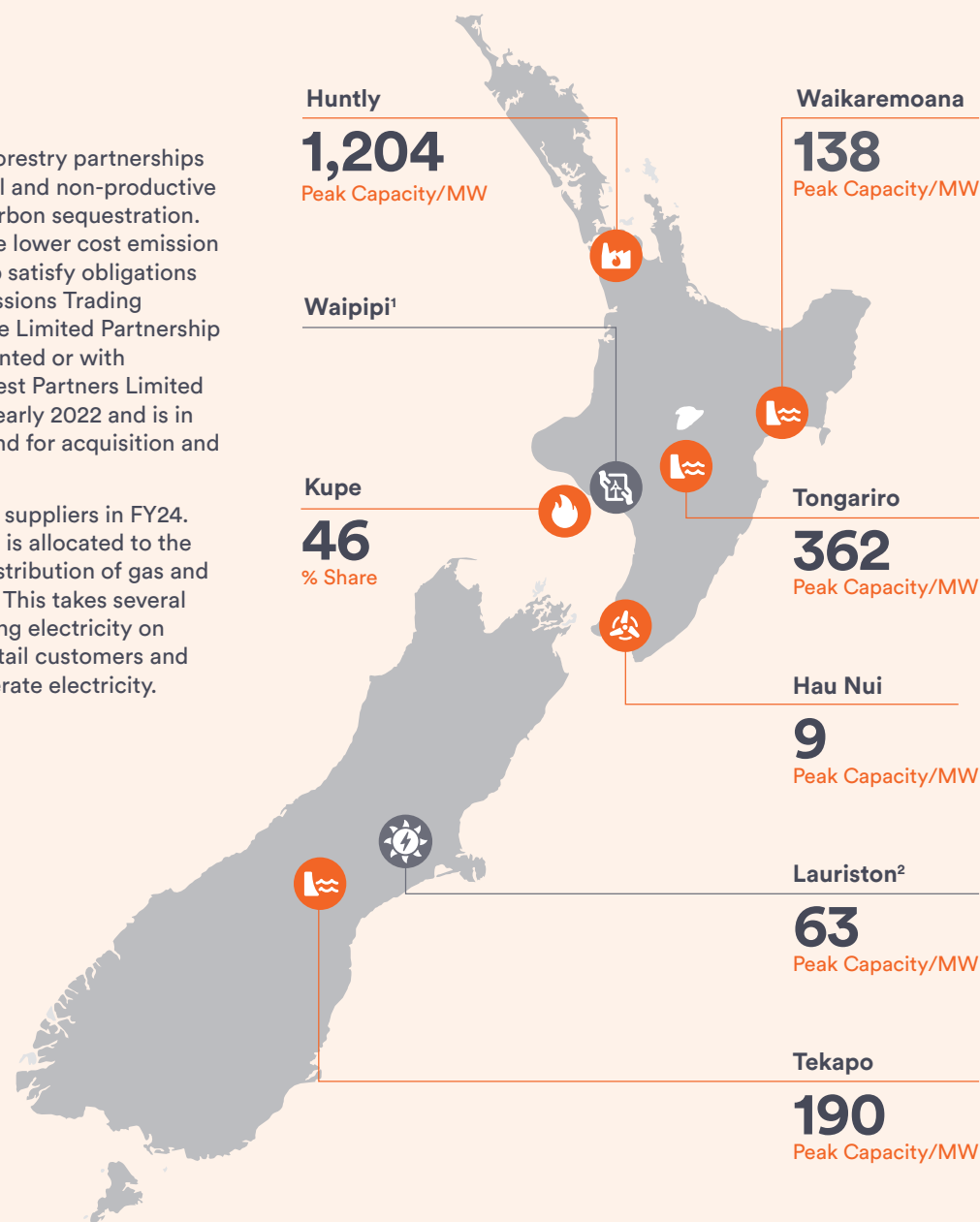
We have an ambition to be a leading developer of solar generation and construction on the Lauriston Solar Farm in Canterbury, South Island began in April 2024. The 63 MW project is the first solar farm under construction of the joint venture with FRV Australia (51% owned by Abdul Latif Jameel Energy and 49% by OMERS Infrastructure). These projects will deliver up to 500 MW of solar capacity over the next five years, as per our Gen35 strategy outlined in our FY24 Climate Statement.

Genesis is a partner in two forestry partnerships established to plant marginal and non-productive land for afforestation and carbon sequestration. They are designed to provide lower cost emission units that we can use to help satisfy obligations under the New Zealand Emissions Trading Scheme. DrylandCarbon One Limited Partnership now has 10,300 hectares planted or with planting in progress and Forest Partners Limited Partnership was founded in early 2022 and is in the process of identifying land for acquisition and establishing forests.

We had approximately 1,550 suppliers in FY24. More than 86% of our spend is allocated to the generation, purchase and distribution of gas and electricity to our customers. This takes several forms and includes purchasing electricity on the energy market for our retail customers and purchasing gas used to generate electricity.

### Key

-  Thermal
-  Hydro
-  Wind
-  Gas
-  Power purchase agreement
-  Solar under development via joint venture



1. Genesis has a Power Purchase Agreement (PPA) linked to the electricity generated from Waipipi.  
 2. Expected to be operational in the second quarter of FY25.

## Risk identification

Our procurement function can 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 our employees are protected under our own employee policies, as well as by New Zealand's human rights and labour legislation.

Approximately 16% 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 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:** To maintain an adequate coal stockpile, used to firm intermittent renewable electricity generation, Genesis identified a need to import coal in FY24. The procurement contracts contained a dedicated clause on modern slavery and in FY25 an independent third party will undertake a comprehensive audit of the Indonesian company from which we source coal directly. These audit reports will be provided in full to Genesis on completion.

In addition, the supplier meets regularly with its sub-contractors and requires regular reports on the sub-contractors' health, safety, environmental and social targets and progress.



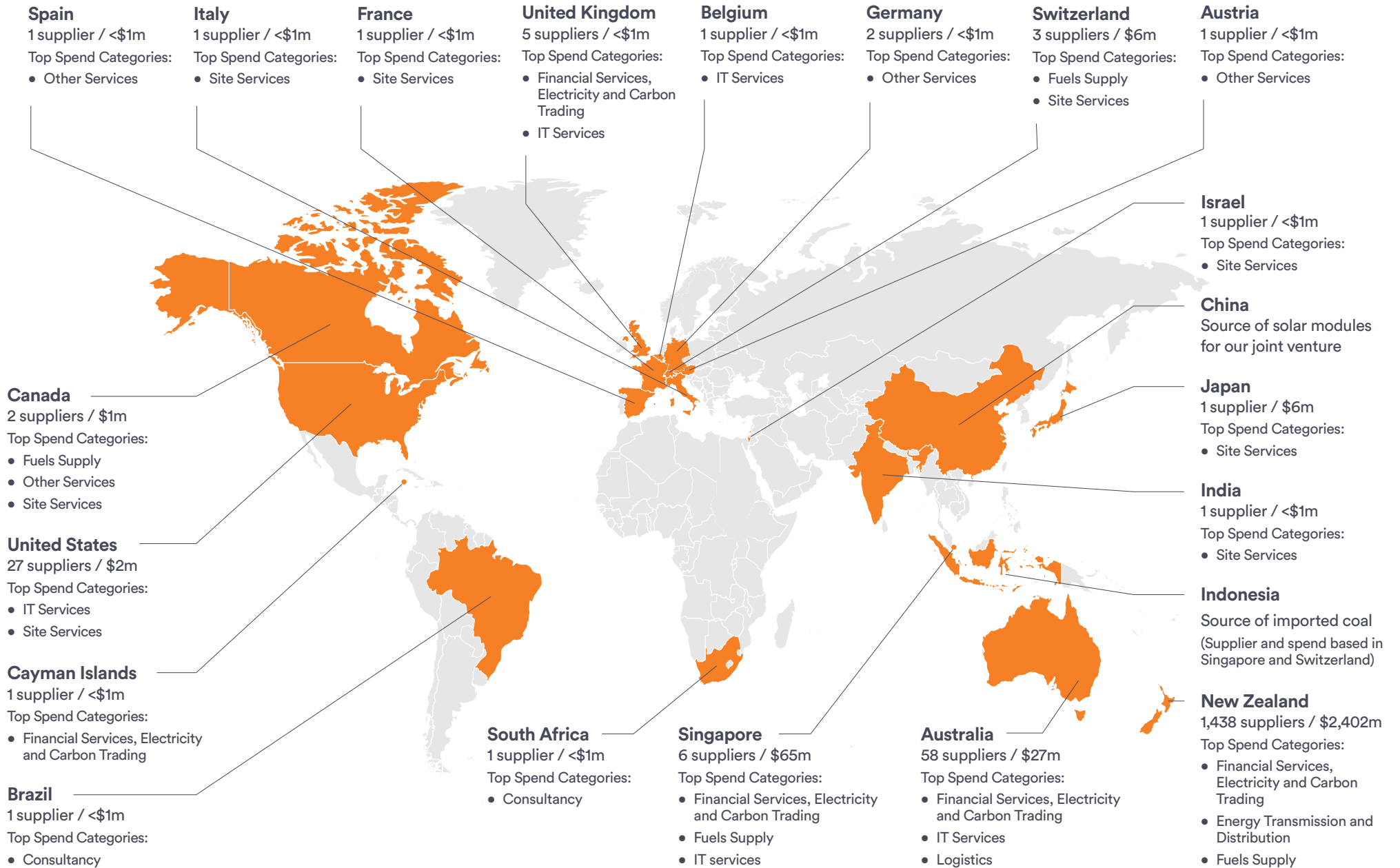
**Solar:** The production of solar panels has been reported as involving labour exploitation by international organisations. See Solar Farm case study on page 9.



**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. All our new vehicles added to the fleet in FY24 were EV models that do not contain cobalt.

# Geographic location of Genesis' direct supply chain

The map below shows the geographical location of our direct suppliers in FY24, including the number of suppliers, the top spend categories and spend by location.



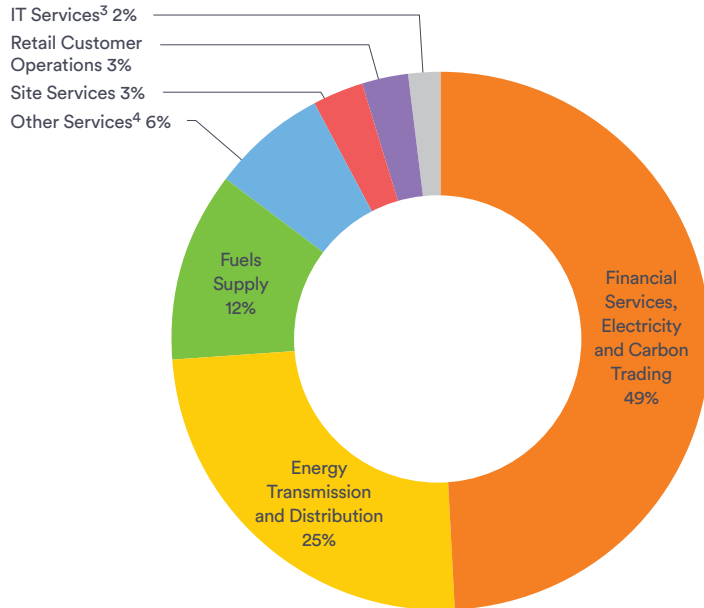
## Spend by country and Government Response Rating

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.

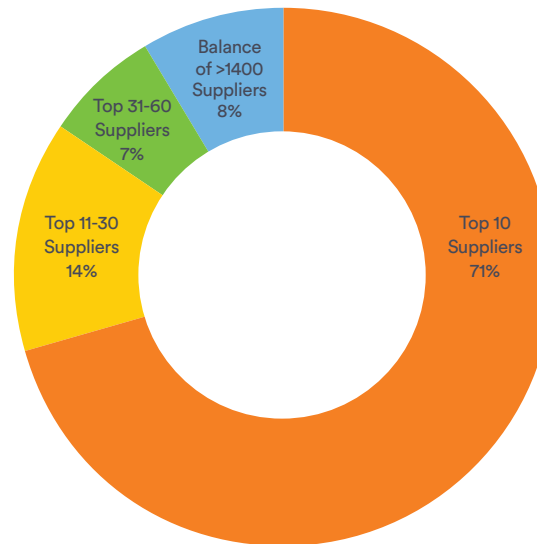
### Spend by country

Country	FY24 Spend NZ\$ million	Vulnerability Rating (%) <sup>1</sup>	Government Response Rating <sup>1</sup>
New Zealand	\$2,402.2	8%	54
Singapore	\$64.8	24%	47
Australia	\$26.6	7%	67
Switzerland	\$6.4	14%	50
Japan	\$5.5	11%	44
United States	\$2.1	25%	67
Cayman Islands	\$0.8		
France	\$0.4	13%	62
Canada	\$0.1	11%	60
Israel	\$0.1	35%	45
Other <sup>2</sup>	\$0.4		
<b>Total</b>	<b>\$2,509.4</b>		

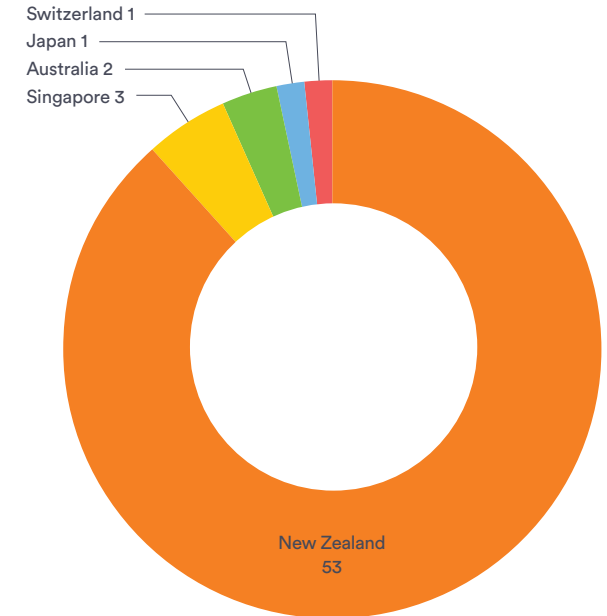
### Spend by category (%)



### Distribution of spend across suppliers (%)



### Location of Top 60 suppliers by spend (count)



1. Source: Global Slavery Index 2023.

2. Other Countries include Austria, Belgium, Brazil, Germany, India, Italy, South Africa, Spain and United Kingdom.

3. IT Services includes Information and Communication Technology, Services, Hardware and Software.

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



# What we achieved in FY24

## Actions taken

We are taking steps to address and alleviate modern slavery in our supply chain. During the onboarding of a new supplier, Genesis employees complete a questionnaire relating to potential risks and the Procurement team will engage with the supplier if risks are identified.

Supplier codes and policies guide the approach to Modern Slavery. These include:

- Human Rights Policy
- Supplier Code of Conduct
- Risk Management Policy
- Procurement Policy
- Compliance Management Policy
- Code of Conduct

This year our actions to build our capacity to identify, mitigate and remediate modern slavery risk included broadening our supplier risk assessment process, engaging with suppliers and providing training for key procurement decision makers.

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

## Broadening our risk assessment

Since Genesis began expanding its capacity to understand and address the risk of modern slavery in its supply chain, it has been building its processes and widening the circle of suppliers who may be considered to have an exposure to modern slavery.

This group of Tier One suppliers grew from around five in FY22 to more than 30 in FY23 who were asked to fill out a detailed questionnaire about their supply and manufacturing operations.

In FY24 we used the same risk methodology, but moved from suppliers that were invoicing Genesis \$100,000 to those invoicing \$50,000. We lowered the threshold as we want to do better and meet the expectation of the Australian Modern Slavery Act which calls for continuous improvement year on year.

By lowering the threshold, we increased the survey base to 48 suppliers. This does not include all suppliers invoicing Genesis more than \$50,000 but includes suppliers that are involved in industries, supply products or are based in countries that are globally identified as being at risk by the [Walk Free Foundation's Global Slavery Index](#).

As an example, although Canada is not seen as high risk, Genesis has a Canadian IT and software supplier that was included in the survey this year because software development and IT hardware are a global at-risk industry.

Country risk is based on the Walk Free Foundation data; this year we updated our at-risk database from 2017 to 2022 data. From an industry perspective, we reviewed all suppliers over \$50,000 to assess whether they sit within an industry that is associated with a risk industry as identified by the Walk Free Foundation.

In FY23, our second year of surveying our at-risk suppliers, we received a less than 50% response rate to the questionnaire, and this required a high degree of individual follow-ups. Some New Zealand suppliers were surprised and challenged by the survey requirements.

This year, the process was started earlier to allow the Procurement team to engage more with the suppliers. As a result, the response rate to date has been higher at 35 responses from 48 firms surveyed, a 73% response rate, which suggests growing acceptance and awareness from our suppliers.

## What we achieved in FY24 (cont'd)

The responses from our survey are assessed by the Procurement team and then reviewed by a panel comprising the Procurement Manager, a member of the coal supply team and a member of the company's IT commercial team. This panel decides whether the information supplied is enough to accept the level of identified risk or return the survey to the supplier for further information. A final decision is made by the Group Manager Property and Commercial Partnerships.

Of the 35 responses, 27 have been closely assessed and approved. For the additional responses, we have taken into account the size and geographical location of the organisations, especially domestic suppliers in high-risk industries like construction and catering and asked these suppliers to provide more information. We understand that some small to medium enterprises in New Zealand may not be familiar with client expectations regarding the documentation of human rights practices, and we have assessed their responses with this in mind.

We have not identified any instances of modern slavery in the direct supply chain of Genesis. From the evidence gathered there are no real or perceived incidents of modern slavery in the first tier of our supply chain. This does not discount what might be further up the supply chain, but in terms of the suppliers we have assessed there is no evidence in the information and data provided.



Above: Huntly power station

## Addressing risks related to solar farms

Genesis has formed a Joint Venture with FRV Australia to develop up to 500 MW of solar. In FY24 the solar Joint Venture established Lauriston Solar Project (2023) Limited Partnership to build and operate a utility scale solar farm near Lauriston, Canterbury, New Zealand. The project is the first solar farm to be developed under the solar Joint Venture arrangement with FRV Australia. Lauriston is estimated to generate around 100,000 MWh annual generation.

FRV Australia, 51% owned by Abdul Latif Jameel Energy and 49% by OMERS Infrastructure, expanded its activities to New Zealand in 2021. FRV operates in Europe, Central and South America.

In April 2024 construction began on the \$104 million Lauriston solar farm in Canterbury, the first project in our solar joint venture with FRV Australia and the first project in our planned \$1.1b investment in new renewables by FY30. We expect Lauriston to be generating electricity by the end of 2024; at that time it will be New Zealand's largest solar farm.

Beon NZ Limited has been appointed as the engineering, procurement and construction contractor (EPC Contractor), responsible for the design, procurement and construction of the solar farm. The construction of the Lauriston solar farm is supervised by FRV Australia, leveraging their international expertise in construction and operating solar farms and other renewable energy projects.

The Joint Venture applies a modern slavery policy and procedure that acknowledges the standards and expectations of both FRV Australia and Genesis. Selection of suppliers is subject to supplier due diligence and where materials and equipment is sourced by third parties (such as by the EPC Contractor), similar principles are applied to such contractors. The Joint Venture expects its suppliers to apply a high level of due diligence to understand and mitigate the risk of modern slavery in their supply chains and operations and ensure that materials and equipment are not sourced from specific regions that are identified as having a high risk of modern slavery.

## What we achieved in FY24 (cont'd)

### Building internal awareness

In FY24 we undertook a learning needs analysis to understand which internal roles require training to deepen our understanding of modern slavery and ensure our key procurement decision makers are fully aware of the potential of modern slavery in our supply chain.

Our priority audience are up to 100 procurement decision makers who sign procurement contracts, have Delegated Financial Authority and make frequent decisions about our suppliers. They ultimately account for the checks and balances we need to manage the risk of modern slavery in our supply chain.

During the year we held a training workshop for the top tier of procurement decision-makers. In FY25 we intend to develop this content into a learning module for employees who do not sign supply contracts but have daily interaction with suppliers and who therefore require an awareness of modern slavery risks. Finally, we want to ensure all our people are aware of the risks of modern slavery, what it means and how it could involve or impact Genesis.

### Establishing a Human Rights policy

We have developed a Human Rights policy to establish our intent, framework and principles regarding modern slavery and the rights of our employees, suppliers and the communities we operate in.

This policy will serve as an umbrella policy for policies addressing areas such as Safety and Wellbeing; Diversity, Equity and Inclusion; Te Ao Māori; and the Code of Conduct.

The Human Rights Policy was developed with managers who are specifically responsible for employees' safety and wellbeing, diversity, equity and inclusion and community relations. It was approved by the Chief Executive Officer in June 2024.



*Tekapo B power station*

## Assessing our effectiveness

Annual objectives were agreed by senior leaders at the start of the financial year. This group of senior leaders comprises the Chief Corporate Affairs Officer (General Counsel), Group Treasurer and Risk, General Manager Financial Control and Assurance, and General Manager Property and Commercial Partnerships.

### Remediation

If any evidence of modern slavery activity were to be identified, a remediation procedure has been developed. We would utilise our position to influence or seek to alleviate that impact on workers wherever they may be through our Code of Conduct and / or discussion with our suppliers.

At the date of this Modern Slavery Statement, a remediation plan with suppliers has not been required. We continue to focus on our supplier engagement and education.

## Monitoring and reporting

In FY23 we developed annual objectives with accompanying Key Performance Indicators for modern slavery. Our progress against these objectives is reported below. They will be reviewed and agreed by the senior leaders' group to reflect continued improvement for FY25.

### Our metrics

#### Policy & processes

- Develop a Human Rights Policy as an umbrella for our existing related policies (including Diversity, Equity & Inclusion; Code of Conduct; Harassment, Bullying & Discrimination Prevention Policy) - Human Rights Policy signed off by Chief Executive Officer in June 2024.
- Continue to review and develop our internal processes and review their effectiveness annually.

#### Supplier visibility and engagement

- Number of suppliers requested to complete a risk assessment survey based on updated risk assessment criteria (48 in FY24).
- Percentage of high-risk suppliers who responded to questionnaire (73% in FY24).
- Number of modern slavery incidents reported (0 in FY24).

#### Employee awareness and training

- Provide modern slavery training to key procurement decision makers (approx. 100) - (46 key procurement decision makers trained in FY24).
- Provide modern slavery training to all Coupa users (approx. 750) - not progressed due to resource constraint and upgrades needed to Coupa system.
- Employee awareness of Modern Slavery increases (measured by pre and post training survey) - this will be conducted as training is rolled out more widely in FY25.

### Actions for FY25

- Policies are embedded with a Human Rights lens.
- Define the modern slavery work programme beyond FY25.
- Survey additional Tier 1 suppliers based on updated Risk Assessment Framework.
- Design up an approach to identify and scope risks beyond Tier 1 suppliers.
- Continue to grow visibility and capability on modern slavery for key Genesis employees.