

Genesis Energy Limited

FY22

Modern Slavery Statement



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Reporting entity

Genesis Energy Limited (Genesis) is a diversified New Zealand energy company listed on both ASX and NZX with more than 1,200 employees across New Zealand. It sells electricity, reticulated natural gas and LPG through its retail brands Genesis Energy and Frank*Energy; and generates electricity from a diverse portfolio of thermal and renewable generation assets located across New Zealand. The headquarters of Genesis is located at 155 Fanshawe Street, Auckland Central, 1010, New Zealand.

Introduction

Genesis' purpose is to empower New Zealand's sustainable future. We do this by creating a low carbon future powered by renewable energy and creating a more equal society. Genesis is committed to upholding human rights – both within our own operations and throughout our supply chain.

This means the fair and respectful treatment of all our people, and a focus on providing fulfilling and rewarding employment. It means complying fully with the law, but also going above and beyond compliance – we work hard to manage our impact on the environment, and the communities we are part of. It means sourcing our products and services from suppliers that provide safe working conditions, treat workers with respect and dignity; and conduct business in an environmentally and socially responsible manner.

Working with mana whenua and others such as investors, customers, community groups, and our team is key to creating shared success. We are committed to taking meaningful action to identify, mitigate and manage any modern slavery risks and to continuously improving our approach.

Genesis, as an ASX listed company with annual consolidated revenue greater than AU\$100 million, is required to disclose under Australia's Modern Slavery Act 2018. In this Modern Slavery Statement, Genesis sets out the framework we have established including our plans for future development and provides an overview of our initial assessment of modern slavery risks across our operations and supply chain.

This statement explains how we put our energy where it matters and the steps we have taken to identify, manage and mitigate the specific risks of modern slavery as defined in the Act in our operations and supply chain.

The reporting period is the twelve months ending 30 June 2022 (FY22).

Key milestones FY22

Genesis is pleased to report the following key milestones:

- Enhanced internal capability, with the formation of an internal working group and development of a modern slavery assessment framework.
- Performed an assessment across our own operations with no modern slavery instances or high-risk areas identified.
- Developed a comprehensive supply chain map to define spend categories and demonstrate the geographic location and nature of the products and services sourced.
- Rating our supply chain based on key risk indicators to facilitate a risk-based prioritisation approach (Tier 1 – Tier 3), Tier 1 being the highest risk suppliers.
- Engaged with our Tier 1 risk-rated direct suppliers. No specific instances of modern slavery were identified during this engagement.

This statement was approved by the board of Genesis Energy Limited in their capacity as principal governing body of Genesis Energy Limited on 19 August 2022.



Barbara Chapman
Chair of Genesis Energy Limited

Our business

This statement covers Genesis and its subsidiaries and controlled entities (together the Group), as disclosed in note D1 of the Group Financial Statements contained in the Genesis **FY22 Annual Report**. It does not cover any joint operations or other entities that Genesis holds an interest in but does not control.

Our operations

Our operations are broadly split as below:

Customer:

The Group is one of New Zealand's largest energy retailers with two retail brands, Genesis Energy and Frank*Energy, with around 470,000 customers across New Zealand.

Genesis is focused on attracting and retaining valuable residential, commercial and industrial customers throughout the country.

The convergence of digital applications, low-cost solar and the development of battery storage is gaining pace and is leading to greater choice, convenience and control for our customers. We are rethinking, refreshing and reimagining how we use energy in everyday life.

Wholesale Operations:

The Group also owns and operates a portfolio of thermal generation and renewable generation assets. The spread of locations and variety of fuel types in our portfolio gives us significant operating flexibility.

Genesis' portfolio of generation assets comprises:

Thermal Generation: At 1,204 MW, the Huntly Power Station is the largest electricity generation facility in New Zealand by capacity. It is made up of two modern gas fired and three gas/coal fired generating units.

Renewable Generation: Genesis has three hydro schemes - Tongariro (361.8 MW), Waikaremoana (133.0 MW) and Tekapo (190.0 MW). These schemes comprise of eight power stations. Six power stations are located in the North Island and two in the South Island.

We also have a 8.65 MW wind farm at Hau Nui in Wairarapa in the North Island, and a 20-year electricity offtake agreement for the Waipipi windfarm (133 MW) in South Taranaki in the North Island which became operational in 2021.

Future-gen strategy/Renewables pipeline:

Our future pipeline of renewables is set to offset baseload thermal generation:

Wind: Genesis and Mercury New Zealand have partnered to execute a 20-year electricity offtake agreement that will provide the foundation for the construction of the Kaiwaikawe windfarm (75.0 MW) located near Dargaville, Northland.

Geothermal: Contact Energy is set to supply Genesis with renewable electricity for 15 years from 2025, as part of a new, long-term power purchase agreement. The agreement will see Genesis take up to 62.5 MW of electricity, equating to 41% of the output capacity from Contact's geothermal power station being developed at Tauhara (152.0 MW).

Solar: Genesis' ambition to be a leading developer of solar generation has gained momentum with the selection of a joint venture partner - FRV Australia, a leading utility-scale solar farms developer, asset owner and renewable energy platform.

FRV Australia will bring its expertise in developing utility-scale solar projects around the world to work with Genesis in delivering up to 500 MW of solar capacity over the next 5 years. Locations for the solar developments will be mainly in the North Island with a focus on existing transmission connection points.

The Joint Venture expects to make public its first projects in FY23.

This geographical spread of Genesis generation helps reduce the impact of localised weather variations on Genesis' earnings.

Wholesale Markets:

Through Wholesale Markets, Genesis aims to generate and contract electricity at the lowest cost to the Company to meet its customer demand and maximise the value of excess generation capacity.

Genesis Energy Insurance:

Genesis Energy Insurance Pte Limited, a wholly owned subsidiary, is a financial service entity which operates as a "captive insurer", with access to international wholesale (reinsurance) markets. As such we recognise there are no direct modern slavery risks involved.

Our supply chains

Globally, we directly engaged with more than 1,500 suppliers in FY22. A full break down of our categories and geographic spread of suppliers is covered in the analysis in the following section.

One of our spend categories, Fuel and Raw Materials, accounts for the majority of Genesis' international expenditure. This category covers the purchase and transportation of fuel and raw materials for electricity generation at our Huntly Power Station, and accounts for approximately 75% of all non-New Zealand based expenditure. This category was the subject of this year's focussed modern slavery risk assessment. The Group expects its suppliers and contractors to comply with our Supplier Code of Conduct, which emphasises Genesis' action to build sustainable and strong communities.

Modern slavery risks

In order to describe the modern slavery risks within Genesis' operations and supply chain, we segment the information as follows:

- 1) Domestic – New Zealand based, covering:
 - a. Our operations – entirely New Zealand based
 - b. Our domestic suppliers – the majority of suppliers are sourced domestically
- 2) Non-domestic, covering companies not domiciled in New Zealand

1. Domestic

The majority of Genesis' operations and suppliers are New Zealand based.

- All of Genesis' operations are New Zealand based, this includes our offices, call centre and power station sites
- 92% of annual spend is with domestic suppliers (approximately 92% of suppliers are New Zealand based companies)

New Zealand is ranked as a low modern slavery risk country (Global Slavery Index 2018), and the New Zealand Government has stated its commitment to collaborating with global partners to eliminate modern slavery including forced labour, child labour, people smuggling and trafficking. However, New Zealand is not free from modern slavery risks.

Genesis recognise that it is essential to identify and address modern slavery risks within our operations and supply chains, however in this statement the New Zealand based supply chain has not been our primary focus. This is owing to both New Zealand's low rating in the Modern Slavery Index and Genesis' strong company values, through which we aim to 'succeed together', 'grow with energy' and 'deliver a difference'. We want to make a positive impact on our customers, their whānau, local communities and environment, values which are diametrically opposed to modern slavery.

Proof of our efforts to put our values into action is seen in our accreditation for Gender Equality, the Rainbow Tick and as a Living Wage organisation. We have established a strong framework to detect, mitigate, and address modern slavery risks that might appear in our supply chains.

Additionally, our own operations and domestic suppliers are where we have greatest visibility and level of control to detect and address practices that go against our values. Our modern slavery mitigation therefore focuses first on non-domestic suppliers where risk may be greater.

Modern Slavery

Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include:

human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, and the worst forms of child labour.

Our values



Succeed Together

With and for our customers



Grow with Energy

Believing in ourselves and what's possible



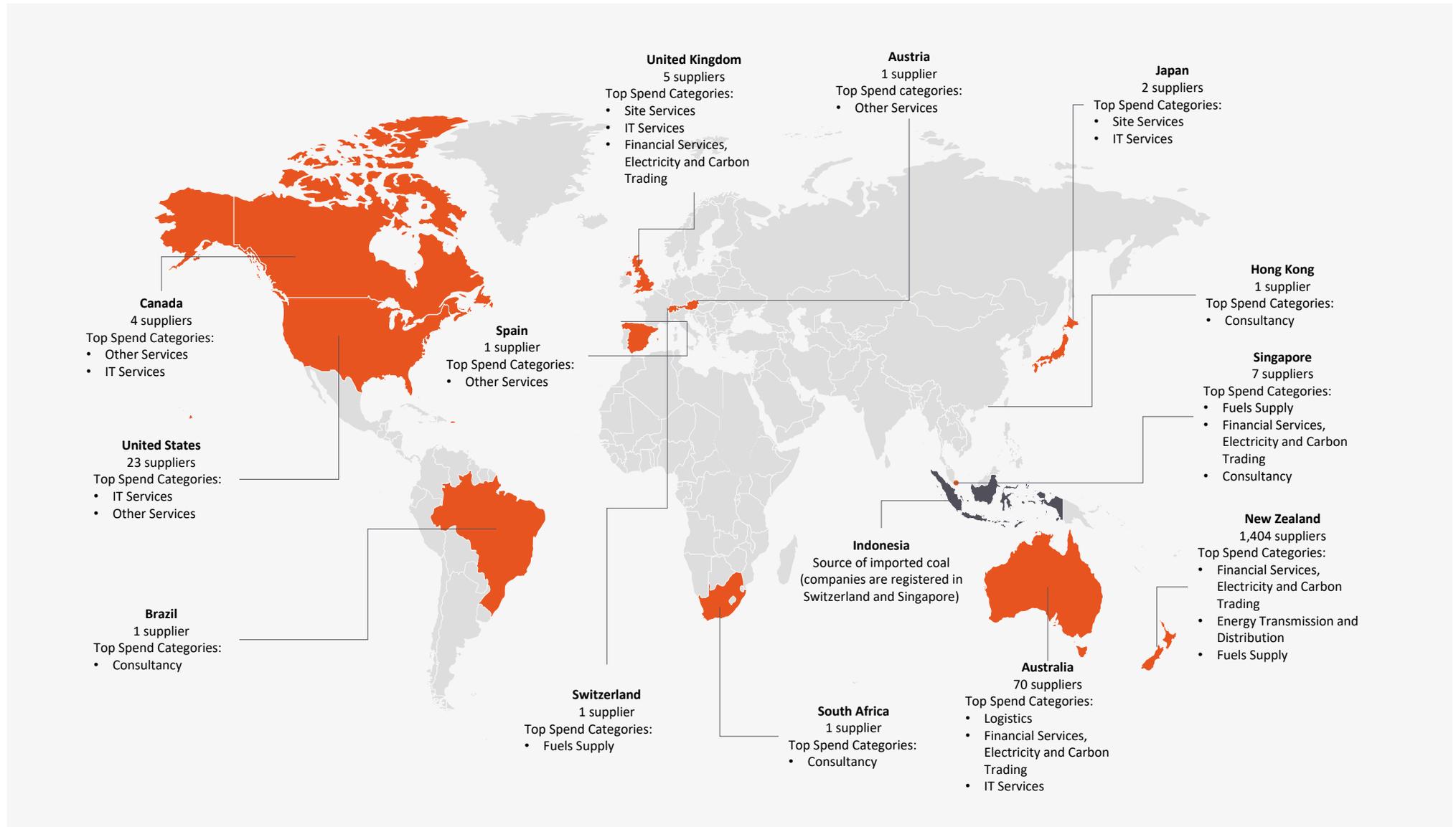
Deliver a Difference

By challenging ourselves and focusing on what matters

2. Non-domestic

Although our international supply chain is a relatively small part of Genesis' operation, it is one where there is risk of modern slavery. This area poses a more challenging assessment, as the upstream supply chain is less visible to Genesis and our ability to directly control or influence is reduced.

The map below demonstrates the geography of our direct supply chain.



Spend by country

Countries	FY22 Spend (m NZD)	%	Vulnerability Rating (%) ¹	Government Response Rating ¹
Australia	\$60.4	2.28%	4.27%	BBB
Brazil	\$0.1	0.00%	36.38%	BB
Canada	\$0.8	0.03%	10.20%	BB
Japan	\$5.7	0.22%	13.81%	CCC
New Zealand	\$2,427.9	91.76%	1.91%	BB
Singapore	\$119.2	4.51%	13.41%	CCC
South Africa	\$0.1	0.00%	53.76%	B
Switzerland	\$29.9	1.13%	1.51%	BBB
United Kingdom	\$0.1	0.00%	11.13%	BBB
United States	\$1.7	0.06%	15.88%	BBB

Spend by category

Category	FY22 Spend (m NZD)	%
Financial Services, Electricity and Carbon Trading	\$1,201.8	45.42%
Energy Transmission and Distribution	\$571.9	21.62%
Fuels Supply	\$512.8	19.38%
Logistics	\$94.9	3.59%
Site Services	\$60.1	2.27%
Retail Customer Operations	\$57.1	2.16%
Shared Services	\$42.2	1.60%
IT Services ²	\$35.1	1.33%
Consultancy	\$21.1	0.80%
Marketing	\$20.8	0.79%
Regulatory, Trusts & Sponsorship	\$12.4	0.47%
Property Leases	\$9.5	0.36%
Other Services	\$6.1	0.23%

Table Notes:

Payments to suppliers includes payments made to suppliers captured through the Group's reporting systems. It includes payments made to counterparties for electricity swap and option contracts and power purchase agreements but excludes receipts received from counterparties on such contracts. It also excludes intercompany payments (including those made to associates) and staff reimbursements. Country spend is based on the companies address for notices. It is noted that coal is sourced through companies that are located in Switzerland and Singapore. Countries with less than \$0.1 million NZD spend are not included in the table.

¹ Sourced from [Global Slavery Index 2018](#)

² IT Services includes IT communication, IT services, IT hardware and IT software.

Focus on highest risks

The purchase and transportation of fuel and raw materials for electricity generation at our Huntly Power Station accounts for 63% of all expenditure with 'non-domestic' suppliers. This area of spend was assessed as our only 'Tier 1' risk in the risk prioritisation assessment. This area of our supply chain has therefore been our initial focus with respect to actions and mitigations outlined on page 8. These suppliers include an overseas shipping supplier as well as fuel suppliers. The companies within this supply chain are based in Switzerland, Singapore and Australia, however the source of fuel supply is from Indonesian coal mines. This indirect aspect was therefore included in our assessment, despite our suppliers not being based in Indonesia.

Some of our overseas suppliers are reporting entities for the purposes of the Act and will therefore be required to produce their own modern slavery statements.

Other indirect international suppliers with which our New Zealand based suppliers may engage were considered further in our risk prioritisation assessment, but not given a 'Tier 1' assessment as the indirect nature of the supply chain reduces our visibility and ability to control or influence.



Huntly Power Station in the Waikato

Risk prioritisation assessment

Genesis performed a risk prioritisation assessment across our domestic and international supply chains, grouping them into Tiers. Tier 1 indicates the highest risk of modern slavery.

Area	Risk indicator/ considerations	Risk Tier
Fuel (Coal & Gas) Supply Chain	<ul style="list-style-type: none"> Due to the inherent complex nature of the international shipping industry this increases the risk of labour violations and possible modern slavery. Indonesia is a key country in the supply chain and appears on the modern slavery index with higher risks than New Zealand. It is reported to have a high prevalence of modern slavery or labour rights violations, other human rights violations and/or child labour by international organisations or Non-governmental organisations (NGOs). Additionally, the Australian Institute of International Affairs has reported that Covid has increased the prevalence and severity of modern slavery in Indonesia, particularly for women and girls. The mining sector (globally) is reported to use unskilled, temporary, or seasonal labour, increasing the modern slavery risk profile. Coal is listed as a 'product with identified risk of forced labour' by the Walk Free Foundation Modern Slavery Index, however the Foundation did not identify Indonesia as a 'risk' country for forced labour in the production of coal. Coal mining can create an environment with increased health and safety or welfare risks (such as black lung disease). 	1
Solar panels	<ul style="list-style-type: none"> This is low risk at Genesis as we don't currently operate solar facilities. However, Genesis' strategy includes solar development projects in the future. This development will occur in coming years and ensuring modern slavery considerations are factored into project decision-making is important. The development of solar products and delivery of services has been reported as involving labour exploitation by international organisations and NGOs. The primary modern slavery risk in solar panel production relates to raw materials, mainly the production of polysilicon. 95% of solar panels globally rely on this product. The Uyghur Region of China accounts for approximately 45% of the world's solar-grade polysilicon supply, and has been strongly linked by multiple sources with modern slavery practices (forced labour). 	2
EVs – batteries (cobalt, lithium and nickel), tyres (rubber)	<p>Electric Vehicles (EVs) are a small part of Genesis' business but the supply chain is gaining importance as we increase the percentage of EVs in our fleet.</p> <ul style="list-style-type: none"> EVs, and in particular their batteries, have been identified as a product where components are made or sourced in countries where there is a high risk of labour exploitation reported by international organisations and NGOs. Metals such as lithium and cobalt are required to make lightweight rechargeable batteries for electric cars. In the case of cobalt, 60% of the world's supply comes from the Democratic Republic of the Congo where large numbers of unregulated mines have been reported to use child labour. Production and processing of these minerals are geographically concentrated and dominated by jurisdictions that have been alleged to violate labour and human rights. These countries have been reported to have a high prevalence of modern slavery or labour rights violations, other human rights violations and/or child labour by international organisations and NGOs. It is reported the mineral extraction sectors in these countries are involved in direct engagement with children, including use of child labour in hazardous conditions, such as underground, with dangerous machinery or tools, in unhealthy environments (including where they are exposed to physical or sexual abuse), or for long hours. There are further considerations. Electric vehicles use two or three times more copper than those powered by a diesel or petrol engine. As EV use increases, the world's appetite for copper is likely to jump by more than 300% by 2050, creating a risk of increasing modern slavery in regions that extract the mineral. Rubber: Most of the world's rubber comes from Southeast Asia. As demand grows, so too does pressure to convert ecologically valuable and sensitive tropical forests into more rubber plantations which, in turn, puts pressures on local communities that could threaten their fundamental human rights. 	2
Engineering plant parts	<p>The machinery used in plants for the generation of electricity are large, complex and specialised. Spare parts and maintenance and any overhaul or large installs are often managed by the Original Equipment Manufacturer (OEM). OEM are predominately large multinationals. The international aspect of this supply chain increases risk. We are aware OEM utilises manufacturing sites in India and China, but that larger items have predominantly come out of Europe in recent years.</p>	3
Information Technology	<ul style="list-style-type: none"> Information Technology is dominated by large global suppliers. This international nature of the supply chain and dominance by a few large companies with a pressure to remain competitive increases the risk of modern slavery. Some areas of the sector (large laptop supply/ tech companies) have been reported to be involved in modern slavery practices such as involvement in child labour. It would however be difficult for Genesis to investigate and influence these firms as they are among the largest global companies. 	3
Other consumables, catering, coffee beans	<p>We recognise there are some smaller areas of our supply chain where modern slavery has been reported in those sectors. These are all 'sundry' supplies not related directly to our operation. An example would be coffee beans which have been linked to modern slavery practices.</p>	3

Managing our risks

Genesis has established a variety of policies and procedures to tackle human rights risks.

Our **Code of Conduct** is designed to help guide and support everyone at Genesis to play their part and do the right thing. It's reinforced by our core policies which guide our decisions and is underpinned by our employees being empowered, accountable and aligned to our culture. Our Code of Conduct applies to everyone who works for Genesis including directors, employees and contractors.

In FY22, Genesis established the **Supplier Code of Conduct** aiming to set clear and consistent expectations of our suppliers to support safer environments and stronger communities. Our Code includes our expectations of suppliers to conduct any activities with integrity and in accordance with all applicable laws, regulations and ethical standards, and provide us with documentation on request demonstrating compliance with this Code.

As a socially responsible company and employer operating across New Zealand, our **Diversity and Inclusion Policy** and **Gender Gap Statement** demonstrates Genesis' commitment to embrace diversity, support gender equality, inclusion and provide equitable opportunities.

According to the **Safety and Wellbeing Policy**, Genesis is committed to providing a safe and healthy environment for our staff, customers, contractors and members of the public who may be affected by our operations. In addition, our **Harassment, Bullying and Discrimination Prevention Policy** is determined to build an organisational culture and a working environment with respect and dignity to our employees by ensuring appropriate standards of behaviours.

Our **Risk Management Policy** along with the **Compliance Management Policy** provide structure to manage, monitor and report risks and maintain a culture of compliance that applies to all Genesis personnel. Moreover, Genesis' **Fraud Prevention Policy** and **Protected Disclosure Policy** strictly prohibit any fraud involving dishonest and deceptive behaviours (bribery

and corruption) as well as requiring compliance with the Protected Disclosures Act 2000.

Genesis operates its own risk assessment tools to assess, address and manage most business operation-related risks during the reporting period. We have developed a framework within our normal business operations to take into account modern slavery risks. Our framework as shown below covers six main areas:

- risk prioritisation;
- risk assessment;
- modern slavery public disclosure;
- remediation & mitigation;
- embedding practices in the organisation; and
- internal monitoring and management reporting.

Our framework is fully consistent with the UN Guiding Principles and NZ Human Rights Guiding Principles.

On an annual basis, a team comprising members from our risk and assurance, sustainability and procurement functions reviews the framework and assesses performance across our operations and supply chains, including the risk of modern slavery. Targeted reviews of high-risk areas of the supply chain may be performed. Any new procedures and findings will be clearly disclosed in updates to this Modern Slavery Statement. The Audit and Risk Committee acts in a governance role overseeing all risk management at Genesis, included that of modern slavery risk.

On a regular basis, we monitor and address any identified and potential risks in accordance with the assessment process. Remediation measures and mitigation solutions are implemented into processes. Due diligence processes and other engagement activities including whistle-blower hotlines and a 'speak up' policy assist in identification of modern slavery practices. Additionally, we will continue to engage with other industry participants to share learnings and report framework progress and any risk findings.

In FY22 we focused on the supply chains of imported fuel (coal). This was our only Tier 1-rated risk.

We elected not to focus on the portion of our supply chain that is in New Zealand as the risk of modern slavery here is recognised as low, as detailed earlier. While our non-domestic coal suppliers registered offices are not in Indonesia, the activity of coal mining is. As part of our review of that supply chain we completed the following:

- Some of our overseas suppliers have published their modern slavery risk statements, and others are reporting entities required to have their statements published in the future. We reviewed those published statements and relevant media stories.
- Online research noted the following:
 - Coal is listed as a 'product with identified risk of forced labour' by the Walk Free Foundation Modern Slavery Index. However, the Foundation did not identify Indonesia as a 'risk' country for forced labour in the production of coal. Only North Korea and Pakistan were identified and neither is included in Genesis' supply chain.
 - We did not identify instances of reported modern slavery breaches within the Indonesian coal industry. The instances we identified as being reported in Indonesia were predominantly related to the rights of women and girls, not mining.
- We also launched questionnaires in 2021 to require our suppliers to self-assess their operations and supply chains and reflect on modern slavery risks to be in compliance with the Act. We designed a questionnaire that required our suppliers to provide detailed information rather than a 'Yes' or 'No' answer. Responses were reviewed by a Senior Risk and Assurance Manager and Procurement Business Partner. Where responses were unclear further clarification was sought. Genesis received responses from all companies identified in our international coal supply chain and no instances of modern slavery were identified.

Our remediation processes

We are committed to providing accessible grievance mechanisms for our employees, contractors and third parties to raise any concerns of modern slavery risks that we may cause, contribute towards or be directly linked to.

Keep it Sweet – Genesis operates an independent whistle-blowing service for our employees to raise any grievances in an anonymous and confidential way. Individuals can raise concerns that are not in line with our Code of Conduct, policies and behaviours. This is operated by an independent third party and all reports are anonymous, no one is asked to reveal their identity unless they choose to.

Speak up programme – We are calling out Genesis personnel when we see actions or behaviours that either don't align to the Code of Conduct or other policies, or are not what we expect. Employees are protected where concerns about serious wrongdoings are raised under the Protected Disclosures Act 2000, and our Protected Disclosures Policy sets out how disclosures may be made under that Act.

Reporting material information – Any information or news that could be considered 'material' about our business, whether it's good or bad, is appropriately escalated and reported. As an ASX and NZX listed company, we have disclosure obligations as detailed in our Market Disclosure Policy.

Coupa iBuy – Any requests for new suppliers have to be submitted through our purchasing platform followed by review and approval by the requestor's manager and procurement. This new supplier process ensures due diligence checks and health and safety pre-qualification have been performed prior to the supplier being able to be issued a purchase order and before they undertake any work.

Within the business, our internal auditing, risk, sustainability and procurement teams collaborate and monitor any potential modern slavery risks. In the event an instance is identified, a project team comprising members of these teams will be formed to review the situation and agree appropriate actions to address and resolve it.

Consultation process

The entities controlled by Genesis and involved in the preparation of this statement during the reporting period are disclosed under 'Our business' (page 3). These entities operate under the direction and governance of Genesis Energy Limited. As such these entities are also all covered by Genesis' policies, procedures, standards, and systems including those relating to people and culture, health and safety and human resources.

These companies utilise group functions where required, such as procurement, people and culture, finance, legal and other activities, simplifying consultation requirements as they are separate teams under the same management structure.

The Kupe joint venture is operated and managed by one of the joint venture partners, Beach Energy, which publishes its own modern slavery disclosure and practices. Consultation between Genesis and Beach Energy was initiated by Beach and a questionnaire was completed contributing to its practices and procedures.

Assessing our actions

Genesis is committed to implementing controls and procedures to meet our obligations to help eliminate modern slavery in our operations and supply chains. We established a cross-functional working group tasked with creating a roadmap and addressing risks.

We did not identify any modern slavery practices among our suppliers within the reporting period, and received sufficient replies from all suppliers who were part of our initial supplier consultation.

Genesis already had a comprehensive set of policies and procedures that articulate our values, ways of working and expectations. These are reviewed at least every three years to ensure they support measuring and assessing the effectiveness of our modern slavery risks.

Looking ahead

We are committed to measuring the effectiveness of our modern slavery risk management and will be focussing on continuous improvement initiatives. These include risk assessments, procurement, and supplier management.

Supplier consultation will be broadened to more targeted areas in coming years, with key metrics tracked to assess effectiveness. These metrics include:

- Percentage of employees who have been given relevant training.
- Percentage of suppliers engaged which have completed risk assessment.
- Number of at-risk suppliers identified, and number of actions taken to work with identified suppliers to improve their capacity to respond to modern slavery risks.
- Number of modern slavery events reported.