

Modern Slavery Statement 2024

Meridian Energy Limited



Meridian.

AUGUST 2024

Reporting entities

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

This joint modern slavery statement has been prepared by Meridian Energy Limited and relates to Meridian’s financial year ending 30 June 2024.

Our business – structure and operations

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

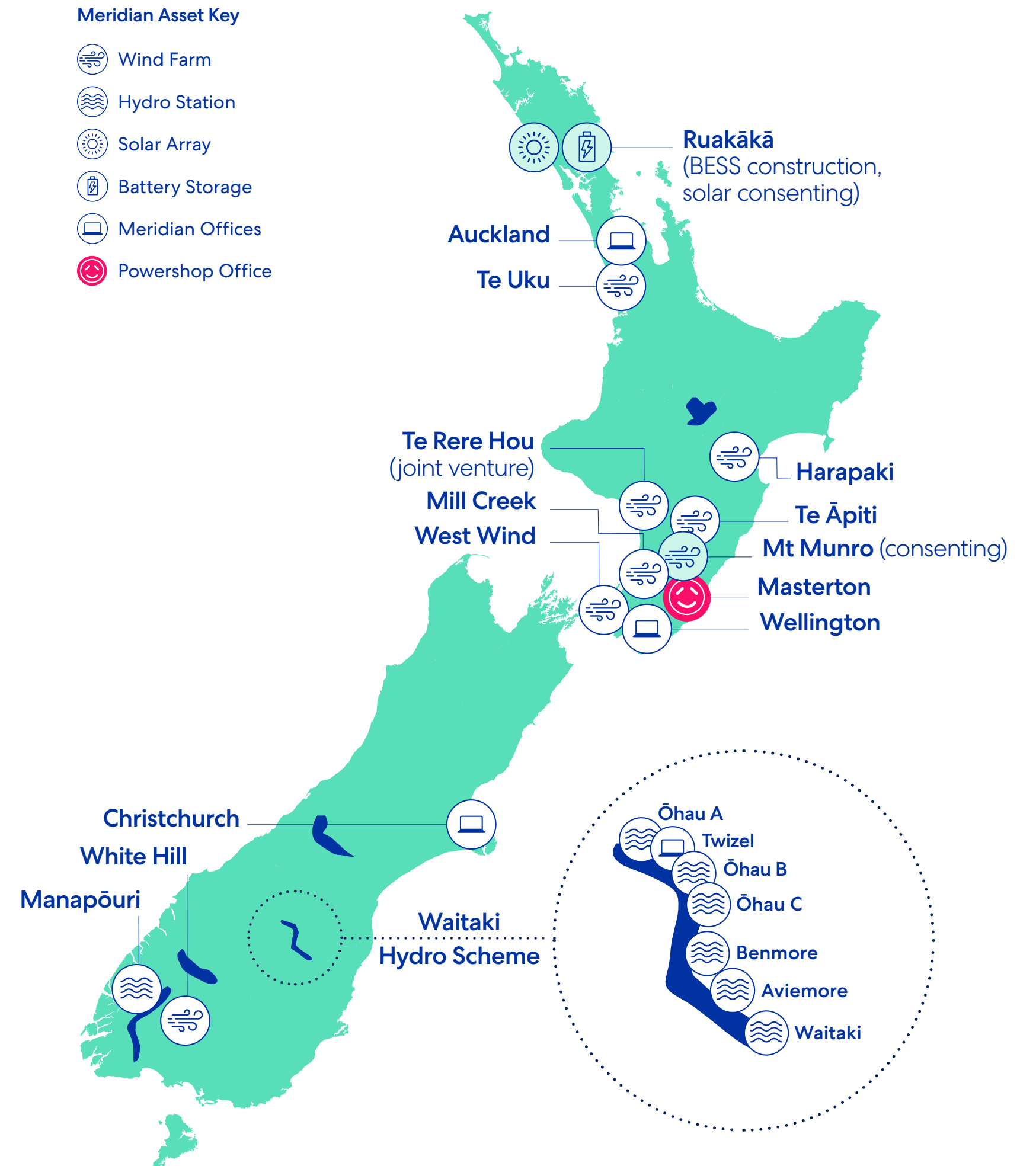
- Meridian Energy Limited (ABN 58355917919, NZCN 938552) and its operational subsidiaries:
 - Dam Safety Intelligence Limited (NZCN 6152623);
 - Kōkako SPV Ltd (NZCN 8967098); and
 - Flux Federation Limited (NZCN 6292491).

Meridian is Aotearoa New Zealand's largest 100% renewable energy generator and a major electricity retailer. Meridian is listed on the New Zealand and Australian stock exchanges and is 51% owned by the New Zealand government.

Meridian generates electricity from 100% renewable sources through wind, water and sun. We produce approximately 30% of New Zealand’s electricity from six hydro power stations in the Waitaki power scheme and Lake Manapōuri (the largest hydro power station in New Zealand), together with six wind farms around the country. Meridian continues to maintain its existing assets and invest in new renewable energy options to grow New Zealand’s generation capacity, such as the new Harapaki wind farm and the Ruakākā Battery Energy Storage System (BESS).

Meridian retails electricity in New Zealand through two unique brands – Meridian and Powershop. As at 30 June 2024, Meridian had 370,000 customer connections, accounting for approximately 16% of national customer connections.

Meridian’s energy retailing software company, Flux Federation Limited, operates in New Zealand, and Australia. Meridian also owns Dam Safety Intelligence Limited, a subsidiary dam safety consulting business focused on the safe management of dams and other water infrastructure in New Zealand and overseas. Meridian also has an interest, through Kōkako SPV Ltd, in the Te Rere Hau wind farm.



Meridian currently employs around 1,000 people across its New Zealand operations.

Sustainability defines who we are

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

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

We are a member of the UN Global Compact (UNGC) – a voluntary leadership platform for the development, implementation and disclosure of responsible business practices.¹ As a participant we're committed to the 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption, whilst also taking action in support of UN goals and issues embodied in the SDGs. Every year, Meridian makes a Communication on Progress to UNGC to demonstrate how we are progressing in our alignment to these principles and UN SDGs.

Embedded in our **Code of Conduct** is our commitment to human rights – which recognises all rights under the International Bill of Human Rights and the principles concerning fundamental rights in the International Labour Organisation's Declaration on Fundamental Principles and Rights at work. This includes the commitment to respect rights related to freedom from slavery, forced labour and child labour, human trafficking, the right to work and take part in cultural life, equal pay, freedom of association, collective bargaining, a safe and healthy work environment, and freedom from discrimination.

We completed our first human rights risk assessment in FY24,² and next year we plan to introduce a Human Rights Policy for our operations and supply chain. We will expand on our modern slavery focused due diligence (see more detail below) to include a broader set of human rights issues, and grievance and remediation processes, to improve outcomes for people. This will be embedded in our **Supply Chain – Good Energy Programme**.

Authenticity in reporting

In FY23 we were assessed for and included in the Asia Pacific Dow Jones Sustainability Index (DJSI), which adopts a robust and structured Environmental, Social and Governance framework to assess performance – it includes assessment of human rights (commitment, assessment, due diligence and remediation actions). We were pleased to achieve a higher assessment outcome in the human rights criteria in FY23. Meridian submitted again in FY24 for inclusion in the Asia Pacific DJSI, and the results are pending.

Our annual Integrated Report is prepared using the Global Reporting Initiative (GRI) Universal Standards (GRI Standards) integrated reporting framework, which aligns with the UN Guiding Principles on Business and Human Rights. The GRI Standards require an objective assessment of the positive and negative impacts of a company's business activities that affect the environment, society and the economy, including human rights and modern slavery.

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

² The human rights assessment scope was across entire value chain, excluding joint-ventures.



Meridian's supply chains

The global transition to a decarbonised economy powered by renewable energy needs to be delivered in a way that respects human rights. However, the speed and urgency of this transition means that Meridian is engaging with complex and – given New Zealand's location – long-distance supply chains. All of this makes it more important than ever that we take steps to respect human rights.

We are committed to working with suppliers who align with our purpose of clean energy for a fairer and healthier world. It is important to us that our suppliers act ethically and responsibly in how they go about their business, treat their staff, and manage their supply chains,

Our supply chains vary, depending which part of the business they relate to. Meridian's supply chain is principally centred around maintaining and building new assets for our generation business which enable us to produce electricity as our 'finished good'. We use a mix of local and global suppliers with the most common categories of spend in general engineering and specialist parts and components and ICT hardware and supporting infrastructure.

We recognise the size and complexity of our supply chain will grow as our business grows, such as through delivery of our renewable energy development projects where supply chains can span multiple countries and involve a range of components and raw materials. This includes our 7 in 7 target focused on creating 7 grid-scale projects ready for construction by 2030. We have also recently engaged in joint venture projects with partners.

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

Our corporate and customer facing operations are typical of any medium sized organisation made up of corporate (centre) functions, and customer facing functions that are office based. Our Customer Care and Delivery Team, ICT technical support (service desk and onsite IT support staff) and Facilities Management teams are New Zealand-based and staffed by Meridian employees, or third party service providers.

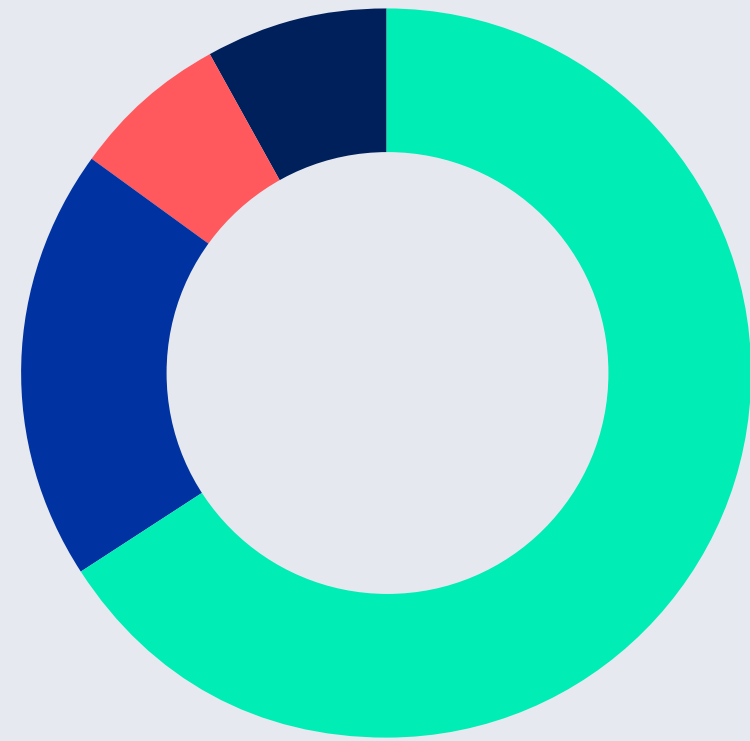
The graphs on the next page show that 93% of Meridian's spend is with its top 60 Tier 1 suppliers,³ which are largely located in New Zealand and Australia with a few based in China, USA, Europe and South Korea. These 60 suppliers represent approximately 3% of our total number of suppliers. The remaining 7% of spend is with around 2,000 suppliers. Over 90% of our spend is with suppliers involved in the energy markets or distribution businesses in New Zealand and Australia. In FY24 there was a 6% decrease in the percentage of spend in relation to construction and maintenance, which reflects the timings of spend for delivery of our development pipeline.

³ Tier 1 suppliers are those who directly provide services/products to Meridian.



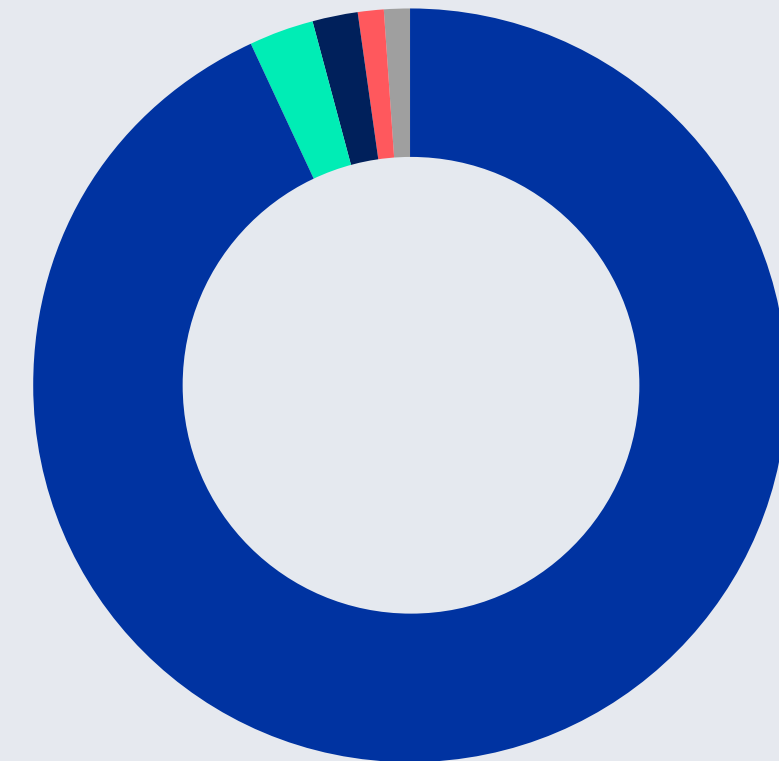
Meridian's supply chains continued

Total spend
(percentage by spend)



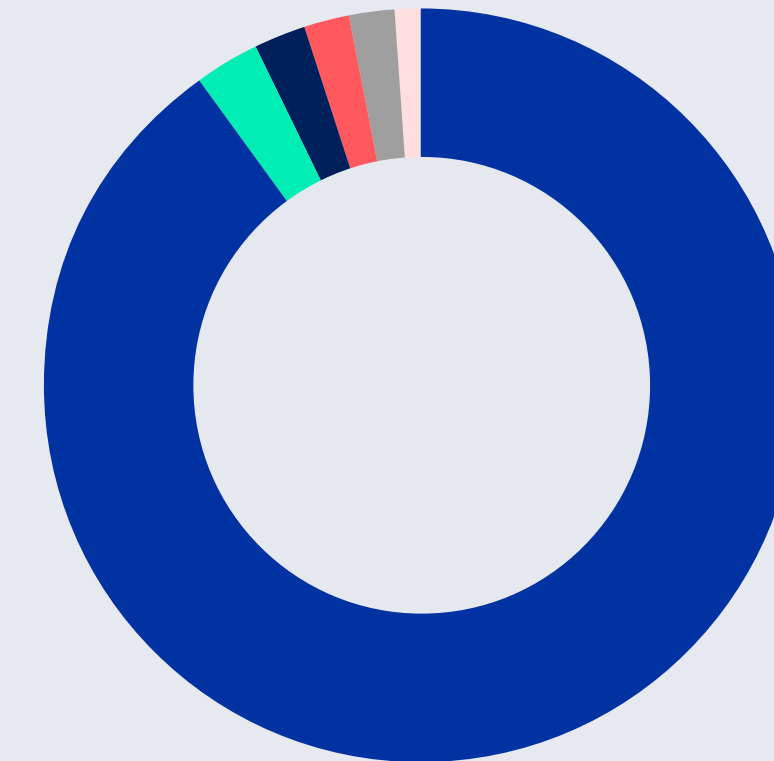
- Top 10 suppliers **75%**
- Top 11-30 suppliers **12%**
- Top 31-60 suppliers **6%**
- Over 2,000 suppliers **7%**

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



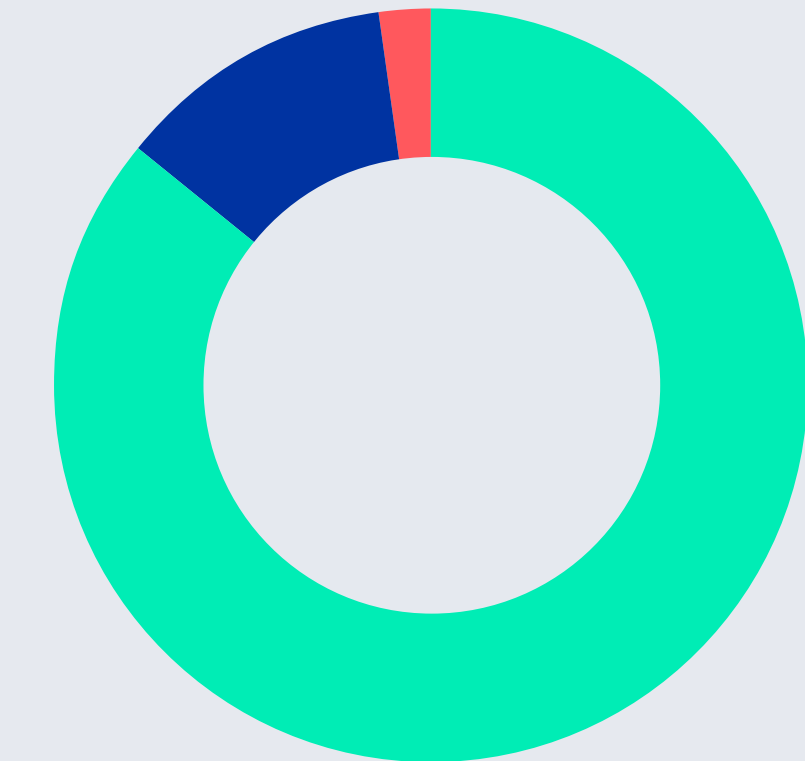
- New Zealand **96%**
- Australia **3%**
- China **1%**
- South Korea **0%**
- Europe **0%**
- USA **0%**

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



- New Zealand **90%**
- Australia **3%**
- Europe **2%**
- China **2%**
- USA **2%**
- South Korea **0%**

Top 60 suppliers
(spend by category)



- Energy market **91%**
- Construction/maintenance **6%**
- Goods and services **3%**

Our Modern Slavery Framework

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

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

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



In 2023 we reviewed and updated our Framework, in accordance with our requirement for a review every two years. Our subsidiary, Flux Federation Limited also created a separate Flux Modern Slavery Framework, modelled on our Framework, to uphold Meridian’s Supplier Code of Conduct, and which reflects its ICT business focus.

As part of its next review in 2025 we expect to expand the Framework to include our prioritised Human Rights issues. It will continue to be reviewed and updated periodically.

Currently our Framework does not include customers and clients. We will consider future scope, including across our value chain, during our review.

Governance

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

Our policies and contractual controls

The Meridian Board approves the Code of Conduct which sets out the behaviours expected of all Meridian employees, contractors (in an employment relationship with Meridian) and Board members. We recommend that suppliers and partners also understand the principles and expectations we have committed to upholding in the Code of Conduct.

This year during the review of our Code of Conduct, we sharpened our focus on conduct and ethics, human rights and aligning to the principles of Te Tiriti – which reflects our ongoing efforts to embrace te ao Māori and recognise mana whenua.

Meridian’s expectations of suppliers in the areas of ethical business, social responsibility, health, safety and wellbeing, labour standards, wellbeing and the environment are set out in our Supplier Code of Conduct, which is aligned with the Act. The Supplier Code of Conduct is incorporated into Meridian’s standard form supply contracts.

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



Our Modern Slavery Framework continued

Assessment of risk

Our procurement categories are reviewed every two years to screen for risk and identify which categories require further due diligence and other actions to help reduce the risk. This review was undertaken in 2023 in line with risk assessment process outlined in our framework.

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

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

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

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

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

Categories with a high, medium or low risk are considered to be adequately covered by the requirements of the Supplier Code of Conduct, which enables us to focus on implementing due diligence and other treatments to the highest risk procurement categories. As Meridian's human rights due diligence processes are further developed this threshold will be reviewed to ensure it remains appropriate.

Addressing the risk

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

Due diligence

We have a supplier self-assessment questionnaire (SAQ) to help provide us with a greater level of understanding of our risks. The SAQ is based on New Zealand labour legislation and best practice.

It contains questions on employment agreements, induction processes, policies and management systems, audits and governance practices. It also requests supporting documentation. All existing suppliers in the highest-risk category are required to complete this on a two-yearly basis or as-requested based on reasonable potential emerging risks.

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



Our Modern Slavery Framework continued

In FY24 a total of 61 questionnaires were requested from suppliers. A total of 54 were completed⁴. Questionnaire responses were reviewed on a quarterly basis, or sooner if timeframes required (eg. request for proposals). While some questionnaire responses sought follow-up clarification from suppliers, none of the responses received raised any concerns which warranted further investigation. We continue to work with suppliers to receive the outstanding questionnaires or responses to follow-up clarification questions we asked.

Other actions taken in FY24 in relation to supplier due diligence included:

- Completed a review of all Meridian preferred accommodation providers, including modern slavery questionnaires as part of the selection process.
- Reviewed high-risk procurement category vendors we purchased from in FY24 to ensure they completed the modern slavery questionnaire.

The process of reviewing Modern Slavery questionnaire responses allows us to gain an aggregate insight for improvement areas across suppliers. The areas identified to help target future supplier engagement and other opportunities to support improved practice, included continued focus on guidance to suppliers on why the questionnaire response is requested, plus appropriate escalation channels available outside direct line management of a worker – both of our Tier 1 suppliers, and third parties they engage.

Grievance and remediation

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

In addition, there are specific channels through which concerns can be raised relating to our development projects – including project hotlines, our website and community meetings. We also maintain a complaints register with escalation procedures.

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

Currently, our remediation process follows the intent in our Supplier Code of Conduct to work collaboratively with suppliers to help them develop their capability to meet our expectations. Suppliers who cannot demonstrate progress towards conformity with these expectations are likely to have limited future business opportunities with Meridian and in extreme cases, could result in termination of the relationship.

In FY24 we did not identify that Meridian caused or contributed to any harm through our supply chain. Therefore no remediation was required.

Training

We have a sustainable procurement e-learning module for the Meridian team. Part of this module covers ethical procurement including modern slavery risks. Information on our modern slavery is included on a Sustainable Procurement Hub, and we hold refresher sessions with sessions with procurement managers and key buyers in the business (providing more in-depth training than the e-learning module).

We have Modern Slavery Guidance resource that is shared with suppliers, as well as internally, to raise awareness of what Modern Slavery is, and why Meridian is taking action to reduce the risk of Modern Slavery in its operations and supply chain, including through the supplier modern slavery questionnaire.

This year we commenced our Supply Chain – Good Energy Programme, to create positive impact in our supply chain, and launched a sustainability e-learning module that is compulsory for all staff, and builds on the work that we have previously done.

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

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

⁴ As at year end, responses yet to be received were still within allowed response timeframe.



Our Modern Slavery Framework continued

Monitoring effectiveness and reporting

Meridian has previously completed a review of ethical practices, with modern slavery due diligence being noted as part of managing ethical risks. The changes from this review have now been implemented, which include updates to Meridian's Code of Conduct, a human rights risk assessment and continued modern slavery due diligence.

We continue to undertake quarterly modern slavery questionnaire reviews, plus regular sustainability audits and sustainability sub-committee meetings at our development sites (Ruakākā Battery Energy Storage System and Harapaki Wind Farm during construction) to regularly capture insights and opportunities to improve awareness and practice.

Continuous improvement

Since FY23 Meridian's **Code of Conduct** has been updated with new core sections on ethical practices, and human rights.⁵ All staff are required to complete a Code of Conduct e-learning training module annually. From FY25 all staff will also be required to complete our new Sustainability e-learning module, which includes an introductory level training to our Environmental, Social and Governance commitments.

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

We continue to look for opportunities to improve our modern slavery due diligence processes to ensure impact and influence on our procurement practices and those of our suppliers. See training section above for a summary of actions we took in FY24.

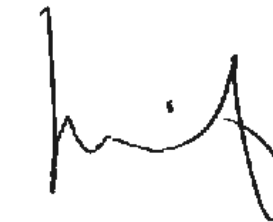
We will support continuous improvement of supplier capability through Meridian's Supply Chain – Good Energy programme, which will embed human rights, including modern slavery. See **Supply chain – good energy programme guidance** – for further information.

Consultation with our entities

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

This statement was approved by the board of Meridian Energy Limited on 27 August 2024.⁶

Signed on behalf of Meridian Energy Limited by:



Mark Verbiest

Chair of Meridian Energy Limited
27 August 2024
Level 2, 98 Customhouse Quay, Wellington, 6011
New Zealand

⁵ Meridian **Code of Conduct**, pages 10, 22-24.

⁶ For the purposes of section 14(2)(d) of the Act, Meridian Energy Limited was in a position to influence and control.





Meridian.

0800 496 777

Meridian Energy Limited
meridian.co.nz