



16 April 2019

Contact Energy commits to science based emissions reduction targets

Contact Energy has become the first energy company in New Zealand to have its emission reduction targets approved by the Science Based Target Initiative (SBTi).

This verifies the company's commitment to reduce its emissions in line with what is required to achieve global targets in the Paris Agreement.

The Science Based Target Initiative is a collaboration between CDP, World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the United Nations Global Compact (UNGC) and is one of the We Mean Business Coalition commitments. It champions science-based target setting as a way of boosting companies' competitive advantage in the transition to a low-carbon economy and tackling climate change.

Contact's targets are to reduce its absolute scope 1 and 2 Greenhouse Gas (GHG) emissions 30 % by 2030 from a 2018 base-year. Contact Energy has also committed to reducing scope 3 GHG emissions from use of sold products 15% by 2030 from a 2018 base-year.

In addition to these targets, Contact has set emissions intensity targets will see it reducing Scope 1 GHG emissions 37% per MWh by 2030 from a 2018 base-year, and displacing 1PJ of fossil fuel energy with renewable energy by 2022.

Contact Energy's Chief Generation and Development Officer, James Kilty, said the approval was a significant step on the road to a low-carbon economy.

"We are delighted to have had our targets officially recognised by the SBTi. The approval shows that our targets are ambitious and support the delivery of the Paris Agreement targets," Mr Kilty said.

"While we deliver on these absolute reduction targets we will also be continuing our decarbonisation programme. This includes Contact becoming involved in Drylandcarbon, a partnership with three other companies, to invest in the establishment of a large geographically diversified forest portfolio to sequester carbon."

Alberto Carrillo Pineda, Director of SBT and RE Procurement at CDP and member of the SBTi Steering Committee said: 'Congratulations to Contact Energy for setting a science-based target.

"By setting targets that align their business with global efforts to avoid the worst impacts of climate change, Contact Energy is helping to future proof its business and position itself to thrive in the low-carbon future."

Contact has received an official approval letter from the SBTi, which has also made a public announcement on its website, <https://sciencebasedtargets.org/companies-taking-action/>.



About Greenhouse Gas Protocol:

The GHG Protocol Corporate Standard classifies a company's Greenhouse Gas emissions into three 'scopes'. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

About us:

Contact is one of New Zealand's largest energy retailers and generators. In recent times the company has invested around \$1.7bn in building a flexible, reliable and renewable generation portfolio which is now more than 80% renewable. Contact believes that climate change is a real and significant challenge, and is committed to leading the decarbonisation of the energy sector in New Zealand by providing sustainable energy solutions that drive outcomes for all New Zealanders. Contact has reduced its greenhouse gas emissions by 51% since 2012, and has set a new target to further reduce emissions from generation by 30% by 2030.

For more about Contact's position on Climate Change please visit:

<https://contact.co.nz/aboutus/sustainability/emissions>.

Contact reports its emissions on an annual basis in its Annual Reports. For 2018 emissions data please see our Annual Report here <https://contact.co.nz/-/media/contact/pdfs/about-us/investor-centre/media-releases/annual-report-2018-contact-energy.ashx>

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