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Contact raises its ambitions on climate action

Contact Energy has stepped up its commitment to help tackle climate change, by setting new ambitious emissions reduction targets. The new targets cement it among the first power companies in the world to have their targets verified to the highest level of ambition for the energy industry by the leading authority, the Science Based Targets initiative (SBTi).

Science-based targets are emissions reduction targets in line with what the latest climate science says is needed to meet the goals of the Paris Agreement - to limit global warming to well-below 2°C above pre-industrial levels.

James Kilty, Contact's Chief Generation and Development Officer says the company is committed to leading New Zealand's low carbon transition and contributing to global action on climate change.

"Setting meaningful, ambitious and credible emission reduction targets is a key part of ensuring we're focusing our business on what matters and helping to drive change. This is a stepping stone towards our aspiration to align our business with a 1.5 °C future," says Mr. Kilty.

Since 2012 Contact has reduced its emissions from power generation (Scope 1) by almost 60% through closing thermal gas-fired plants, and building new renewable low-carbon generation. Contact's new targets see it commit to reducing its Scope 1¹ and 2 emissions 34% by 2026 from a 2018 base year, and its Scope 3 GHG emissions from use of sold products 30% by 2026 from a 2018 base year.

David Tong, Climate Change Programme Manager, WWF New Zealand says, "The climate crisis could be the biggest challenge people face in Aotearoa and worldwide. Last year's IPCC report confirmed that our only options now are unprecedented action or unprecedented climate impacts, so business as usual isn't an option. Seeing Contact be the first energy company in New Zealand to set a verified, ambitious Science Based Target is exciting. The target shows their true commitment to the transition to a low or zero emissions future, where people thrive in harmony with nature. I hope others follow their lead."

Mr Kilty says, "We know that tackling climate change means bold commitments – backed up by bold actions. We believe we can continue to support New Zealand's

¹ Contact uses the Greenhouse Gas Protocol to measure and report on its emissions. Scope 1 emissions are our direct emissions from our operations, Scope 2 emissions are from the purchase and use of electricity and Scope 3 emissions are those created throughout our supply chain.



low carbon transition through displacing thermal generation with new renewable energy, and supporting business customers, partners and suppliers to further lower our collective carbon footprint.”

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About the Science Based Target initiative

The Science Based Target initiative (SBTi) 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.

About Contact Energy

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 diverse 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 almost 60% since 2012. Contact originally set its verified targets in April 2019, to reduce Scope 1 and 2 GHG emissions by 30% by 2030 and to reduce Scope 3 emissions from use of sold products by 15% by 2030. Contact’s new targets see it commit to reducing its Scope 1 and 2 emissions 34% by 2026 from a 2018 base year, and its Scope 3 GHG emissions from use of sold products 30% by 2026 from a 2018 base year.

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 2019 emissions data please see our Annual Report here

<https://contact.co.nz/aboutus/investor-centre/reports-and-presentations#Annual-and-half-year-reports>

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