

Governance matters



Governance matters

Good corporate governance protects the interests of all stakeholders and enhances short-term and long-term value.

We regularly review our corporate governance systems and always look for opportunities to improve. At 30 June, we comply with the recommendations of the NZX Corporate Governance Code in all material respects. You can see our full reporting in our **Corporate Governance Statement** on our website.

Our Board

The Board's role and responsibilities

The Board is responsible for Contact's governance, direction, management and performance.

Specific responsibilities include:

- Setting and approving Contact's strategic direction
- Approving major investments
- Monitoring financial performance
- Appointing the CEO and monitoring CEO and senior management performance
- Ensuring appropriate systems to manage risk
- Reviewing and approving compliance systems
- Overseeing our commitment to our Tikanga, sustainable development, the community and environment, and the health and safety of our people.

Board composition

The Board consists of seven directors, all of whom are independent (i.e. none of the factors described in the NZX Corporate Governance Code that may impact a director's independence apply to any Contact director).

In March 2021, Whaimutu Dewes retired from the Board and was replaced by Rukumoana Schaafhausen. Rukumoana brings valuable skills that complement the expertise of the other directors on the Board. In March 2021, Dame Therese Walsh announced her resignation from the Board this year. Contact's succession planning process culminated in the appointment of Sandra Dodds to replace Dame Therese as Chair of the Audit and Risk Committee.

Following an independent review by Korn Ferry in 2021, the Board refreshed Contact's director skills matrix, which sets out the skills necessary for Contact's success and assesses each director against this. It's not expected that every director will be an expert in every area, but all skills should be represented in the Board as a whole.

The matrix shows a good spread of expertise and secondary skills among current directors. In addition to the skills in the matrix, all seven Contact directors have strong governance expertise.

"Developing and approving the new Contact26 strategy, which underpins our plan of action for the company's success over the next five years. At the same time the TWoW programme has ensured a massive change to embrace a more flexible workplace while improving productivity and the bottom line."

Robert McDonald, Chair










Board performance

We regularly review the performance of the Board to ensure the Board as a whole and individual directors are performing to a high standard. An independent review was carried out by Propero late in 2019. The results were reported in confidence to the Board in early 2020. The next independent review is scheduled to be carried out in early 2022.

We recognise the value of professional development and the need for directors to remain current in industry and corporate governance matters. Contact assists directors with their professional development in a number of ways, including an induction programme for new directors, briefings to upskill the Board on new developments, deep-dive workshops on key issues and Board study tours.

A fund is available for director development opportunities, and the Chair may approve allocations from the fund for opportunities that benefit both Contact and an individual director.

"Contact's strong governance systems and the robust process to ensure discussion and deep dives on key risks." **Dame Therese Walsh**, Director

Strategic Focus	Director Expertise	Governance Capabilities
Brand value and customer experience	  	Brand identity and value. Deep customer insight and advocacy including in energy poverty. Understands generational shift and the impact on customer drivers. Retail growth and transformation expertise including customer-centric experience design, data analytics, digital marketing, sales, and agile retail. Skills to support and challenge progress towards improving the customer experience and reducing cost to serve.
Energy sector including generation, renewables, and wholesale energy markets	 	Leadership experience across the energy sector including in a generation portfolio of geothermal, hydro and thermal, energy markets, supply/demand and commercial and industrial customers. Core understanding of key drivers in value creation and prediction of market needs, moving towards a sustainable renewable energy business model. Operational risk management including health and safety.
Asset infrastructure	   	Experience successfully leading energy sector or adjacent companies (e.g. physical infrastructure, new technologies, engineering and construction), large scale projects, investment and management. Skills to support and challenge in project investment, build and industrial maintenance.
Portfolio efficiency	  	Expertise in cost base reduction and increasing flexibility of an asset portfolio with sustainability at the forefront. Proven track record in cost out, improving reliability and resource utilisation while maintaining safety. Ideally experience in process improvement in resource environments.
Capital markets, investment community and ESG	  	Significant investment community experience. This spans finance, communications and securities law to enable the most effective two-way understanding of, and communication between, the company and the financial community, contributing to fair valuation and ability to gain buy-in for future strategic shifts. Experienced in sustainable investing and with the ESG data toolkit for identifying risks, informing solutions and impacting valuations, brand value and reputation.
Government and regulation	     	Ability to engage effectively and collaboratively with key government stakeholders. Brings an understanding of legal, policy, and regulatory environments that Contact operates in. Insight into non-financial risks around climate change, natural resources scarcity, pollution/waste and ecological opportunities.
Iwi connection and relationships	  	Iwi connection and relationships to develop shared understanding of kaitiakitanga and collaborative investment into resources.
Executive experience	    	Former CEO or C-suite executive with excellent track record of growing value, leading with purpose, strategy development and execution, including investing in people, leadership of culture, and effective delegation. Experience in international markets.
Financial expertise	   	Finance and accounting experience of large companies including transformation and cost optimisation. Expertise in M&A, project financing and/or wholesale commodity markets. The skills to chair the Audit and Risk Committee.
IT, digital and new technologies	    	Contemporary digital ecosystem platforms and systems to support lean operations, automation, security management and customer innovation. Skills to support and challenge in capital investment plans, technology-enabled operational efficiencies and service improvements. Strong exposure to trends in new energy technologies, cleantech and new products that support decarbonisation including the developments in transmission and changing nature of the 'energy corridor'.

“The increasing recognition of the role that ESG plays in Contact’s success and the focus on strong governance for ESG matters. As Chair of the Safety and Sustainability Committee, one thing that stood out in particular was the HSE Culture review with its focus on the wellbeing of our people.”

Elena Trout, Director

Board committees

The Board has four standing committees to perform work and provide specialist advice in certain areas. Our Board works to the principle that committees should enhance effectiveness in key areas, while still retaining Board responsibility.

This financial year, we carried out a review of Contact’s governance systems, to ensure the Contact Board receives the right information in a timely manner to help enable good decisions to be made (the Governance Review). Part of the Governance Review involved looking at the role of the Board and Board committees, ensuring that the right committee receives the right information at the right time and that the flow of information and decisions through the committees to the Board contributes to effective decision-making. This resulted in some changes to the way we do things, effective from 1 July 2021.

The Audit and Risk Committee (ARC) helps the Board fulfil its responsibilities relating to Contact’s external financial reporting, internal control environment, business assurance and external audit functions, and risk management.

The Safety and Sustainability (HSE) Committee supports the Board in relation to HSE objectives and monitoring HSE performance. For FY22, the mandate of this committee has been widened to include oversight of ESG matters and it has been renamed the Safety and Sustainability Committee. This reflects the importance Contact places on ESG performance. The committee also has oversight of climate related risks and opportunities.

The People Committee advises and supports the Board in fulfilling its responsibilities across all aspects of Contact’s people and capability strategies, risks, policies and practices. In FY21, this Committee also had responsibility for Board composition, performance and remuneration, but those functions will move to the full Board from FY22.

In FY20, the Board established the Tauhara Board Committee, reflecting the strategic importance of the Tauhara power station project. In October 2020, this Committee’s mandate was widened to include all major growth projects and opportunities.

The current members of the committees are:

Committee	Members
Audit and Risk	Dame Therese Walsh (Chair) Victoria Crone Rukumoana Schaafhausen
Safety and Sustainability	Elena Trout (Chair) David Smol Rukumoana Schaafhausen
People	Jon Macdonald (Chair) Robert McDonald Dame Therese Walsh
Development	David Smol (Chair) Elena Trout Jon Macdonald

Code of Conduct and policies

We expect all of our people to act honestly, with integrity, in Contact’s best interests and in accordance with the law, all the time. This expectation, along with our Tikanga, is enshrined in our Code of Conduct, which underpins our corporate policy framework. We set new corporate policies to address key risks and set expected standards of behaviour for our people. Information about how our key policies operate is in our Corporate Governance Statement and the policies themselves are on our [website](#).

In FY21, we refreshed our **Protected Disclosure (Whistleblowing) Policy**, which offers protections for employees who disclose serious wrongdoing in accordance with the process in the policy, and we replaced our old whistleblower hotline with a new online portal to help ensure we’re aware of any breaches of the Code of Conduct, our policies or any other illegal or unethical activity. This portal is easily accessible and user friendly – anyone at Contact who is concerned about any incident or behaviour can use the whistleblower portal to report that matter, anonymously if they choose. Any whistleblower disclosures are reported to the General Counsel and CEO and where appropriate, the Chair.

In March this year, we published our first Modern Slavery Statement, which sets out the steps we have taken to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain. We have also implemented a Supplier Code of Conduct, which outlines the behaviours we expect from suppliers, particularly regarding ethical, social and environmental business practices.

“The success of retail adjacency with Contact’s broadband product and recently hitting the milestone of 50,000 broadband connections.” **Victoria Crone**, Director

“Approving the Tauhara geothermal power station project – an investment decision that was a long time in the planning and is New Zealand’s best low-carbon renewable electricity opportunity.” **David Smol**, Director

Risk management and assurance

Risk management

Our risk management framework enables the Board to set an appropriate risk strategy and ensure that risk is managed throughout the organisation. The framework ensures we have appropriate systems in place to identify material risks and that, where applicable, the Board sets appropriate tolerance limits. We assign responsibility to individuals to manage identified risks and we monitor any material change to Contact’s risk profile.

Assurance

Our business assurance team fulfils our internal audit function and provides objective assurance of the effectiveness of our internal control framework. The team is based in-house, and draws on external expertise where required.

The team brings a disciplined approach to evaluating and improving the effectiveness of risk management, internal controls and governance processes. We use a risk-based assurance approach driven by our risk management framework. The team also assists external audits by making findings from the internal assurance process available for the external auditor to consider when providing their opinion on the financial statements. The team has unrestricted access to all other departments, records and systems of Contact, and to the external auditor and other third parties as it deems necessary.

Auditors

We recognise that the role of our external auditor is critical for the integrity of our financial reporting. Our external auditor is KPMG. The Audit and Risk Committee ensures that the audit partner is changed at least every five years.

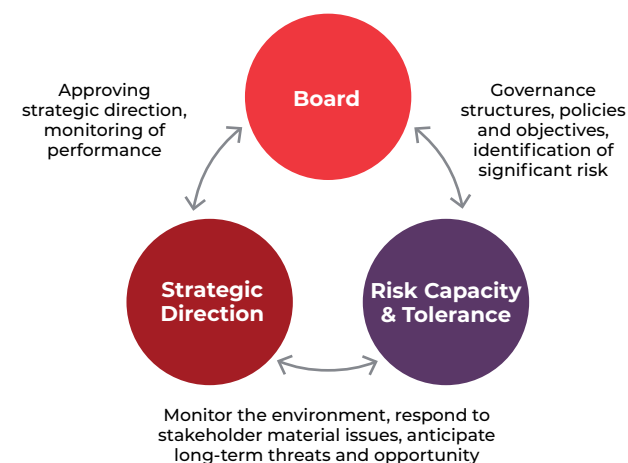
Our External Audit Independence Policy sets out the framework we use to ensure the independence of our external auditors is maintained and their ability to carry out their statutory audit role is not impaired. Under this policy, the external auditor may not do any work for Contact that compromises, or is seen to compromise, the independence and objectivity of the external audit process. In addition, KPMG confirms their continuing independent status to the Board every six months.

The Chair of the Audit and Risk Committee approved KPMG to perform additional engagements this year, including assuring our green borrowing programme, greenhouse gas emissions and Global Reporting Index (GRI) indicators.

Representatives from KPMG attend Contact’s annual shareholder meeting, where they’re available to answer shareholders’ questions relating to the audit.

“Completing the acquisition of Simply Energy, as an important step towards our progress in helping customers be smarter with their electricity consumption, and watching them succeed – for example, the expansion of demand flexibility and the partnership with US-based smart plug company Sapien.”

Jon Macdonald, Director



“Hosting the Prime Minister at the opening of the Tauhara project site and seeing the impact the project will have for the Taupō area and New Zealand’s decarbonisation efforts.”

Rukumoana Schaafhausen, Director

Remuneration report

Dear fellow shareholders

I am pleased to present Contact's remuneration report for FY21 on behalf of the Board's People Committee.

FY21 Financial results and remuneration

Contact has delivered a solid financial result for shareholders this year with profit of \$187 million, EBITDAF of \$553 million, and operating free cash flow of \$371 million. Operating costs and capital expenditure have been managed prudently, while contending with ongoing gas shortages and low hydro lake levels.

Our discretionary short-term incentive pool reflects Contact's performance in FY21 and any payments under these arrangements will be made in September 2021. Given the company's performance over the past year, we consider executive remuneration is appropriate.

A detailed overview of current employee remuneration is set out in **Employee remuneration**.

Review of remuneration framework

As signalled last year, we reviewed our remuneration framework to ensure remuneration remains transparent, fair and enables Contact to attract, reward and retain high-performing people. We are committed to paying appropriate market rates for all roles, and making sure people are rewarded for their performance and experience.

Following this review, we made changes to our short-term incentive scheme and our equity scheme that will apply from FY22:

- we are buying out the short-term incentive (STI) for people below senior management level and therefore increasing their fixed remuneration
- we are applying a consistent weighting of the corporate and individual performance outcomes for senior employees who remain in the STI scheme

- senior managers invited to participate in the equity scheme through Performance Share Rights (PSRs) will now receive their full eligibility of PSRs
- we have reduced the test dates of PSRs to one test at the third anniversary, and introduced a second hurdle linked to decarbonisation and achieving our Contact26 strategy
- the leadership team's cash STI has been reduced, and their participation in Contact's Deferred Share Rights (DSRs) scheme has been increased by an equal amount.

The changes aim to provide more clarity and certainty for our people, as well as increasing alignment with company performance.

Inclusion and diversity

Activity aligned with Contact's inclusion and diversity strategy underpins the company's work environment, inclusion is embedded, and people are encouraged to be themselves. In our people engagement survey, the average score for "People from all backgrounds are treated fairly at Contact" is a very strong 8.7/10 which is good to see.

A wide range of initiatives drive greater inclusion and support for the rainbow community, Māori, women and young people. This includes Rainbow Tick re-certification for the fourth consecutive year, our Māori Summer Internship programme, and support for the WING organisation to lift the presence of women in the geothermal industry.

Contact also supports the Champions for Change initiative and participated in its third Diversity and Inclusion Impact report (published in March 2021). The data from participating organisations shows female representation increased both proportionally and in absolute numbers between 2018 and 2020. In FY21 Contact achieved gender balance (40:60 women to men) across half of our work categories, but there are several categories where we need to improve. We've reported on gender composition across these categories in our **sustainability disclosures**.

Pay equity analysis examines whether females and males within the same role grade are paid

equitably. At Contact the FY21 pay equity is 97.6 per cent – this is above our stated target of 97 per cent (and FY20's 96 per cent result) but we remain committed to further reducing this gap.

An additional remuneration disclosure has been included for the first time this year, including the ratio between the total annual compensation of the CEO and the median employee compensation – a ratio of 20:1.

TWoW

Contact has embraced the choice for its people to work from anywhere as long as their role allows, and the work can be done safely and securely. Embracing flexible work practices helps build engagement, attract more diverse talent, and will help Contact succeed over the longer term. This is echoed by strong results around working flexibly and working remotely in recent people engagement surveys.

More flexibility around location, and a greater use of technology rather than travel has also contributed to our ambition for less emissions. An additional benefit of TWoW has been a recurring cost reduction of over \$1.8m per year, as a result of a range of initiatives but primarily through a reduction in our property, travel and technology costs. On a related note, the Contact team has proven resilient and flexible in ensuring minimal business disruption during further regional COVID-19 alert level changes in FY21.

Contact is continuously looking to improve as part of its overall commitment to being a good employer. There is always more to do.



Jon Macdonald
Chair, People Committee

Directors' remuneration

The total directors' fee pool is \$1,500,000 per year. It has not increased since it was approved by shareholders in 2008. Actual fees paid to directors are determined by the Board on the recommendation of the People Committee. There were no increases in the level of director fees between FY20 and FY21. On 19 April 2020, the Board approved a 20 per cent reduction in all directors' fees for the period 1 April to 30 September 2020 in light of the developing situation around COVID-19.

Directors' fees exclude GST, where appropriate. In addition, Board members are reimbursed for costs directly associated with carrying out their duties, such as travel costs.

FY21	Chair per annum	Member per annum
Board of Directors	\$285,000*	\$138,000
Audit and Risk Committee	\$46,000	\$23,000
Safety and Sustainability Committee	\$26,000	\$13,000
People Committee	\$26,000	\$13,000
Development Committee	\$20,000	\$10,000

* No additional fees are paid to the Board Chair for committee roles.

Directors*	Board fees	Audit and Risk Committee	Safety and Sustainability Committee	People Committee	Development Committee	Total remuneration
Robert McDonald	\$270,750					\$270,750
Victoria Crone	\$131,100	\$21,850				\$152,950
Whaimutu Dewes	\$96,600	\$16,100	\$9,100			\$121,800
Jon Macdonald	\$131,100			\$24,700	\$9,500	\$165,300
Rukumoana Scaafhausen	\$46,000	\$5,750	\$3,250			\$55,000
David Smol	\$131,100		\$12,350		\$17,000	\$160,450
Elena Trout	\$131,100		\$24,700		\$11,500	\$167,300
Dame Therese Walsh	\$131,100	\$43,700		\$12,350		\$187,150
Total	\$1,068,850	\$87,400	\$49,400	\$37,050	\$38,000	\$1,280,700

* Notes:

Amounts paid during the period 1 April to 30 June 2020 reflect a 20 per cent reduction, as described above.

Rukumoana Scaafhausen joined the Board on 1 March 2021.

Whaimutu Dewes resigned from the Board on 31 March 2021.

The mandate of the Tauhara Committee widened and it was renamed the Development Committee on 1 October 2020.

The mandate of the Health Safety and Environment Committee was widened and it was renamed the Safety and Sustainability Committee on 1 July 2021.

David Smol replaced Elena Trout as Chair of the Development Committee on 1 October 2020.

In June 2021, the Board agreed certain changes to its committees to ensure it has the optimum governance structures in place for the changing environment. We describe these changes in **Board committees**.

Whaimutu Dewes was paid \$6,250 for consultancy services from 1 April 2021 (i.e. after his resignation from the Contact Board).

Details of remuneration paid to non-executive directors of Contact subsidiaries for FY21 are as follows:

Subsidiary	Non-executive director	Total remuneration
Simply Energy Limited	Chris Seel	\$20,000
Western Energy Services Limited	Dane Coppel	\$6,000

Chief Executive Officer and Executive Team remuneration

The CEO and Executive Team remuneration is reviewed by our Board each year. The Board works closely with and is advised by Contact's People Committee.

The remuneration reflects the complexity of the roles and the wide-ranging skills needed to do them well. We also consider market remuneration data benchmarks, look at the achievement of performance goals and factor in creating long-term sustainable shareholder value.

The total remuneration is made up of a fixed remuneration component, which includes cash salary and other employment benefits, and pay-for-performance remuneration containing short-term incentives (cash and equity awarded through deferred share rights) and long-term incentives (equity awarded through performance share rights).

The following table details the nature and amount of remuneration paid to Mike Fuge for his time as CEO during the year.

CEO remuneration for the period ended 30 June 2021

Position	Fixed remuneration			Pay-for-performance remuneration				Total remuneration
	Salary paid \$	Benefits \$	Subtotal \$	Cash STI \$	Equity STI \$	Equity LTI \$	Subtotal \$	
FY21	1,150,000	38,340 ¹	1,188,340	431,250 ²	258,750 ³	402,500 ⁴	1,092,500	2,280,840

Pay-for-performance remuneration breakdown for the year ended 30 June 2021

All discretionary payments were calculated and paid based on period employed in FY21.

Scheme	Description	Performance measures	Percentage of maximum potential
Cash STI ⁵	Cash STI is a discretionary scheme based on achievement of KPIs. Maximum potential set at 50% of base salary.	70% based on corporate shared KPIs: <ul style="list-style-type: none"> • 50% financial results (Operating Free Cash Flow, EBITDAF, OPEX) • 40% transformation targets • 10% safety targets 30% based on individual KPIs including corporate reputation, demand growth, transformation, strategy development and executive capability.	75% (Paid September 2021)
Equity STI (awarded as deferred share rights)	Equity STI allows the participant to acquire shares at a \$0 exercise price subject to the time-bound exercise hurdle being achieved. Maximum potential set at 30% of base salary for CEO.	The participant's performance rating influences the Equity STI awarded by the Board. The exercise hurdle to receive these is to remain employed by Contact 2 years from the grant date.	75% \$258,750 based on fair value allocation (To be granted 1 October 2021 and tested October 2023)
Equity LTI (awarded as performance share rights)	Equity LTI allows the participant to acquire shares at a \$0 exercise price subject to the exercise hurdle being achieved. Set at 35% of base salary for CEO.	The exercise hurdles to receive these are: <ul style="list-style-type: none"> • 50% Contact's relative total shareholder return (TSR) ranking within an energy industry peer group of other New Zealand NZX50 listed utilities companies. • 50% internal hurdle related to our strategic priority of decarbonisation. Tested once, at year 3.	100% \$402,500 based on fair value allocation (To be granted 1 October 2021 and tested October 2024)

¹ Benefits include 3% KiwiSaver contribution calculated on remuneration amounts including cash STI, and health insurance.

² STI for FY21 period, paid in FY22.

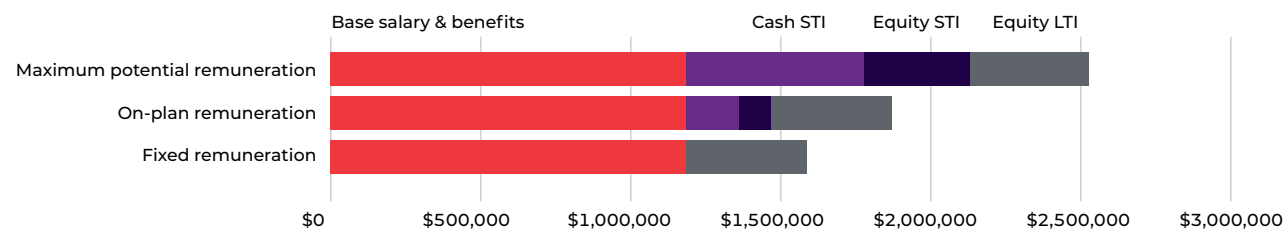
³ Equity, based on fair value allocation, performance hurdles tested 2023.

⁴ Equity, based on fair value allocation, performance hurdles tested 2024.

⁵ The Cash STI performance weightings changed in FY21 to 70% corporate and 30% individuals KPIs from the previous 60% corporate and 40% individual KPIs.

CEO remuneration

The scenario chart below demonstrates the elements of Mike Fuge's CEO remuneration design.



Five-year CEO remuneration summary

Financial year	Total remuneration paid ¹	Percentage Cash STI awarded against maximum	Percentage vested Equity STI against maximum	Span of Equity STI performance period	Percentage vested Equity LTI against maximum	Span of Equity LTI performance period
Mike Fuge						
FY21	\$2,280,840	75%	0%	n/a	0%	n/a
FY20 ²	\$669,641	40%	0%	n/a	0%	n/a
Dennis Barnes						
FY20 ³	\$995,566	32%	100%	2017–2019 2018–2019	2015 Options/PSR 89.54% 2016 Options/PSR 50%	2015–2020 2016–2020
FY19	\$1,787,816	78%	100%	2016–2018	2013 Options 100% ⁴ 2014 Options 100%	2013–2018 2014–2019
FY18	\$3,031,608	55%	100%	2015–2017		0% n/a
FY17	\$2,081,641	50%	0%	n/a	0%	n/a

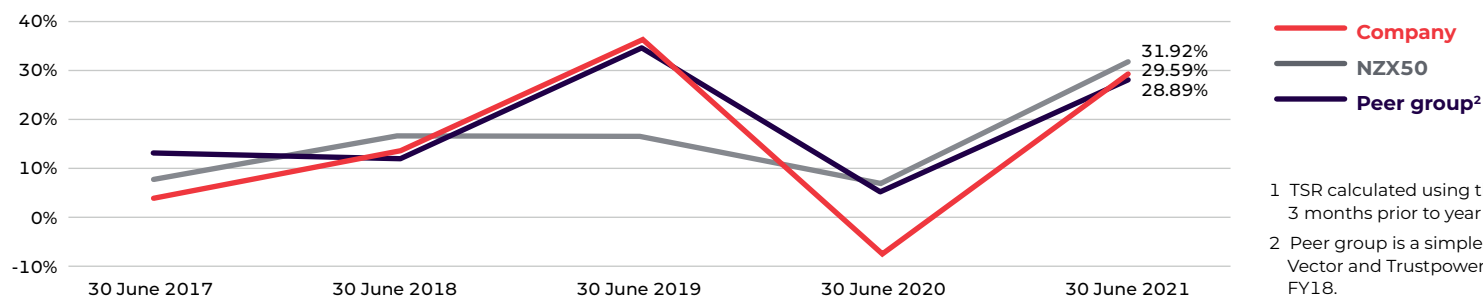
1 Total remuneration paid includes salary, benefits, Cash STI, and value of STI and LTI Equity (paid in shares).

2 24 February 2020 – 30 June 2020

3 1 July 2019 – 28 February 2020

4 100% of STI and LTI Equity vested as a result of Origin selling its shareholding in Contact triggering vesting of equity due to the change of control.

Five-year summary TSR¹ performance graph



1 TSR calculated using the volume-weighted average price for the 3 months prior to year end.

2 Peer group is a simple average of Meridian, Genesis, Mercury, Vector and Trustpower, with Trustpower only in the group from FY18.

Contact employee remuneration

We're committed to paying appropriate market rates for all our roles, and ensuring our people are rewarded for their performance and experience.

There are three parts to employee remuneration – fixed remuneration, pay-for-performance remuneration, and other benefits. These combine to attract, reward and retain high-performing employees.

Fixed remuneration

Fixed remuneration is based on the role responsibilities, individual performance and experience, and current market remuneration data. Contact targets fixed remuneration at the median of the market range.

Pay-for-performance remuneration

Pay-for-performance remuneration recognises and rewards high-performing employees and comprises short-term incentives (cash and deferred share rights) and long-term incentives (performance share rights).

Short-term incentives (STI)

STIs are designed to recognise and reward high performance with cash incentives and deferred share rights through Contact's equity scheme for some higher-level roles and key talent. STIs have a maximum potential level set reflecting the person's position grade, and are based on performance measured against key performance indicators (KPIs), which generally consist of company and individual objectives. The Board reserves the right to adjust STI awards if company targets are not met.

Long-term incentives (LTI)

Contact provides awards of performance share rights through Contact's equity scheme to our senior people and key talent. This aims to encourage and reward longer-term decision-making and align participants' interests with Contact's shareholders. These are subject to performance hurdles.

Equity scheme

At 30 June 2021 there were 94 participants in Contact's equity scheme. For further details on the equity scheme and the number of performance share rights and deferred share rights granted, exercised, lapsed and on issue at the end of the reporting period, see note E10 of the financial statements.

Other benefits

We know that rewards mean more than just money, so we offer our people a range of other benefits too. Some of these have eligibility criteria and include: discounts for home energy and broadband; employer-subsidised health insurance; an employee share ownership plan called 'Contact Share' (see note E10 in financial statements for more detail); and additional benefits and offers from retailers and service providers.

Additional Contact remuneration disclosures

- Pay equity is monitored and reported on, comparing pay by gender in roles at the same grade levels (i.e. roles requiring a similar level of skills, knowledge, and accountabilities). At 30 June 2021 our pay equity was at 97.6 per cent for women to men. We make adjustments to individual salaries where appropriate to address pay equity while applying our grade structure.
- CEO-to-employee pay ratio, 20:1. The ratio between the total annual compensation of the CEO and the median employee compensation.
- Contact does not implement any clawback practices on employee remuneration other than in situations permitted by New Zealand legislation (e.g. for correction of overpayments).
- Contact has remediated underpayments to our current and ex-employees following a review of how we applied the regulations in the Holidays Act 2003.
- Contact does not have a share ownership requirement for the CEO or Executive Team.
- The notice period for Mike Fuge in his role as CEO is six months.



Group¹ employees who earn over \$100k

The table shows the number of our people (including any who have left) who received remuneration and other benefits during FY21 of at least \$100,000 for the year ended 30 June 2021.

The value of remuneration benefits analysed includes:

- fixed remuneration including allowance/overtime payments
- employer superannuation contributions
- short-term cash incentives relating to FY20 performance but paid in FY21 (Contact and Simply Energy)
- the value of equity-based incentives at fair value allocation received during FY21 (Contact)
- the value of Contact Share received during FY21 (Contact)
- redundancy and other payments made on termination of employment.

The figures do not include; amounts paid after 30 June 2021 that relate to the year ended 30 June 2021, the remuneration (and any other benefits) of the Contact CEO, Mike Fuge, as they are disclosed in **CEO remuneration**.

Table of employees who earn over \$100k

Remuneration band	Number of employees
\$100,001–\$110,000	47
\$110,001–\$120,000	42
\$120,001–\$130,000	61
\$130,001–\$140,000	53
\$140,001–\$150,000	53
\$150,001–\$160,000	39
\$160,001–\$170,000	33
\$170,001–\$180,000	14
\$180,001–\$190,000	17
\$190,001–\$200,000	13
\$200,001–\$210,000	19
\$210,001–\$220,000	14
\$220,001–\$230,000	6
\$230,001–\$240,000	4
\$240,001–\$250,000	3
\$250,001–\$260,000	6
\$260,001–\$270,000	3
\$270,001–\$280,000	6
\$280,001–\$290,000	3
\$290,001–\$300,000	2
\$300,001–\$310,000	1
\$320,001–\$330,000	3
\$330,001–\$340,000	4
\$370,001–\$380,000	2
\$380,001–\$390,000	1
\$390,001–\$400,000	1
\$400,001–\$410,000	1
\$430,001–\$440,000	1
\$480,001–\$490,000	2
\$490,001–\$500,000	1
\$530,001–\$540,000	1
\$550,001–\$560,000	1
\$640,001–\$650,000	1
\$720,001–\$730,000	1
\$960,001–\$970,000	1
\$1,120,001–\$1,130,000	1
461²	

¹ Excludes Drylandcarbon.

² Includes 29 former employees across the group (excluding Drylandcarbon).

Additional disclosures



Statutory disclosures

Disclosures of interests by directors

The table below lists the general disclosures of interest by directors of Contact Energy Limited in accordance with section 140 of the Companies Act 1993.

Robert McDonald

Fletcher Building Limited	Director
AIA Limited	Director
Chartered Accountants Australia & New Zealand	Director
University of Auckland Business School Advisory Board	Chair
University of Auckland Council	Member
McDonald Family Trust	Trustee

Victoria Crone

Statistics New Zealand	Chair
Callaghan Innovation	Chief Executive Officer
Figure.NZ	Co-Chair

Jon Macdonald

Sharesies Limited and various subsidiaries	Director
Titan Parent New Zealand Limited (Parent company of Trade Me Ltd)	Director
Mitre 10 (New Zealand) Ltd and various subsidiaries	Director
NZ Technology Training Trust	Trustee
My Food Bag Group Limited	Director
The Champ Trust	Trustee/Beneficiary

Rukumoana Schaafhausen

AgResearch Limited	Director
KGS Limited	Director
Te Waharoa Investments Limited	Director
Miro (Hautupua) Limited	Director
Water Governance Board, Waikato District Council	Director
Tindall Foundation	Trustee
Princes Trust NZ	Trustee
Equippers Church Trust	Trustee

David Smol

New Zealand Growth Capital Partners Limited	Chair
Department of Internal Affairs' External Advisory Committee	Chair
Ministry of Social Development's Risk and Audit Committee	Chair
Capital & Coast District Health Board	Chair
Hutt Valley District Health Board	Chair
New Zealand Transport Agency	Board Member
The Co-operative Bank Limited	Director
Victoria Link Limited	Chair
Rimu Road Consulting Limited	Director

Elena Trout

Callaghan Innovation	Director
Ngapuhi Asset Holding Company Limited and various subsidiaries	Director
Joint NZ Defence Force and Ministry of Defence Capability Governance Board	External Member
Energy Efficiency and Conservation Authority (EECA)	Chair
Low Emission Vehicles Contestable Fund (a fund from EECA budget)*	Chair
Harrison Grierson Holdings Limited and various subsidiaries	Director
Motiti Investments Limited	Director
Ara Ake Limited	Director
Interim Establishment Board for the Construction and Infrastructure Workforce Development Council	Chair

* Fund expired mid-2021.

Dame Therese Walsh

Air New Zealand	Chair
ASB Bank	Director*
Antarctica NZ	Director
On Being Bold	Director
Wellington Homeless Women's Trust	Ambassador
Climate Change Commission Nominations Panel	Member
Therese Walsh Consulting Limited	Director

*Will become Chair effective 1 September 2021.

Information used by directors

No director issued a notice requesting to use information received in his or her capacity as a director that would not otherwise be available to the director.

Indemnity and insurance

In accordance with section 162 of the Companies Act 1993 and the constitution of the company, Contact has continued to indemnify and insure its directors and officers, including directors of subsidiaries, against potential liability or costs incurred in any proceeding, except to the extent prohibited by law.

Directors' security participation

Directors are required to hold a minimum of 20,000 shares within three years of appointment.

Securities of the company in which each director has a relevant interest at 30 June 2021

Director	Ordinary shares	Bonds
Robert McDonald	34,602	35,000
Victoria Crone	21,533	
Jon Macdonald	23,068	
David Smol	20,550	
Elena Trout	21,186	
Dame Therese Walsh	17,225	

Securities dealings of directors

During the year, the directors disclosed in respect of section 148(2) of the Companies Act 1993 that they acquired or disposed of a relevant interest in securities as follows:

Director	Date of acquisition	Nature of transaction	Consideration per share	Number of shares acquired
Robert McDonald	12/03/21	Acquisition under retail equity offer	\$6.74	4,602
Victoria Crone	12/03/21	Acquisition under retail equity offer	\$6.74	1,483
Whaimutu Dewes	12/03/21	Acquisition under retail equity offer	\$6.74	3,070
Jon Macdonald	12/03/21	Acquisition under retail equity offer	\$6.74	3,068
David Smol	12/03/21	Acquisition under retail equity offer	\$6.74	2,316
	29/03/21	On-market purchase	\$6.85	3,134
Elena Trout	12/03/21	Acquisition under retail equity offer	\$6.74	1,186
Dame Therese Walsh	12/03/21	Acquisition under retail equity offer	\$6.74	2,225

Shareholder statistics

Twenty largest shareholders at 30 June 2021

	Number of ordinary shares	% of ordinary shares
HSBC Nominees (New Zealand) Limited	60,890,712	7.85
HSBC Nominees (New Zealand) Limited	53,969,790	6.95
Citibank Nominees (NZ) Limited	51,298,979	6.61
National Nominees New Zealand Limited	49,101,052	6.33
JP Morgan Chase Bank	40,784,092	5.25
Accident Compensation Corporation	30,073,733	3.87
Tea Custodians Limited	27,606,067	3.56
FNZ Custodians Limited	27,273,298	3.51
Forsyth Barr Custodians Limited	23,511,944	3.03
New Zealand Superannuation Fund Nominees Limited	19,942,072	2.57
BNP Paribas Nominees NZ Limited	18,000,856	2.32
JB Were (NZ) Nominees Limited	17,431,762	2.25
Cogent Nominees Limited	15,694,541	2.02
Custodial Services Limited	15,047,438	1.94
BNP Paribas Nominees NZ Limited	13,240,049	1.71
New Zealand Depository Nominee	10,896,540	1.40
Custodial Services Limited	10,514,072	1.35
JP Morgan Nominees Australia Pty Limited	9,987,014	1.29
Premier Nominees Limited	9,372,306	1.21
Private Nominees Limited	7,942,624	1.02
Total for top 20	512,578,941	66.04

Distribution of ordinary shares and shareholders at 30 June 2021

Size of holding	Number of shareholders	% of shareholders	Number of ordinary shares	% of ordinary shares
1–1,000	28,166	44.63	18,095,094	2.33
1,001–5,000	28,633	45.37	53,154,526	6.85
5,001–10,000	3,559	5.64	25,127,742	3.24
10,001–50,000	2,428	3.85	46,704,015	6.02
50,001–100,000	203	0.32	14,084,931	1.81
100,001 and over	127	0.20	618,955,762	79.75
Total	63,116	100.00	776,122,070	100.00

Substantial product holders

According to notices given under the Financial Markets Conduct Act 2013, the following persons were substantial product holders of the company as at 30 June 2021:

Substantial product holder	Number of ordinary shares in which relevant interest is held	Date of notice
The Vanguard Group, Inc.	38,806,275	18 June 2021
BlackRock Inc. and related bodies corporate	38,912,275	4 May 2021

The total number of voting securities of Contact at 30 June 2021 was 776,122,070 fully paid ordinary shares.

Bondholder statistics

Twenty largest CEN030 bondholders at 30 June 2021

	Number of CEN030 bonds	% of CEN030 bonds
FNZ Custodians Limited	16,440,000	10.96
Forsyth Barr Custodians Limited	15,249,000	10.17
Hobson Wealth Custodian Limited	14,439,000	9.63
Citibank Nominees (NZ) Limited	10,622,000	7.08
Commonwealth Bank of Australia	7,859,000	5.24
NZ Permanent Trustees Limited	7,439,000	4.96
Custodial Services Limited	4,565,000	3.04
Tea Custodians Limited	4,097,000	2.73
Cogent Nominees Limited	4,096,000	2.73
Custodial Services Limited	3,779,500	2.52
National Nominees New Zealand Limited	3,624,000	2.42
Southern Cross Medical Care Society	3,400,000	2.27
Custodial Services Limited	3,159,500	2.11
ANZ National Bank Limited	3,034,000	2.02
Custodial Services Limited	2,748,000	1.83
Private Nominees Limited	2,638,000	1.76
Pin Twenty Limited	2,500,000	1.67
Forsyth Barr Custodians Limited	2,350,000	1.57
Investment Custodial Services Limited	2,109,000	1.41
University Of Otago Foundation Trust	1,985,000	1.32
Total for top 20	116,133,000	77.44

Distribution of CEN030 bonds and bondholders at 30 June 2021

Size of holding	Number of bondholders	% of bondholders	Number of bonds	% of bonds
1,001–5,000	53	9.76	265,000	0.18
5,001–10,000	120	22.10	1,128,500	0.75
10,001–50,000	292	53.78	7,886,500	5.26
50,001–100,000	28	5.16	2,341,000	1.56
100,001 and over	50	9.21	138,379,000	92.25
Total	543	100.00	150,000,000	100.00

Twenty largest CEN040 bondholders at 30 June 2021

	Number of CEN040 bonds	% of CEN040 bonds
Citibank Nominees (NZ) Limited	20,738,000	20.74
FNZ Custodians Limited	12,007,000	12.01
Cogent Nominees Limited	7,585,000	7.59
HSBC Nominees (New Zealand) Limited	7,038,000	7.04
Custodial Services Limited	4,073,000	4.07
Forsyth Barr Custodians Limited	3,909,000	3.91
Westpac Banking Corporation	3,250,000	3.25
Private Nominees Limited	3,159,000	3.16
Southern Cross Medical Care Society	3,000,000	3.00
Custodial Services Limited	2,681,000	2.68
Custodial Services Limited	2,612,000	2.61
Custodial Services Limited	2,394,000	2.39
BNP Paribas Nominees NZ Limited	2,330,000	2.33
Investment Custodial Services Limited	2,313,000	2.31
Forsyth Barr Custodians Limited	1,444,000	1.44
Hobson Wealth Custodian Limited	1,375,000	1.38
FNZ Custodians Limited	1,129,000	1.13
Custodial Services Limited	1,075,000	1.08
Forsyth Barr Custodians Limited	936,000	0.94
JB Were (NZ) Nominees Limited	850,000	0.85
Total for top 20	83,898,000	83.91

Distribution of CEN040 bonds and bondholders at 30 June 2021

Size of holding	Number of bondholders	% of bondholders	Number of bonds	% of bonds
1,001–5,000	34	10.73	170,000	0.17
5,001–10,000	70	22.08	675,000	0.68
10,001–50,000	161	50.79	4,285,000	4.29
50,001–100,000	17	5.36	1,286,000	1.29
100,001 and over	35	11.04	93,584,000	93.58
Total	317	100.00	100,000,000	100.00

Twenty largest CEN050 bondholders at 30 June 2021

	Number of CEN050 bonds	% of CEN050 bonds
HSBC Nominees (New Zealand) Limited	11,800,000	11.80
FNZ Custodians Limited	9,895,000	9.90
Citibank Nominees (NZ) Limited	9,330,000	9.33
BNP Paribas Nominees NZ Limited	7,550,000	7.55
Custodial Services Limited	6,324,000	6.32
HSBC Nominees (New Zealand) Limited	4,730,000	4.73
Cogent Nominees Limited	4,576,000	4.58
Tea Custodians Limited	4,550,000	4.55
New Zealand Permanent Trustees Limited	4,540,000	4.54
Custodial Services Limited	4,264,000	4.26
Forsyth Barr Custodians Limited	3,953,000	3.95
JB Were (NZ) Nominees Limited	3,302,000	3.30
Custodial Services Limited	3,173,000	3.17
Custodial Services Limited	2,556,000	2.56
Custodial Services Limited	1,297,000	1.30
Mt Nominees Limited	1,241,000	1.24
Investment Custodial Services Limited	1,175,000	1.18
Private Nominees Limited	1,000,000	1.00
Woolf Fisher Trust Inc	950,000	0.95
FNZ Custodians Limited	906,000	0.91
Total for top 20	87,112,000	87.12

Distribution of CEN050 bonds and bondholders at 30 June 2021

Size of holding	Number of bondholders	% of bondholders	Number of bonds	% of bonds
1,001–5,000	6	2.87	30,000	0.03
5,001–10,000	44	21.05	426,000	0.43
10,001–50,000	104	49.76	2,824,000	2.82
50,001–100,000	23	11.00	1,702,000	1.70
100,001 and over	32	15.31	95,018,000	95.02
Total	209	100.00	100,000,000	100.00

Directors of Contact Energy Limited and subsidiaries

The following people held office as directors of Contact Energy Limited as at 30 June 2021: Robert McDonald, Victoria Crone, Jon Macdonald, Rukumoana Schaafhausen, David Smol, Elena Trout and Dame Therese Walsh. Whaimutu Dewes held office as a director during the reporting period until 31 March 2021.

The following people held office as directors of Contact's subsidiaries as at 30 June 2021:

Simply Energy Limited

Dorian Devers

Murray Dyer

James Kilty

Stephen Peterson

Chris Seel

Catherine Thompson*

*Appointed 28 April 2021.

Western Energy Services Limited

Dane Coppel

Dorian Devers*

Mike Dunstall*

James Kilty*

Catherine Thompson*

*Appointed 31 March 2021.

NZX waivers

There were no waivers granted by NZX or relied on by Contact in the 12 months preceding 30 June 2021.

Stock exchange listings

Contact's ordinary shares are listed and quoted on the NZX Main Board and the Australian Securities Exchange (ASX) under the company code 'CEN'. Contact has three issues of retail bonds listed and quoted on the NZX Debt Market under the company codes 'CEN030', 'CEN040' and 'CEN050'. Contact's listing on the ASX is as a Foreign Exempt Listing. For the purposes of ASX listing rule 1.15.3, Contact confirms that it continues to comply with the NZX listing rules.

Exercise of NZX disciplinary powers

NZX did not exercise any of its powers under Listing Rule 9.9.3 in relation to Contact during FY21.

Auditor fees

KPMG has continued to act as auditors of the company. The amount payable by Contact and its subsidiaries to KPMG as audit fees in respect of FY21 was \$541,000. The fees for other services undertaken by KPMG during FY21 totalled \$57,250. These related to other assurance activities: reviews of Contact's green borrowing programme, greenhouse gas emissions and GRI (sustainability), and supervisor reporting.

Donations

In accordance with section 211(1)(h) of the Companies Act 1993, Contact records that it donated \$36,642 in FY21 including charitable donations, provision of free energy and where we have given a koha. Donations are made on the basis that the recipient is not obliged to provide any service such as promoting Contact's brand and are separate from Contact's sponsorship activity. No political contributions were made during the year.

Credit rating

Contact Energy Limited has a Standard & Poor's long-term credit rating of BBB/stable and short-term rating of A-2.

The \$150 million unsubordinated, unsecured fixed rate bonds issued in September 2015 are rated BBB by Standard & Poor's.

The \$100 million unsubordinated, unsecured fixed rate bonds issued in February 2017 are rated BBB by Standard & Poor's.

The \$100 million unsubordinated, unsecured fixed rate bonds issued in March 2019 are rated BBB by Standard & Poor's.

Sustainability disclosures**Memberships of associations or advocacy organisations****Holds a position on the governance body**

Electricity Retailers' Association of New Zealand (ERANZ)

Gas Industry Company

Participates in projects or committees

Business New Zealand
(Energy Council Major Companies Group, Corporate Affairs Group, Corporate Taxpayers Group)

Sustainable Business Council

Australasian Investor Relations Association

Climate Leaders Coalition

Champions for Change

Drive Electric

Electricity Authority Market Development Advisory Group

Hugo Group

Liquefied Petroleum Gas Association

NZ Initiative

ERANZ Retailer Revenue Assurance Advisory Forum

ERANZ Retailers' Operational Forum

ERANZ Vulnerable Customer & Medically Dependent Customer (VCMDC) Working Group

ERANZ Policy Committee

ERANZ Communications Committee

ERANZ Data Working Group

NZ Hydrogen Association

Generator Forum

ENA Technical Implementation Working Group

ENA Joint Implementation Working Group

Wellington Chamber of Commerce

Women in Geothermal

International Geothermal Association

NZ Geothermal Association

Aotearoa Circle

External commitments

Organisation/Group	Date of adoption	Commitment
Climate Leaders Coalition	July 2019	<ul style="list-style-type: none"> • To measure our greenhouse gas emissions, have them independently verified and publicly report on them. • Adopt targets grounded in science that will deliver substantial emissions reductions so organisations contribute to being carbon neutral by 2050. These targets will be considered in current planning cycles. • Assessing our climate change risks and publicly disclosing them. • Proactively support our people to reduce their emissions. • Proactively support our suppliers to reduce their emissions. • Committed to the Paris Agreement Target to keep warming below 2°C and to further pursue efforts to limit temperature increases to 1.5°C.
Science Based Targets initiative – Committed	March 2018	We commit to progressing emission reduction in line with verified target.

Climate-related risks and opportunities

The following table presents an overview of Contact's most material climate-related risks and opportunities in the short, medium and long term. We review these annually.

In 2019, we commissioned NIWA to model the potential impacts of climate change on our operations. We modelled two scenarios: a business-as-usual scenario where greenhouse gas concentrations continue unabated (Representative Concentration Pathway 8.5); and a mitigation scenario with a global effort to heavily reduce concentrations (RCP 2.5). Under either scenario used we saw that most sites will experience a tripling of the number of hot days, with spring and summer expected to become drier and winter wetter. Our hydro catchment is likely to have increased inflows, with potential for hydro generation increasing – especially under the business-as-usual scenario.

Given this, and also what we know about the transitional risks of climate change, such as changing regulation, stakeholder expectations and market dynamics, we have identified a range of risks which we have then rated as low, medium, or high based on the likelihood, time-horizon and potential impact/size of the opportunity or risk.

We use our existing risk management systems to capture, monitor and report on climate-related risks. Risks rated high are also monitored by the leadership team and the Board Audit and Risk Committee. The Board Health, Safety and Environment Committee, who have formal oversight of climate-related issues, also review the climate-related risks. The full Board, when setting strategy, also considers a wide range of risks and environmental factors, and the work that our teams do to understand issues such as climate change contributes to their decision-making.

	Short term (now–2023)	Medium term (2023–2035)	Long term (2035–onwards)
	<i>These may impact near-term financial results, including those that may materialise within the current reporting cycle.</i>	<i>May materially impact financial results over the longer term and may require us to adjust our strategy.</i>	<i>Risks that could fundamentally impact the long-term strategy and business model.</i>
Market transition risks and opportunities			
Contact's emissions profile	<ul style="list-style-type: none"> • Reputational impact of continued use of thermal and high-emissions generation. • Heightened scrutiny from customers and investors on environmental, social, governance (ESG) performance of businesses. • Rising gas and carbon costs. 	<ul style="list-style-type: none"> • National imperative to reduce carbon emissions through policy and other means. • Heightened scrutiny of emissions from geothermal energy generation. • Leadership of decarbonisation initiatives including delivering on science-based targets. 	<ul style="list-style-type: none"> • Stakeholder rejection of fossil fuels including natural gas.
Leading the market to decarbonise	<ul style="list-style-type: none"> • Rising stakeholder expectations increase the pace of change in which businesses must adapt/respond to climate-related issues. • Increased opportunity for renewable developments. • New opportunities and markets developed to support low-carbon transition activities. • Opportunity to deepen relationships with customers who are looking to decarbonise. 	<ul style="list-style-type: none"> • Transition to lower-carbon economy creates more demand for electricity. • Opportunities for innovative customer and technology solutions. • Increased electricity demand. • Increased demand for green energy products/certification. 	<ul style="list-style-type: none"> • Wider options for new generation development.
Thermal transition	<ul style="list-style-type: none"> • Opportunity for renewable generation to displace thermal. • Potential for high-emissions industries to favour gas as a transition fuel, resulting in increased gas use and emissions in the short term. • Continued requirement for thermal peaking plant in New Zealand to ensure affordable security of supply. 	<ul style="list-style-type: none"> • Opportunity to develop Thermal Co. • Ensuring an orderly transition to a low-emissions energy sector. 	<ul style="list-style-type: none"> • Potential for significant renewable overbuild, and massive distributed generation.
New technology	<ul style="list-style-type: none"> • Customer adoption of new technologies and/or energy efficient solutions impacts on demand for grid connected electricity. • Opportunity for smart-solutions for customers to assist decarbonisation. 	<ul style="list-style-type: none"> • Customer adoption of new technologies and/or energy efficient solutions impacts on demand for grid connected electricity. • Opportunity for innovative new energy sources e.g. hydrogen. • Increase in demand due to changing industry energy requirements. 	<ul style="list-style-type: none"> • New technology makes current generation redundant and/or impacts demand significantly.
Regulation	<ul style="list-style-type: none"> • Changes to regulation impacts on costs of business and/or licence to operate. 	<ul style="list-style-type: none"> • New regulation requires Contact to offset or reduce emissions faster than planned. 	<ul style="list-style-type: none"> • New Zealand's costs become higher relative to globe which results in production moving offshore and reduced demand.

	Short term (now–2023)	Medium term (2023–2035)	Long term (2035–onwards)
	<i>These may impact near-term financial results, including those that may materialise within the current reporting cycle.</i>	<i>May materially impact financial results over the longer term and may require us to adjust our strategy.</i>	<i>Risks that could fundamentally impact the long-term strategy and business model.</i>
Physical risks and opportunities			
Temperature increases		<ul style="list-style-type: none"> • Changes to maintenance requirements as temperatures increase. • Changes to electricity demand as temperatures change. • Health, safety and wellbeing impacts on people working in warmer conditions. • Impacts on the efficiency and availability of generation plants. • Implications on resource consent requirements which may increase costs and/or impact on licence to operate. 	<ul style="list-style-type: none"> • Impacts on operational plant may require change in design.
Access to natural resources	<ul style="list-style-type: none"> • Changes to hydro inflows impact on our renewable generation. • Consent renewal required for Wairākei in 2026. • Changes in regulation may impact on access to water, consent conditions and/or costs. 	<ul style="list-style-type: none"> • Increased demand and competition for natural resources, including fresh water, impacts on access to natural resources for generation. • Drilling programme requires access to significant volumes of water. • Consents required for new developments. 	<ul style="list-style-type: none"> • Water storage requirements change. • Increased hydro inflows create opportunities to increase generation output, but may also increase flood risk and require spilling at hydro.
Intensity of storms	<ul style="list-style-type: none"> • Increased potential for erosion issues. • Disruption to physical works during storms. • Stormwater systems require redesign and/or replacement to meet changing capacity requirements. 	<ul style="list-style-type: none"> • Potential for increased power outages due to transmission failure caused by storms. 	<ul style="list-style-type: none"> • Increased flood risk around rivers and lakes impacts on generation operations.

Group Scope 1 emissions

	Emissions (tCO ₂ e)		Thermal Generation Emission Intensity (tCO ₂ e per MWh)		Total Generation Emission Intensity (tCO ₂ e per MWh)	
	FY21	FY20	FY21	FY20	FY21	FY20
Fuel used for thermal generation	866,013	722,834 ¹				
Fuel used for geothermal generation	178,524	199,965 ¹				
Total fuel used for generation	1,044,536	922,798¹	0.544	0.532	0.124	0.109
Fuel used in vehicles	178	270				
Fugitive emissions – SF6	29	4				
Total Scope 1	1,044,744	923,072¹				

1. FY20 figure updated due to finalised data becoming available (estimates were used previously).

Group Scope 2 and 3 emissions

Scope	Category	FY21 tCO ₂ e	FY20 tCO ₂ e
Indirect Emissions (Scope 2)	Electricity Consumption	1,300	1,258
	Simply Energy – electricity consumption (location based)	3	N/A
	Subtotal	1,303	1,258
Indirect Emissions (Scope 3)	Purchased Goods and Services	16,699	11,915 ¹
	Capital Goods	41,726	18,052
	Fuel and Energy	330,207	91,857
	Upstream Transportation	27	14
	Waste	149	123
	Business Travel	263	719
	Employee Commuting	306	606
	Use of Sold Products	165,259	166,310
	Downstream Leased Assets	399	306
	Subtotal	555,036	277,987
Total (Scope 1, 2 and 3)		1,601,083	1,202,317

1. Figure restated due to methodology correction.

For more details on our emissions please refer to our [GHG inventory](#) on our website.

KPMG have provided an unmodified limited assurance opinion as to whether anything has come to their attention to indicate that Contact Energy's Greenhouse Gas emissions inventory report has not been prepared in accordance with the Greenhouse Gas Protocol's Corporate Standard requirements for the period 1 July 2020 – 30 June 2021.

Supply chain impacts

Number of suppliers assessed for environmental and social impacts.	5
Number of suppliers identified as having significant actual and potential negative environmental and social impacts.	1
Percentage of suppliers with which improvements have been agreed upon as a result of assessment.	0%
Percentage of suppliers with which relationships have been terminated as a result of assessment, and why.	0%

Our supplier reviews identified one supplier that had potential negative environmental and social impacts. These potential impacts were effects on marine life, effects on ecology and fisheries resource, and cultural and community concerns. Our review found that these impacts were appropriately managed by the supplier through their resource consenting and consultation processes.

Safety data at 30 June 2021

	Employees		Non-employees	
	Number	Rate	Number	Rate
Fatalities	0	0	0	0
High-consequence work-related	0	0	0	0
Recordable work-related injuries	1	0.52	4	8.59
Number of hours worked	1,914,213	N/A	465,707	N/A
The main types of work-related injuries	Foreign body in eye		Strains and sprains	
Work-related hazards that pose a risk of high-consequence injury	Energy sources, hazardous substances, working at height, working in confined spaces, lifting heavy loads, working with mobile plant, working around water, excavations, fitness for work, staying safe while driving, scope of work change.			

The hazards listed above have been determined through identification of critical tasks and based on consequences of injuries that happen in these areas. Our hazard ID processes cover actions taken to eliminate these hazards and minimise risks. Rates have been calculated based on 1,000,000 hours worked. Monitored contractors are excluded because the work is contracted and takes place off sites.

Contact Green Borrowing Programme

In line with our commitment to a low-carbon economy, Contact has a Green Borrowing Programme to finance Contact's past and future renewable energy generation investments. This is a progressive approach to financing and provides investors and lenders with an opportunity to access a broad range of accredited green debt instruments where proceeds have been applied to eligible green assets.

The Green Borrowing Programme is described in Contact's Green Bond Framework (Framework), which aligns with the Green Bond Principles and is certified by the Climate Bonds Initiative (CBI) under Climate Bond Standard V3.0 with assurance from KPMG.

The Framework, CBI certification and KPMG's annual assurance statement are available on our website. The Framework articulates which of

Contact's debt instruments and assets qualify as green, and provides for a comprehensive compliance and disclosure regime to ensure the Climate Bonds Standard V3.0 is always met, in turn ensuring that the existing CBI certification remains in place. A key compliance metric is the Green Ratio whereby the total green asset value must be at least equal to total green debt instruments (i.e. a ratio of 1.0 minimum). This indicator is reported on a half-yearly basis.

The following table sets out the total green asset value and total green debt instruments for the current reporting period, and confirms that the Green Ratio is met at 1.45. Contact confirms to the best of its knowledge that its Green Borrowing Programme continues to remain in compliance with the CBI certification in place, including the requirements of the Climate Bonds Standard V3.0.

Geothermal assets data as at 30 June 2021	Book value \$m	Generation (GWh)	Emissions (tCO ₂ e)	Emissions intensity (gCO ₂ e/ KWh)	Compliance with CBI standards (< 100 gCO ₂ e/KWh)
Poihipi	147	339	12,830	38	Yes
Tauhara	223	–	–	N/A	Yes
Te Mihi	496	1,240	47,248	38	Yes
Te Huka	109	155	8,109	52	Yes
Wairakei	758	1,081	19,812	18	Yes
Tenon and Nature's Flame ¹	9	198	1,597	8	Yes
Ohaaki ²	105	299	88,930	298	No
Geothermal portfolio total/average	1,847	3,312	178,526	54	Yes
Eligible Green Asset total/average	1,742	3,013	89,595	30	Yes
Total Green Debt Instruments	1,203				
Green Asset Ratio	1.45				

¹ Includes direct heat sold to Tenon and Nature's Flame.

² Ineligible green asset in relation to Contact's Green Borrowing Programme.

Workforce by gender and employment type at 30 June¹

FY20	Total headcount	Women	Men	Fixed term	Permanent	Part time	Full time
Officers ²	6	2	4	0	6	0	6
Corporate	69	42	27	5	64	13	56
Customer	516	324	192	25	491	72	444
Generation	343	71	272	11	332	28	315
Total	934	439	495	41	893	113	821

FY21	Total headcount	Women	Men	Undisclosed	Fixed term	Permanent	Part time	Full time
Officers ²	9	3	6	0	0	9	0	9
Corporate	72	46	26	0	5	67	15	57
Customer	505	309	195	1	23	482	70	435
Development	55	18	37	0	3	52	2	53
Generation and trading	304	50	254	0	11	293	24	280
Total	945	426	518	1	42	903	111	834

Employment contract and type by gender

FY20	Women	Men	Total
Permanent employees	417	476	893
Fixed-term employees	22	19	41
Total			934
Full-time employees	352	469	821
Part-time employees	87	26	113
Total			934

FY21	Women	Men	Undisclosed	Total
Permanent employees	405	497	1	903
Fixed-term employees	21	21	0	42
Total				945
Full-time employees	339	494	1	834
Part-time employees	87	24	0	111
Total				945

Board diversity at 30 June

	Men	Women	Total	Under 30	30-50	Over 50	Total	European/ Pākehā	Māori	Pasifika	Total
Board of directors FY20	4	3	7	0	3	4	7	6	1	1	7
	57%	43%	100%	0	43%	57%	100%				
Board of directors FY21	3	4	7	0	4	3	7	6	1	1	7
	43%	57%	100%	0	57%	43%	100%				

¹ Gender is recorded by self-identification.² 'Officers' means the CEO and members of Contact's Leadership Team.

Employee diversity at 30 June, by business unit¹

FY20	Women	Men	Under 30	30–50	Over 50	Undisclosed	Māori	Pasifika	Asian	European	Other	AMELA	Undisclosed
Officers	33%	67%	0%	33%	67%	0%	0%	17%	0%	50%	33%	0%	17%
Corporate	61%	39%	12%	62%	23%	3%	7%	0%	7%	35%	33%	0%	29%
Customer	63%	37%	29%	47%	23%	1%	9%	3%	9%	36%	25%	2%	33%
Generation	21%	79%	8%	44%	47%	1%	6%	1%	5%	39%	35%	1%	25%
Total	47%	53%	20%	47%	32%	1%	8%	2%	7%	37%	29%	1%	29%

FY21	Women	Men	Under 30	30–50	Over 50	Undisclosed	Māori	Pasifika	Asian	European	Other	AMELA	Undisclosed
Officers	33%	67%	0%	33%	67%	0%	0%	0%	0%	44%	33%	11%	11%
Corporate	64%	36%	11%	67%	21%	1%	7%	0%	10%	35%	26%	0%	32%
Customer	61%	39%	27%	49%	23%	1%	11%	3%	10%	39%	24%	1%	28%
Development	33%	67%	9%	58%	33%	0%	5%	4%	4%	45%	31%	2%	24%
Generation and trading	16%	84%	9%	40%	50%	1%	6%	1%	6%	39%	35%	1%	24%
Total	45%	55%	19%	48%	33%	1%	9%	2%	8%	39%	28%	1%	26%

Employee diversity at 30 June, by employee category

FY21	Women	Men	Under 30	30–50	Over 50	Undisclosed	Māori	Pasifika	Asian	European	Other	AMELA	Undisclosed
KMP ²	33%	67%	0%	33%	67%	0%	0%	0%	0%	44%	33%	11%	11%
Other Execs/ GMs	33%	67%	0%	83%	17%	0%	0%	0%	0%	33%	25%	0%	42%
Senior Management	42%	58%	0%	70%	30%	0%	3%	0%	3%	48%	45%	0%	18%
Other Managers	32%	68%	2%	47%	50%	1%	6%	1%	6%	45%	32%	0%	21%
Non- Managers	47%	53%	22%	47%	30%	1%	9%	2%	9%	38%	27%	1%	27%
Total	45%	55%	19%	48%	33%	1%	9%	2%	8%	39%	28%	1%	26%

¹ Ethnicity total % adds up to more than 100%. This is because individuals can choose to identify multiple ethnicities.

² Key managerial personnel.

Customer privacy

Number of complaints received from outside parties	1
Number of complaints received from regulatory bodies	0
Total number of identified leaks, thefts, or losses of customer data	28*

* We started recording the number of privacy breaches from 1 December 2020. While the number appears high, most of the privacy breaches were considered minor in nature (for example, affected one or two customers causing little or no harm) and did not require being reported to the Office of the Privacy Commissioner.

The Privacy Act 2020 came into force on 1 December 2020 and introduced, among other things, mandatory privacy breach reporting for notifiable privacy breaches. A notifiable privacy breach is a privacy breach where serious harm has been caused or is likely. One breach met this threshold. We do not expect any further action to be taken in respect of that breach.

Contributions and other spending

Annual total monetary contributions to and spending for political campaigns, political organisations, lobbyists or lobbying organisations, trade associations and other tax-exempt groups:

\$NZD	FY18	FY19	FY20	FY21
Lobbying, interest representation or similar	146,642	161,852	169,540	167,986
Local, regional or national political campaigns/organisations/candidates	0	0	0	0
Trade associations or tax-exempt groups	0	0	0	0
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0

Energy consumption

Total energy consumption	FY18	FY19	FY20	FY21
Non-renewable fuels (nuclear fuels, coal, oil, natural gas, etc.) purchased and consumed (MWh)	4,863,611	3,892,222	3,521,375	3,990,948

**Total solid waste disposed
(i.e. not recycled, reused or incinerated waste for energy recovery)**

	FY18	FY19	FY20	FY21
Total waste generated (metric tonnes)	109	126.1	108.6	132
Total waste used/recycled/sold (metric tonnes)	0	3.4	3.6	6.0

We do not track used/recycled/sold waste for all our sites of operation, figures indicate recycled waste where tracked.

Habitat protection and restoration work at 30 June 2021

Habitat protected or restored	Location	Size (ha)	Status	Partnerships
Torepatutahi Wetland, willow wetland restored to natives	Taupō region	36.9	Ongoing weed control and replacement planting	Ngati Tahu – Ngati Whaoa Runanga, Fish and Game, Department of Conservation, landowners
Elliot Lake, farmland replanted in natives	Taupō region	1.6	Planting complete, ongoing maintenance	None
Wairākei Power Station entrance, replanted in natives and fruit trees for community garden	Taupō region	0.5	Planting complete, ongoing maintenance	Greening Taupō
Karapiti Pines, wilding pine removal	Taupō region	8.4	Ongoing maintenance	None
Oruanui Pines, wilding pine removal	Taupō region	4.3	Ongoing maintenance	None
Wai-ora Hill, pest plant control	Taupō region	64.8	Ongoing maintenance	Waikato Regional Council, Ministry for Primary Industries
Oruanui, retired thermo-tolerant vegetation site from pastoral agriculture	Taupō region	3.5	Ongoing maintenance	None
Karapiti, mānuka and native planting	Taupō region	17.5	Ongoing maintenance and pest control	None
Rakaunui and Otumuheke Block, stormwater drain and stream planting	Taupō region	2.0	Planting complete, ongoing maintenance	None
Ohaaki Bund, scrubland replanted in natives	Taupō region	1.2	Ongoing maintenance	None
Waipuerawera stream restoration, removing pest plants and planting natives	Taupō region	3.2	Ongoing maintenance and pest control	Tuwharetoa Maori Trust Board, Taupō District Council, Department of Conservation
Te Rau o Te Huia stream restoration	Taupō region	6.6	Systematic removal of pest plants and annual planting programme	Ngāti Te Rangiita Ki Oruanui
Huka Quarry block, removal of weeds and planting natives	Taupō region	1.3	Ongoing maintenance and pest control	None
Wairākei Drive strip, aesthetic planting	Taupō region	0.5	Annual Greening Taupō planting, aligned with community desires	None
Ex Keegan Stratford, riparian native planting	Stratford, Taranaki	–	Annual planting programme, ongoing maintenance	Taranaki Regional Council
Gladstone Gap, community plantings	Hawea, Central Otago	0.5	Irrigation of native plants, partially restored area	Hawea Community Association

Independent assurance has been undertaken for the Torepatutahi Wetland restoration work. Other restoration and protection work has not been assured.

TCFD index

Disclosure	Page number
Describe the board's oversight of climate-related risks and opportunities.	p. 53
Describe management's role in assessing and managing climate-related risks and opportunities.	p. 54
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	p. 68
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	p. 41
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2 degree or lower scenario	p. 41
Describe the organisation's processes for identifying and assessing climate-related risks.	p. 41
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	p. 54
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	p. 25
Disclose Scope 1, 2 and if appropriate 3 greenhouse gas (GHG) emissions, and the related risks.	p. 40
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	p. 25

GRI index

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102-2	Brands, products, and/or services	15-16
102-3	Headquarter location	111
102-4	Locations of operations	16
102-5	Ownership and legal form	82
102-6	Markets served	15
102-7	Scale of the organisation	15-16
102-8	Employee statistics	73-74
102-41	Employees covered by collective bargaining agreements	9.8% of total Contact employees were covered by collective bargaining agreements as at 30 June 2021. Contractor data not collected.
102-9	Organisation's supply chain	20
102-10	Significant changes regarding size, structure, or ownership	86
102-11	Precautionary approach	54 Not specifically addressed. Potential adverse environmental impacts are addressed through adaptive management including official (often publicly notified) resource consent assessments.
102-12	External charters, principles, or other initiatives	ISO 14001
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102-45	Entities included in the organisation's consolidated financial statements	82
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102-48	Restatements of information	71
102-49	Significant changes of aspect boundaries compared to previous years	41 GHG emissions now include Simply Energy and Western Energy.
Stakeholder engagement		
102-40	Stakeholder groups	21-22
102-42	Stakeholder identification and selection	21
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102-44	Key topics and concerns raised by stakeholders	21-22
Report profile		
102-50	Reporting period	2
102-51	Date of most recent previous report	2
102-52	Reporting cycle	2
102-53	Contact point for questions	111
102-54	Chosen 'In accordance' option, GRI index	This report has been developed in accordance with the core GRI 2018 guidelines.
102-56	External assurance for the report	106-110
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102-18	Governance structure. Committee responsible for decision-making on economic, environmental and social topics	53

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Self-selected Staff engagement	43	

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413-1 Community engagement and development	38	
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Own measure Customer satisfaction (Net Promoter Score)	32	
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Own measure Description of activities undertaken to support customer wellbeing	33	
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308-2 Negative environmental impacts in the supply chain and actions taken	71	
414-2 Negative social impacts in the supply chain and actions taken	71	
DMA Compliance		
307-1 Non-compliance with environmental laws and regulations	38	No cases brought through dispute resolution mechanisms.
419-1 Non-compliance with laws and regulations in the social and economic area	49	
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DMA Privacy		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	75	