



# Independent Limited Assurance Report to the Directors of Contact Energy Limited

## Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or an audit, nothing has come to our attention that would lead us to believe that the Green Borrowing Programme has not, in all material respects, met the requirements of the Climate Bonds Standards version 2.1 (post-issuance requirements) and the associated Geothermal Energy sector criteria version 1.0, issued by the Climate Bonds Initiative, for the period 1 July 2019 to 30 June 2020.

## Information subject to assurance

We have performed an engagement to provide limited assurance in relation to Contact Energy Limited's Green Borrowing Programme excluding hydropower assets ("GBP"), including the GBP Framework publication (updated to 30 June 2020) regarding conformance with the Climate Bonds Standard v2.1, for the year ended 30 June 2020, relating to:

- Technical details of the assets identified as 'green' ("Green Assets");
- Current project values provided from internal management systems;
- Internal systems and processes; and
- Reporting on use of proceeds and project performance.

## Climate Bonds Standard

The GBP was evaluated against the Climate Bonds Standard version 2.1 and the Geothermal Energy sector criteria (together the "CBS"). The GBP information may not be suitable for another purpose.

## Standards we followed

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements other than audits or reviews of historical financial information* and Standard on Assurance Engagements SAE 3100 (Revised) *Assurance Engagements on Compliance*. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In accordance with those standards we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that the GBP is free from material misstatement and material non-compliance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on the effectiveness of these controls; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



## Our approach

Our approach and assurance report followed the CBI Guidance for Verifiers version 1.0 in accordance with our engagement letter. The assurance procedures we undertook included, but were not limited to:

- reviewing any changes to policies and procedures established by Contact Energy Limited related to implementation of its GBP;
- confirming continuing eligibility of geothermal assets for inclusion in Contact Energy Limited's GBP against the GBP objectives and the post-issuance requirements of the CBS v2.1 and associated Geothermal Energy sector eligibility criteria
- interviewing selected Contact Energy Limited personnel to understand key issues relating to Contact Energy Limited's policies and procedures associated with the management of the GBP;
- reviewing selected performance information for all nominated geothermal assets, and documentation supporting assertions made in the subject matter;
- Checking the accuracy of emissions intensity, asset value, and included debt calculations performed;
- Confirming internal systems and processes were functioning as indicated and obtaining supporting evidence.

## Restriction of distribution and use

Our report should not be regarded as suitable to be used or relied on by any party's other than Contact Energy Limited for any purpose or in any context. Any party other than Contact Energy Limited who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Contact Energy Limited for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to Contact Energy Limited on the basis that it shall not be copied, referred to or disclosed, in whole (save for Contact Energy Limited's own internal purposes or for the purposes of meeting its reporting obligations to the Climate Bonds Initiative ("CBI")) or in part, without our prior written consent.

## Management's responsibility for the GBP

The management of the company are responsible for the preparation and fair presentation of the GBP in accordance with the CBS. This responsibility includes such internal control as management determine is necessary to enable the preparation of the GBP that is free from material misstatement and material non-compliance whether due to fraud or error.

## Our responsibility

Our responsibility is to express a conclusion to the directors on whether anything has come to our attention that the GBP has not, in all material respects, met the requirements of the CBS.

## Our independence and quality control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our firm has also provided statutory audit and other assurance services to the company. Subject to certain restrictions, partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as assurance providers of the company for this engagement. The firm has no other relationship with, or interest in, the company.

A handwritten signature of the KPMG firm, written in blue ink, appearing as 'KPMG' in a cursive, slightly slanted font.

KPMG  
Wellington  
4 August 2020