

MEDIA RELEASE

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Contact's new Green Borrowing Programme, a first for New Zealand

"At Contact, we believe it's important to operate our business in a sustainable way and we're proud that our portfolio of long life renewable generation assets produce 80% of the electricity we generate for customers. Our Green Borrowing Programme is a first for a New Zealand corporate and enables debt investors and lenders to access a broad range of certified green debt instruments issued by a New Zealand company," said Dennis Barnes, Contact Chief Executive.

The Programme is outlined in Contact's Green Borrowing Programme Framework (the 'Framework'), which has been developed in alignment with the Green Bond Principles and also certified by the Climate Bonds Initiative (CBI) under Climate Bonds Standard V2.1, with independent assurance provided by EY.

CBI is an international, not-for-profit organisation working to mobilise the capital markets, including the US\$100 trillion bond market, for climate change solutions. The Climate Bonds Standard and Certification Scheme is a Fairtrade-like labelling scheme for debt instruments. It is designed as an easy-to-use tool to assist investors in prioritising investments that truly contribute to addressing climate change.

"Businesses and capital markets both have an important role to play in the shift to a low carbon economy and our Green Borrowing Programme links these two elements together. With an available funding portfolio of over NZ\$1.8 billion across a range of debt instruments, Contact's Programme plays an important role in developing opportunities for lenders and investors globally who are seeking certified green investments in New Zealand," said Contact's Head of Capital Markets and Tax, Louise Tong.

The debt instruments certified under the Programme include all Contact's committed bank facilities, commercial paper and retail bonds. In addition, all Contact's USPP and wholesale bonds maturing after 2018 are also certified. The current lenders and investors in these debt instruments now hold certified Green Debt Instruments.

The proceeds of Contact's Programme will be used to finance existing and future renewable generation assets that meet the Green Bond Principles and the Climate Bonds Standard (Green Assets). All of Contact's geothermal assets (excluding Ohaaki power station) qualify to be included as eligible Green Assets. As CBI is still to release hydropower criteria, it is not possible to include Contact's hydropower stations at this stage. Once criteria are finalised, Contact will seek to include these assets.

Contact has implemented this Programme with the assistance of the ANZ Sustainable Finance team and the first new transaction to be executed under the Programme is a NZ\$75 million Bank Facility with ANZ.

Katharine Tapley, Head of Sustainable Finance at ANZ said “ANZ is delighted to have assisted Contact with creation of a green borrowing programme. Advancing environmental sustainability through our key clients is core to our purpose, and Contact’s approach is absolutely pioneering. Their debt investors and lenders now have exposure to a wide range of green certified debt instruments that fund low carbon activity and align to New Zealand’s commitments towards achieving the goals of the Paris Agreement. That’s a first, and we applaud them.”

Further information on the Green Borrowing Programme, including a copy of the Framework, EY Assurance Report and CBI Certification, is available on Contact’s website at www.contact.co.nz.

ENDS

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Additional information on CBI, the Climate Bonds Standard and certification can be found on www.climatebonds.net.