

Contact Energy Limited,
2017

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Contact®

Sustainability Reporting

BONDHOLDER STATISTICS

Retail fixed rate bonds (CEN020) at 30 June 2017

Size of holding	Number of bondholders	% of bondholders	Number of bonds	% of bonds
1,001 - 5,000	200	8.14	998,334	0.45
5,001 - 10,000	520	21.16	4,994,500	2.25
10,001 - 50,000	1,408	57.31	39,924,700	17.99
50,001 - 100,000	204	8.30	17,257,000	7.77
100,001 and over	125	5.09	156,825,486	71.54
Total	2,457	100.00	222,000,000	100.00

Retail fixed rate bonds (CEN030) at 30 June 2017

Size of holding	Number of bondholders	% of bondholders	Number of bonds	% of bonds
1,001 - 5,000	61	7.17	305,000	0.20
5,001 - 10,000	148	17.39	1,401,000	0.94
10,001 - 50,000	451	53.00	12,876,000	8.58
50,001 - 100,000	95	11.16	7,796,000	5.16
100,001 and over	96	11.28	127,692,000	85.12
Total	851	100.00	150,000,000	100.00

Retail fixed rate bonds (CEN040) at 30 June 2017

Size of holding	Number of bondholders	% of bondholders	Number of bonds	% of bonds
1 - 1,000	1	0.28	1,000	0.00
1,001 - 5,000	38	10.83	190,000	0.19
5,001 - 10,000	78	22.80	761,000	0.76
10,001 - 50,000	181	51.57	4,833,000	4.83
50,001 - 100,000	22	6.27	1,705,000	1.71
100,001 and over	30	8.55	92,510,000	92.51
Total	351	100.00	100,000,000	100.00

NZX WAIVER

On 10 February 2017 NZX Regulation granted Contact a waiver from NZX Debt Market Listing Rule 5.2.3 (for a period of six months from 23 February 2017) in respect of Contact's February 2017 issue of \$100 million of unsecured, unsubordinated, fixed rate debt securities (CEN040 Bonds). NZDX Listing Rule 5.2.3 provides that a class of securities will generally not be considered for quotation unless those securities are held by at least 100 members of the public, holding at least 25% of the number of securities in the class issued, with each member holding at least a minimum holding. The effect of the waiver from NZDX Listing Rule 5.2.3 is that the CEN040 Bonds may not be widely held and there may be reduced liquidity in the CEN040 Bonds.

STOCK EXCHANGE LISTINGS

Contact's ordinary shares are listed and quoted on the New Zealand Stock Market (NZSX) and the Australian Securities Exchange (ASX) under the company code 'CEN'. Contact has three issues of retail bonds listed and quoted on the New Zealand Debt Market (NZDX) under the company codes 'CEN020' (2014 series), 'CEN030' (2015 series) and 'CEN040' (2017 series). Contact's listing on the ASX is as a Foreign Exempt Listing. For the purposes of ASX listing rule 115.3, 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 5.4.2 in relation to Contact during FY17.

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 FY17 was \$460,000 and \$216,000 for scrutineering at the annual meeting. There was no non-audit work undertaken by KPMG during the year.

DONATIONS

In accordance with section 21(1)(h) of the Companies Act 1993, Contact records that it donated \$32,238 in FY17. 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/BBB stable and short-term rating of A-2. The \$222 million unsubordinated, unsecured fixed rate bonds issued in March 2014 are rated BBB by Standard & Poor's. 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.

1. Our stakeholders

Contact's stakeholder groups have been identified as the major groups who are impacted by our operations, or who have a stake in how we run. There is regular ongoing dialogue with our stakeholders and we also have a Stakeholder Council, with whom we meet once a year. Our key stakeholder groups, their issues and our responses are outlined in the following table.

Stakeholders	How they talk to us	Key issues	Contact's response
Customers	<ul style="list-style-type: none"> Through our contact centres, email, phone, website, social media and post Surveys and market research Conversations with employees 	<ul style="list-style-type: none"> Choice, certainty and control Customer service Competitive pricing Value for money 	Our approach to these issues is outlined on pages 23 to 25.
Investors	<ul style="list-style-type: none"> Investor meetings AGM Email, phone, website, social media and post enquiries Contact with our registry 	<ul style="list-style-type: none"> Earnings growth Efficient capital management Delivering a strong dividend 	Our approach to these issues is outlined on pages 28 and 29.
Employees	<ul style="list-style-type: none"> Email, meetings, conversations and intranet Surveys such as our annual engagement survey, and regular PING surveys 	<ul style="list-style-type: none"> Delivering on our promises Being valued, respected and safe Training and development opportunities 	Our approach to these issues is outlined on pages 30 to 35.
Partners and suppliers	<ul style="list-style-type: none"> Emails, meetings, phone calls and conversations 	<ul style="list-style-type: none"> Maintaining positive relationships with Contact Understanding our needs as a customer 	Each business unit manages its external supplier relationships, supported by our team of procurement specialists. We work hard to build enduring relationships with our suppliers and take an honest approach to communication.
Local communities	<ul style="list-style-type: none"> Local meetings and hui Letters, emails, social media and phone calls Consultation relating to consents Conversations with our people 	<ul style="list-style-type: none"> Early, open and clear communication To be a good neighbour, and to be accountable Building relationships based on trust 	Our approach to these issues is outlined on pages 41 and 42.
Tangata whenua (wi and hapu)	<ul style="list-style-type: none"> Hui Letters, emails and phone calls Relationship meetings/conversations Consultation relating to consents 	<ul style="list-style-type: none"> Resource management, stewardship and ownership Treaty of Waitangi Sustainability of resources Rights and relationships recognised 	Our approach to these issues is outlined on page 42.
Government, regulatory and political	<ul style="list-style-type: none"> Letters, emails and phone calls Meetings Consultation processes Stakeholder sessions 	<ul style="list-style-type: none"> Competitive retail market Efficiently operating market Secure supply of electricity at a reasonable price Assisting delivering on New Zealand's energy targets Freshwater reform and NZETS 	Our approach to these issues is outlined on pages 6 to 7, and 23 to 42.

The sustainability aspects reported in this Annual Report cover the operations of Contact Energy Limited and its subsidiaries within New Zealand for the period 1 July 2016 - 30 June 2017. Contact does not have a policy on the assurance of non-financial or sustainability data.