

# Modern Slavery Statement

March 2022

We are proud to present our second Modern Slavery Statement (“Statement”), which has been prepared in line with the requirements of the Australian Modern Slavery Act 2018 (Cth). It shows the steps we have taken to address Modern Slavery risks in our business and supply chain, in the twelve months ending 30 June 2021 (“FY21”).

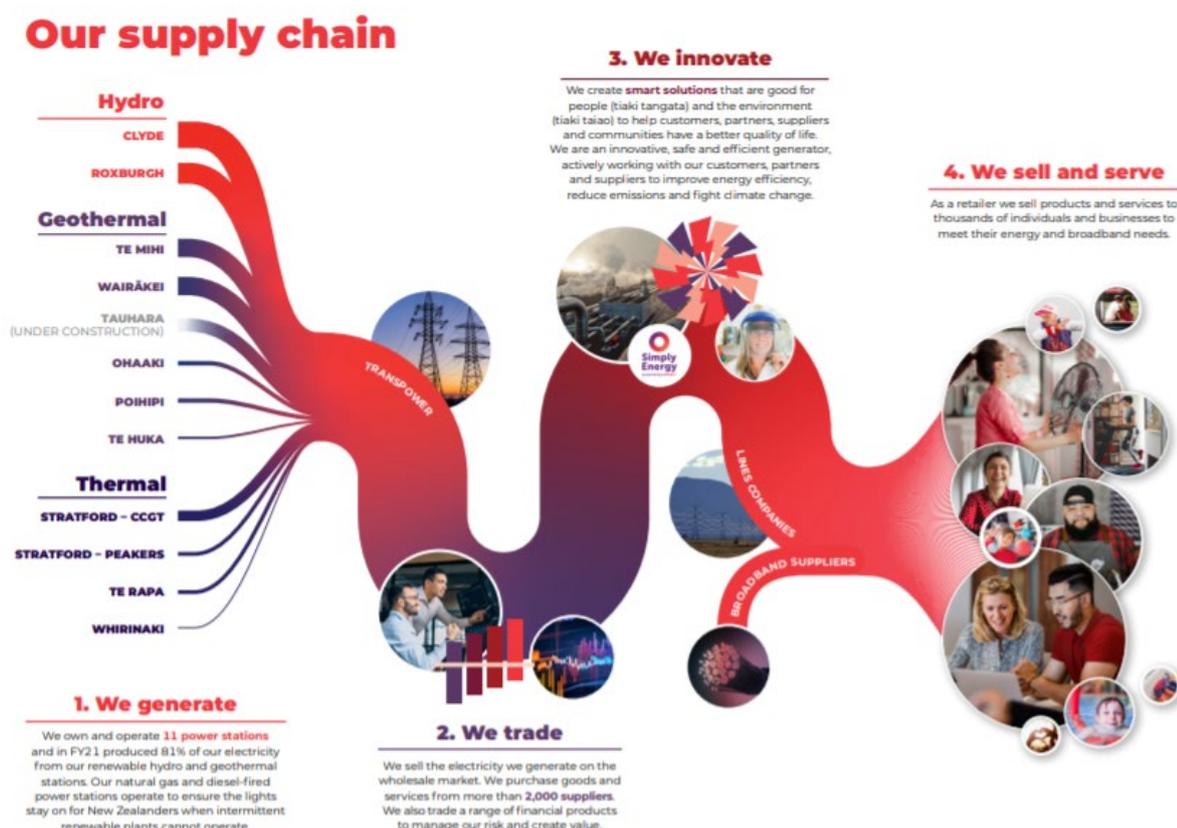
Since our inaugural Modern Slavery Statement in 2021, we have sought to embed and improve our Modern Slavery framework in our operations and supply chain. This includes the implementation of:

- A Supplier Code of Conduct; and
- A Commercial and Procurement Guideline (“Procurement Guideline”), including the development of Sustainable/ Responsible Procurement Framework.

This Statement is made jointly on behalf of Contact Energy Limited (“Contact”) and its wholly owned subsidiaries, Simply Energy Limited (“Simply”), and Western Energy Limited (“Western”).

For more information about Contact, our 2021 Integrated Report can be found [here](#).

## Contact’s Structure, Operations, and Supply Chain



We generate electricity from hydro, geothermal and thermal fuel sources.

We have two operating segments, Wholesale and Retail. The Wholesale segment is engaged in the business of generating and selling electricity to the wholesale electricity market, commercial and industrial customers, and to the Retail segment. The Retail segment sells electricity, natural gas, LPG, and broadband to mass market customers.

Contact's supply chain encompasses a wide range of goods and services, including geothermal, hydro, and thermal power station supplies, IT hardware and software, vehicles, safety equipment, solar panels, batteries, personal protective equipment / work wear, metering field services, facilities maintenance and construction services. We also purchase gas, electricity and broadband services.

Contact operates the following power stations: Stratford in Taranaki, Te Rapa, Te Huka, Ohaaki, Poihipi, Wairakei and Te Mihi in Waikato, Whirinaki in Hawke's Bay, and Clyde and Roxburgh in Central Otago.

For more information about Contact's structure, operations, and supply chain our 2021 Integrated Report can be found [here](#).

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## Consultation with Subsidiaries

During FY21, Contact acquired two subsidiaries.

In August 2020, Contact acquired 100% ownership of Simply, having acquired a 40% interest during the previous financial year. Simply is an energy solutions business which, together with Contact, is on a mission to accelerate New Zealand's low-carbon transition and create a more sustainable, better New Zealand.

In March 2021 Contact acquired Western, a specialist geothermal well services provider.

We are in the process of understanding Western's Modern Slavery risks and will be working with it in FY22 to identify, assess, and respond to its Modern Slavery risks.

Contact has met with Simply representatives during FY21 to identify, manage, and mitigate its Modern Slavery risks. Where any Modern Slavery risks were identified, specific controls have been included in significant contracts to mitigate such risks.

Contact has discussed Modern Slavery risk with both subsidiaries, and during the next financial year will involve them in our modern slavery programme.

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## Risks of Modern Slavery

We regularly review Modern Slavery risks to prioritise efforts in our own operations and supply chain.

### Risks of Modern Slavery on our people and contracted/third-party labour providers

Most of Contact's people are employed directly (or are directly contracted) and are based in New Zealand. This lowers Modern Slavery risks within our business. Our operational risk assessment focusses on areas that use contracted or third-party labour providers as we have less direct visibility and control over these workers and their employment terms.

## Risks of Modern Slavery in our operations and supply chain

Given Contact's operations rely on global networks, we continue to identify and where we can, take action to rectify risks in global supply chains where regulation may be weak. Covid-19 has resulted in the closure of New Zealand's border, so our workforce has not been able to travel to any such areas in FY21.

Contact manages Modern Slavery risks in our operations and supply chain by:

- 1) Assessing Modern Slavery risk factors in our operations and supply chain;
- 2) Prioritising focus areas within our operations and supply chain for further due diligence;
- 3) Addressing the risks of Modern Slavery practices; and
- 4) Reviewing the effectiveness of our actions.

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## Assessing and Addressing Modern Slavery

Contact is committed to implementing contracts, policies, and procedures that meet its obligations to help eliminate Modern Slavery in our operations and supply chains.

Contact already has a comprehensive set of policies and procedures that articulate our values, ways of working and expectations of our team and suppliers, which are regularly reviewed. The following policies are those that are most relevant to preventing Modern Slavery among our team members and workers in our supply chains:

- Supplier Code of Conduct
- Procurement Guideline
- Code of Conduct
- Human Rights
- Inclusion and Diversity
- Anti-bribery and corruption
- Discrimination bullying and harassment prevention
- Protected disclosure (whistleblowing)
- Risk Management

In April 2021 Contact implemented our Supplier Code of Conduct, which outlines the behaviours we expect from suppliers, particularly around Modern Slavery, human rights, labour standards, and ethical business. Our Supplier Code of Conduct is one of the primary mechanisms by which we address Modern Slavery risks in our supply chain. Before engaging a supplier, we ask them to proactively identify, address, and report on the risks of Modern Slavery practices in their business operations and supply chains. All new suppliers (and any suppliers that have their contracts renewed) must have reference to them agreeing to comply with Contact's Supplier Code of Conduct.

In April 2021 Contact also implemented a Procurement Guideline to guide the process of appointing new suppliers, conducting supplier due diligence, establishing supply arrangements, executing supply contracts as well as making purchases and placing orders. Our Procurement Guideline requires prospective suppliers to respond to a questionnaire (within RFP processes), the answers of which are assessed from a Modern Slavery perspective. This contributes to an overall score, which is then used to assess and appoint prospective suppliers. In addition, we are currently seeking to implement a Sustainable/ Responsible Procurement Framework, which will further develop how we assess suppliers.

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## Effectiveness of our Actions

Contact's efforts to identify and address Modern Slavery risks in our supply chain is a continuous and evolving process. To date we have not identified any material Modern Slavery risks, however, given the nascent nature of our Modern Slavery journey we recognise that we need to increase awareness and understanding of Modern Slavery for our people.

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While key business unit personnel are highly engaged on Modern Slavery issues, additional monitoring of the effectiveness of our actions will be enhanced through the development of our Sustainable/ Responsible Procurement Framework, and the implementation of more robust governance at the business-unit level.

## Consultation and Approval Process

In performing the actions described throughout this Statement, consultation included engagement with Contact's Commercial and Procurement Specialists and various business unit representatives with oversight of suppliers and subsidiaries assessed as potentially more exposed to risks of Modern Slavery practices.

We expect to expand our consultation with our subsidiaries, and any joint venture partners in FY22.

Our Leadership Team has also been involved in the compilation and endorsement of this Statement, which was approved by the Board.



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Mike Fuge, CEO

Contact Energy Limited

Date: 25 March 2022