



How
we care

Energy for Life

Warming the community

How can we use our know-how to help society? How do we give back to the community – in a way that will have lasting value? And at the same time support the role our people already play outside the workplace in their own communities and organisations?

These were the questions we asked ourselves as a Company, put to employees, addressed to community organisations and spent many hours discussing and developing. The answer – Energy for Life, a three-part programme that will help keep the homeless warm in winter; support employees' charities and volunteering efforts; and increase knowledge of, and access to, energy efficiency.

Warmth in winter

Our Company common purpose is 'using our energy to help people get on with their lives'. That's well and good for those who have the opportunity to benefit from our energy. But we recognise that there are many Australians who don't enjoy the comforts of a warm home – especially in winter.

After consulting widely with organisations which represent the homeless in NSW, Victoria and South Australia to gain support and endorsement, we devised our Warmth in Winter programme which pays the energy bills of organisations providing crisis accommodation to homeless Australians. The shelters AGL supported provided over 1,000 beds for homeless men, women and children.

Put in another way, the programme enables shelters to give more than 107,000 warm nights to homeless people during winter.

Homeless shelters in NSW also benefited from the closure of the AGL Cooking School, which donated more than \$10,000 worth of gas cookers, crockery, cutlery and food to Carinya Cottage in Wollongong, Cana in Redfern and Hopstreet in Woolloomooloo.

Employee involvement

In September last year, we set up an Employee Giving programme through The Australian Charities Fund. Our people nominated ten charities to which they would like to contribute regularly from their pre-tax salaries and AGL, through the AGL 150th Anniversary Foundation, matches the donations dollar-for-dollar to a maximum of \$100,000 annually.

To date, about 8% of employees are involved and almost \$130,000 has been donated to such charities including CanTeen, Garvan Research Foundation, Alzheimer's Australia, Landcare Australia, RSPCA, The Smith Family, Whitelion, CARE Australia, The Salvation Army and Kids Help Line.

Also launched was an employee volunteering programme to allow our people to take paid work days to volunteer for a community group or cause of their choice. AGL's goal is to see at least 500 volunteering days taken by employees by the end of 2004.

To help find volunteering opportunities, all employees have access to an in-house electronic noticeboard that provides information from established community groups seeking volunteers. A range of activities are included, such as cooking meals in crisis refuges, helping shelters with general maintenance or planting trees to encourage native wildlife. Activities can be done individually or as a team of work colleagues.

Throughout the year, a number of employees volunteered their time to a number of causes, including bringing some Christmas cheer to less fortunate members of the community in Perth, Adelaide and Sydney, where they hosted Christmas lunches and distributed Christmas gifts to those who attended.

Energy matters

As an energy company, we've taken the view that we can help people and communities reduce their energy bills and their impact on the environment by helping educate them to use energy more efficiently. Pilot programmes have been prepared to promote energy efficiency among employees and disadvantaged communities.

The Victorian and South Australian pilots are training employees to become energy efficiency champions within AGL, while the NSW pilot, in conjunction with not-for-profit Work Ventures is trialling a model to assist disadvantaged communities to improve their energy efficiency.



In Victoria, our people took to the streets to rattle tins to raise additional funds for Melbourne Citymission's Homeless not Helpless campaign, which AGL sponsored, along with Mission Australia's Winter Sleep out.

Supporting the community



Education

Through our community education programme we provide educational resources and services to communities and schools to encourage energy efficiency and promote renewable energy. This year 68 schools were visited and 4,931 students took part in energy education.



Employees

Employees support the community in many ways. For example, when AGL donated \$30,000 towards Uniting Care's Pancake Day and hosted pancake stalls at our sites across Australia, employees cooked, bought and ate pancakes, and raised nearly \$5,000. The money went to support Uniting Care's community projects, such as crisis support, aged care and homelessness.



Interaction

AGL is supporting the development of the Environmental Learning Facility in Orange, NSW – a multi-function display centre designed to provide a working demonstration of the technologies available for developing more ecologically sustainable lifestyles. We've contributed \$8,000 towards the installation of gas boosted solar hot water and gas heating. The centre will be completed later this year.



Support

AGL supported Energy SA and the Conservation Council in the development of their Energy Auditing programme, Energy Friends, which is being run in partnership with the South Australian Government. Community groups who sign up receive training and practical resources to allow their members to undertake grass-roots energy action.



Coaching

Young Australians were once again the focus when for the 19th year in a row, AGL participated in the Young Achievement Australia (YAA) programme. The programme is designed to teach high school students how to set up and run a small business and develop skills for their future working life. A team of six AGL employees helped coach 28 Sydney students in leadership and business skills.



Fund raising

AGL Swim Across Australia was a unique fund raising project launched by Geraldton City Council in Western Australia to raise funds for local charities and the Royal Life Saving Society's toddler drowning prevention campaign, Keep Watch. A semi-trailer carrying a mobile swimming pool made the 6,500 km journey across Australia to Sydney with swimmers harnessed in the pool taking turns to swim laps. Members of the Indigenous Youth Council rhythm band performed along the way. AGL and ActewAGL each donated \$5,000 and employees collected donations from the public as the truck passed through.

Environmental sustainability

Underpinning AGL's corporate ambition is a commitment to sustainability.

As part of this, AGL has embarked upon a Group-wide programme to: strengthen our environmental management systems; update our environmental principles and policies; quantify our environmental footprint; establish strategies, targets and actions to improve environmental performance; further entrench our environmental values in day-to-day business operations and strategic decisions.

This work is being driven by a newly established environmental leadership team under the chairmanship of the Managing Director.

Our first task has been to collect and collate data to quantify our environmental footprint across the business in areas such as greenhouse gases, land care, waste recycling and the usage of energy, water and paper. The audited data will then be used to identify specific targets and action plans that will be implemented through our HS&E management system Life Guard.

AGL is active in the climate change and greenhouse gas policy debate through engagement with our stakeholders and provision of submissions to governments. We recognise that greenhouse gas emission reduction is the major environmental issue facing the energy industry and fully support efforts to meet the targets established under the Kyoto protocol.

At the same time, we recognise that deeper cuts will be required in the future and we encourage national policy initiatives that deliver abatement across all sectors of the economy and at least cost. For more information about our greenhouse policy, please go to our website at 'www.agl.com.au'.

Because of the range and diversity of our energy businesses, AGL uses three approaches or footprints for measuring the annual greenhouse gas emissions. Our energy supply footprints show greenhouse gas emissions from the generation of electricity which we buy and the combustion of natural gas by end-use customers. AGL recognises that we can play a wider role than our energy supply businesses alone would indicate, including advising and helping customers on the efficient use of energy and efficient energy appliances.

We have measured the emissions associated with activities over which we have direct control and greenhouse gas emissions associated with our equity related interests.

Our minority interest in Loy Yang Power has increased our equity-related greenhouse gas footprint but not AGL's energy supply footprint. We are working with our new consortium partners to identify initiatives to reduce the power station's greenhouse gas emissions.

AGL buys electricity from several renewable sources and generates renewable electricity from landfill gas and biogas.

We are also evaluating further investments in renewable electricity, including wind farms.

AGL has moved to ensure that the electricity used in AGL offices throughout Australia is made up of two types: 5% is AGL Green Energy and 95% is AGL Green Balance. The former is electricity sourced from renewable generation and the latter is an 'offset' product derived from accredited abatement projects such as landfill operations. Both these products are marketed to our Australian customers.

We continue to expand our Green Energy initiatives nationally, most recently through our commitment to purchase the entire electricity output of the Canunda wind farm to be established at Lake Bonney, near Millicent in South Australia later this year. We have signed a power purchase agreement with International Power (Australia), the developers, owners and operators of this multi-million dollar project.

Canunda is the second purchasing agreement AGL has established with a wind farm in South Australia, following an earlier agreement with Starfish Hill, which started producing wind-powered electricity late last year.

The Canunda wind farm, comprising 23 turbines, is expected to be commercially operational by early 2005. AGL will buy 135,000 MWh per year of wind-generated energy from Canunda - enough energy to power approximately 30,000 homes.

The purchase agreement with Canunda was an important part of our commitment to environmentally sustainable practices and is consistent with AGL's strategy to invest in renewable energy through electricity purchasing arrangements, investments in renewable low emission power generation, and a broad range of environmental programmes.

These programmes include:

- An existing arrangement with the Tarong Energy-owned Starfish Hill for the purchase of up to 120,000 MWh of wind-generated electricity in South Australia;
- Generation of electricity from various landfill sites across Australia including West Nowra in NSW, Rockingham and Gosnells in Western Australia. Two projects are currently under construction near Hobart in Tasmania;
- Owning and operating a biogas electricity generation facility at Werribee in Victoria;
- Owning and operating cogeneration facilities at Coopers Brewery in South Australia and Cawse in Western Australia; and
- Involvement in a cogeneration facility at the University of Western Sydney in NSW.