

# AGL ENERGY LIMITED Code of Conduct



AGL's core values are: One team; Delivery; Authentic; Safe and Sustainable; and Vitality. Consistent with our overarching principle of "Actions, not Words", it is crucial that AGL acts – and be seen to act – in accordance with our core values and with the ethical standards of the wider communities in which we operate. Ethical behaviour is central to AGL's approach to business. Our success as a company depends greatly on the extent each of us individually, and all of us collectively, demonstrate exemplary ethical behaviour.

This Code sets out a number of overarching principles of ethical behaviour and explains:

- What obligations AGL has to assist all its employees and contractors to act in accordance with these principles; and
- How AGL's employees and contractors should act consistently with the principles.

This Code applies to AGL, its directors, and all its employees and contractors. Through the remainder of this Code, AGL's directors, employees and contractors are referred to collectively as "employees".

This Code is endorsed by the AGL Board.

## Acting honestly and with integrity

We will act honestly and with integrity in all our dealings.

To assist our employees to act honestly and with integrity, AGL will:

- Honour its contracts with third parties.
- Have in place a Code of Conduct and other relevant policies and procedures to assist employees understand what is expected of them.

- Provide effective leadership and segregation of duties to prevent fraud or other dishonest behaviour.

AGL's employees are expected to:

- Not use property belonging to AGL, our customers, or our suppliers without the approval of a Leader.
- Safeguard AGL's assets – both physical assets and intellectual property rights – by observing all procedures relating to the safe and proper use of the assets.
- Provide complete, accurate and honest information to our fellow employees, our customers, and any regulator who lawfully makes a request for information from us.
- Not participate in any activities that cause, support or conceal corruption or bribery in any form.
- Speak up whenever we observe dishonest behaviour by our employees or our suppliers.
- Exercise diligence and good faith in the preparation of financial information so that financial reports present a true and fair view of AGL's financial position.

## Observing the law

We operate in an industry that is subject to many laws and regulations. Breaches of the law can have serious consequences for AGL, its officers and any employee involved in the breach (including criminal, civil and administrative penalties). It is therefore imperative that we observe the laws and regulations that apply to us. We do this not just because we have to, but because it is the right thing to do.

To assist our employees to observe the law, AGL will:

- Provide all employees with appropriate induction – when they join AGL or when they change the roles they undertake for the Company – and at regular intervals while they are employed.
- Make readily available to all employees appropriate policies and procedures on legislative compliance, delegations of authority, trading in AGL shares and other subjects as appropriate.
- Put in place procedures to identify and communicate material changes in law which have the potential to affect the way an employee is required to perform the duties of employment.

AGL's employees are expected to:

- Understand what laws apply to the jobs we do. This includes attending training provided by AGL on matters such as trade practices, privacy, occupational health and safety, and workplace diversity.
- Understand and act only within our authority.
- Comply with AGL policies and procedures.
- Disclose known breaches of the law to our managers.
- Not buy or sell shares in AGL or any other company about which we have access to price sensitive information not generally available to the public.

### Valuing and maintaining professionalism

Professionalism is the pursuit of excellence which will help us achieve our goal of being Australia's leading integrated energy company. Acting professionally is the foundation of

earning the respect and confidence of our customers, our suppliers and our fellow employees.

To assist our employees to value and maintain professionalism, AGL will:

- Support employees in developing the skills required to perform the duties of employment.
- Support employees in managing their careers.
- Provide leadership development support.
- Treat all employees with respect and courtesy.

AGL's employees are expected to:

- Maintain and improve the skills necessary for the proper performance of our jobs.
- Seek help or guidance on matters beyond our capabilities.
- Not perform our work responsibilities under the influence of alcohol or recreational drugs.
- Be punctual in performing our duties of employment, including responding on a timely basis to telephone calls, emails and letters from our customers, our suppliers, our shareholders, and our fellow employees.
- Not allow our personal views to compromise the performance of our duties.
- Act with impartiality in our dealings with customers and suppliers.
- Comply with AGL's policies concerning use of e-mail and the internet.
- Be polite and respectful in all our dealings.

### Respecting confidentiality

In the course of our business we have access to information about the affairs of our employees, our shareholders, our customers and our business partners. Each of these groups expects that AGL will respect the confidential nature of information given in good faith to AGL. The Privacy Act requires that AGL keep confidential certain categories of information about individuals. A number of the contracts AGL is party to also impose legally binding obligations to maintain the confidentiality of information.

To assist our employees to respect confidentiality, AGL will:

- Provide secure facilities in which to store confidential documents.
- Put in place security arrangements to prevent inadvertent access to confidential information.

AGL's employees are expected to:

- Safeguard the personal information of our customers and our shareholders.
- Comply with the confidentiality obligations in our contracts of employment, including in respect of periods after we have left AGL.
- Comply with contractual and other legal obligations to keep information confidential.
- Not disclose to a fellow AGL employee information which we know to be confidential, sensitive or privileged unless we are satisfied that the information is legitimately required for the performance of the fellow employee's job and we are satisfied that the fellow employee will maintain the confidentiality of the information.

- Not encourage fellow employees to disclose to us information which we know to be confidential, sensitive or privileged and which is not required for the performance of our own jobs.
- Not use confidential information for personal gain.
- Not disclose to any person outside AGL any information obtained from the performance of our jobs unless we are expressly authorised to do so by the person who provided the information **OR** the information is already in the public domain **OR** the law requires that the information be made available to the person requesting it.

### Managing conflicts of interest

A conflict of interest exists if an employee has a personal interest which may influence, or could be perceived as influencing, the proper performance of the employee's duties and responsibilities. The existence of a conflict of interest is not uncommon. It is the way in which conflicts of interest are managed which will determine how we are judged.

The keys to effective management of conflicts of interest are:

- Full disclosure of material personal interests which give rise to the conflict of interest; and
- Refraining from participation in activities arising from the conflict of interest.

To assist our employees to manage conflicts of interest, AGL will:

- Put in place procedures to allow employees to disclose conflicts of interest.
- Adopt an even-handed approach to all mainstream political parties when paying to attend political functions.

AGL's employees are expected to:

- Seek the consent of senior management before accepting a role as a director of a non-AGL company.
- Seek the consent of a Leader before commencing any employment or business activity which has the potential to reduce the time devoted to the performance of our duties as an AGL employee, or which may create a real or perceived conflict of interest.
- Not use the influence of our current employment to obtain opportunities for future employment.
- Disclose to a Leader any material personal interest we (or any of our friends and relatives) have in a customer or a supplier, and avoid any participation in the ongoing management of the relationship with the customer or supplier.
- Not solicit, accept or offer facilitation payments, bribes, gifts or benefits which may influence, or which would be perceived as influencing, our ability to perform the duties of our employment objectively and impartially.
- Notify senior management of all unsolicited gifts received in excess of \$250 and comply with any direction to return the gift or otherwise alienate ourselves from enjoying some or all of the benefit of the gift.
- Not make public comment about any matter, or participate in any political activities, which can be attributed to our employment with AGL.

### Looking after our employees

We spend a significant proportion of our lives at work. We have the right to expect that we will return home safely to our families at the end of each working day. We all have a duty to make the workplace as safe as possible – for ourselves and for our fellow employees.

To assist our employees look after themselves and each other, AGL will:

- Provide safe and secure workplaces.
- Put in place an occupational health and safety framework which allows for the effective reporting and management of workplace hazards, near misses, and workplace injuries.
- Put in place policies and procedures to promote diversity and inclusiveness in the workplace.
- Not tolerate bullying or harassment toward, or unlawful discrimination against, any of our employees.
- Make available AGL's Employee Assistance Program to provide support and professional guidance to employees, and their immediate families, experiencing difficult times.

AGL's employees are expected to:

- Observe all policies that apply to the safe and healthy performance of our jobs.
- Behave toward fellow employees in a manner consistent with AGL's policies on diversity and inclusiveness.

## Looking after the community

AGL is committed to maintaining its reputation as a good corporate citizen which behaves responsibly toward the communities in which we operate.

This means that AGL will:

- Protect the environment in which we operate through observance of all applicable laws and compliance with AGL's environmental management system.
- Consult with community representatives and otherwise consider the broader impact of material business decisions we make in the conduct of our business.
- Maintain and promote our commitment to our corporate responsibility program.

## Your responsibilities under this Code

Each of us is responsible for complying with the Code and for reporting any breaches. If you become aware of any instances of suspected fraud, corrupt behaviour, breaches of the Law, or any conduct which may constitute a breach of this Code you should:

- Firstly report the matter to your immediate Leader;
- If the matter to be reported concerns your immediate Leader or if you are not satisfied that your immediate Leader is treating your report seriously, report the matter to your business partner in People & Culture or to the Group General Manager of the business unit you work in;
- Report the matter to a member of AGL's Ethics Panel.

If you are concerned that reporting a matter may jeopardise your own safety, or the security of your job, and wish to report any matter anonymously, you should make the report directly to a member of the Ethics Panel. Your identity will be protected and not disclosed unless required by Law.

Employees who breach this Code may face disciplinary action, which may include termination of employment.

## Administration of this Code

The Ethics Panel is responsible for the administration of this Code. The Ethics Panel shall comprise:

- Company Secretary
- Group Head of People & Culture
- Head of Legal
- Head of Group Audit
- An independent person with expertise in the management of employee grievances.

The Ethics Panel is responsible for:

- Reviewing this Code and recommending any changes to the Board;
- Putting in place procedures for the effective dissemination of, and compliance with, the Code;
- Overseeing investigations of any alleged breaches of the Code;
- Reporting breaches of the Code to the Board (or a Committee of the Board to which that responsibility has been delegated).



**Michael Fraser**

Managing Director and CEO

AGL Energy Limited

8 December 2010