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## ASX release

### AGL releases 2009 Sustainability Report market presentation

12 November 2009

Attached is AGL's 2009 Sustainability Report market presentation.

AGL Managing Director Michael Fraser and AGL Head of Carbon and Sustainability Tim Nelson will deliver the presentation via webcast today at 10am AEDT.

Details of the presentation:

**Time:**  
10.00am (AEDT)

**Webcast**  
The result presentation will be webcast live via the following link: [www.aglinvestor.com](http://www.aglinvestor.com)

**Dial in Details:**  
**Toll Free** (Australia wide): **1800 148 258 (no pin required)**  
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#### About AGL

AGL is one of Australia's leading integrated energy companies and is taking action toward creating a sustainable energy future for our investors, communities and customers. Drawing on over 170 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has Australia's largest retail energy and dual fuel customer base. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, landfill gas and biomass. AGL is Australia's largest private owner and operator of renewable energy assets and is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.

# Sustainability Report 2009

Michael Fraser  
Managing Director and CEO  
Tim Nelson  
Head of Carbon and  
Sustainability

Webcast  
12 November 2009



# Disclaimer

The information in this presentation:

- › Is not an offer or recommendation to purchase or subscribe for securities in AGL Energy Limited or to retain any securities currently held.
- › Does not take into account the potential and current individual investment objectives or the financial situation of investors.
- › Was prepared with due care and attention and is current at the date of the presentation.
- › Actual results may materially vary from any forecasts (where applicable) in this presentation.
- › Before making or varying any investment in securities in AGL Energy Limited, all investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

# Agenda

- > Sustainability within the context of energy market transformation
- > AGL's sustainability strategy
- > Performance against key goals
  - » Greenhouse
  - » Customers
  - » Employees
  - » Community
- > Assurance

# Transformation of Energy Markets and Sustainability

Michael Fraser  
Managing Director and CEO



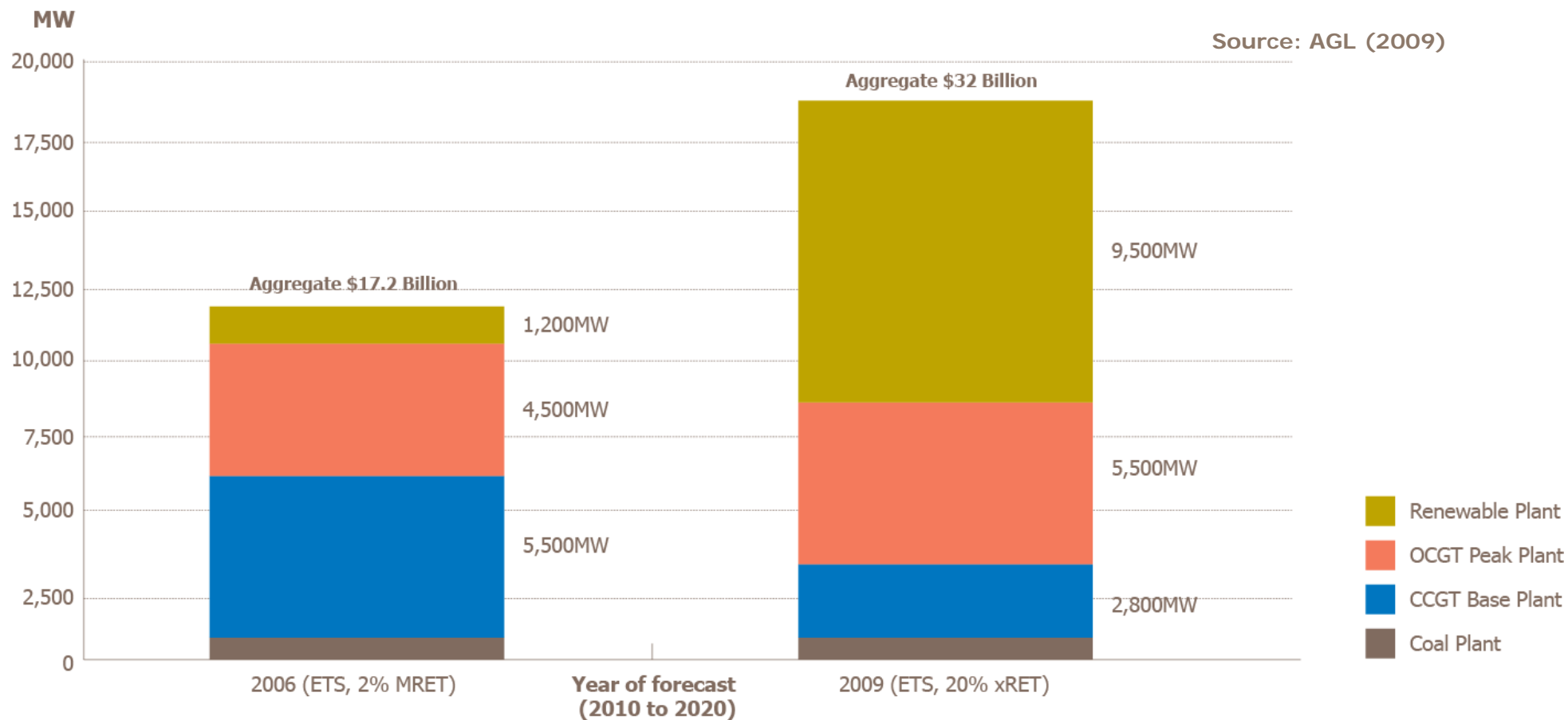
# Energy Market Transformation

Global energy markets are undergoing significant transformation. Energy policy makers are responding to three key issues:

Issue	Global Policy Response	Australian Policy Response
Climate Change	Greenhouse gas emissions trading	Carbon Pollution Reduction Scheme
Energy Security	Renewable energy targets	20% Renewable Energy Target
Fuel Poverty	Energy efficiency schemes	Emerging state-based schemes

# Energy Market Transformation

Due to these policy changes, the energy sector will be significantly transformed



# Sustainability and Transformation

AGL's ability to respond to the social, environmental and economic challenges arising from the significant transformation of the energy industry will have a fundamental impact on our medium to long term value and performance

- › Community engagement
- › Economic risks associated with climate change policies
- › Ensuring our employees have the right training and skills
- › Providing our customers with the products and services they need

AGL is positioned as a 'leader in the renewable generation industry'



# Alignment of Strategy and Sustainability Goals

AGL strategy	AGL sustainability goals			
Leveraging our leading retail position to capture value and growth opportunities.	<b>CUSTOMERS</b> Become a world class, customer focused energy company.			<b>ECONOMIC</b> Deliver growth in total shareholder returns and enhance the quality of earnings through sound risk management and diversification of earnings streams.
Driving retail economies of scale while enhancing our customer service capability.				
Leading change that delivers outstanding results through our people.	<b>EMPLOYEES</b> Engage employees in ways that support our business, grow their skills and deliver outstanding business results.	<b>COMMUNITY</b> Connect our business and employees with the community in ways which make a genuine contribution, engage our people and strengthen our business.	<b>GREENHOUSE</b> Provide leadership to reduce the greenhouse gas intensity of energy across the supply chain throughout the economy.	
Growing our power and gas generation portfolios.	<b>ENVIRONMENT</b> Achieve excellence in environmental management and performance.			
Developing market leadership in renewable energy to benefit under a carbon constrained future.				

# AGL Recognised as an Industry Leader



**DJSI World:** In September 2009 AGL was included as a constituent company in the Dow Jones Sustainability World Index (DJSI World) 2009/10, which tracks the top 10% in terms of sustainability performance in each sector of the world's largest 2,500 companies.



**DJSI Asia Pacific:** In September 2009 AGL was included as a constituent company in the Asia Pacific Dow Jones Sustainability Index (DJSI Asia Pacific) 2009/10, which tracks the top 20% in terms of sustainability performance of the 600 largest companies in the developed Asia Pacific Markets.



FTSE4Good

**FTSE4Good:** AGL is a constituent company in the FTSE4Good Index Series. The FTSE4Good Index Series has been designed to measure the performance of companies that meet globally recognised corporate responsibility standards, and to facilitate investment in these companies.



**AuSSI:** AGL is a constituent company in the Australian SAM Sustainability Index (AuSSI) which tracks the performance of Australian companies that lead their industry in terms of corporate sustainability.

# Overview of 2009 Sustainability Performance

Tim Nelson  
Head of Carbon and  
Sustainability



# Sustainability risks and opportunities.

AGL has established six long-term goals and identified strategies and specific annual actions to deliver improved returns

- › Greenhouse
- › Environmental management
- › Customers
- › Employees
- › Community
- › Economic performance

Greenhouse



# Greenhouse

AGL has been recognised externally as a leader in relation to carbon disclosure

- › Ranked third in the world out of 110 of the worlds largest electric utilities.
- › Listed in the ASX100/NZ50 Carbon Disclosure Leadership Index

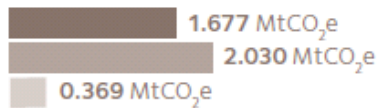
AGL is the largest privately owned renewable generation company in Australia

- › 78% of AGL capacity is zero or low emission
- › AGL has stated that we do not have any plans to invest in the development of new conventional coal fired power stations
- › AGL has committed to become the largest retailer of new renewable energy by volume

# Greenhouse - Footprint

## Operational Footprint

The Operational Footprint covers the emissions from activities and assets that we operate. Our Operational Footprint has decreased since 2007/08 as a result of a lower amount of generation required in 2008/09 from the Torrens Island Power Station. Emissions from AGL's other operations remained relative stable.



### Legend

- 2008/09
- 2007/08
- 2006/07

### Notes

AGL's Operational Footprint includes Scope 1 and Scope 2 emissions only. Scope 3 emissions were included in this footprint in previous sustainability reports, therefore historical emissions have been recalculated this year to include only Scope 1 and Scope 2 emissions.

## Equity Footprint

The Equity Footprint sets out AGL's share (by percentage investment level) of the emissions from our fully or partly owned entities. The Equity Footprint has increased since 2007/08 due to a rise in emissions from Loy Yang Power associated with a greater amount of electricity generation.



### Legend

- 2008/09
- 2007/08
- 2006/07

## Energy Supply Footprint

The Energy Supply Footprint estimates the greenhouse gas emissions associated with the use of electricity and gas by our customers. The Energy Supply Footprint in 2008/09 is similar to 2007/08, with a slight decrease.

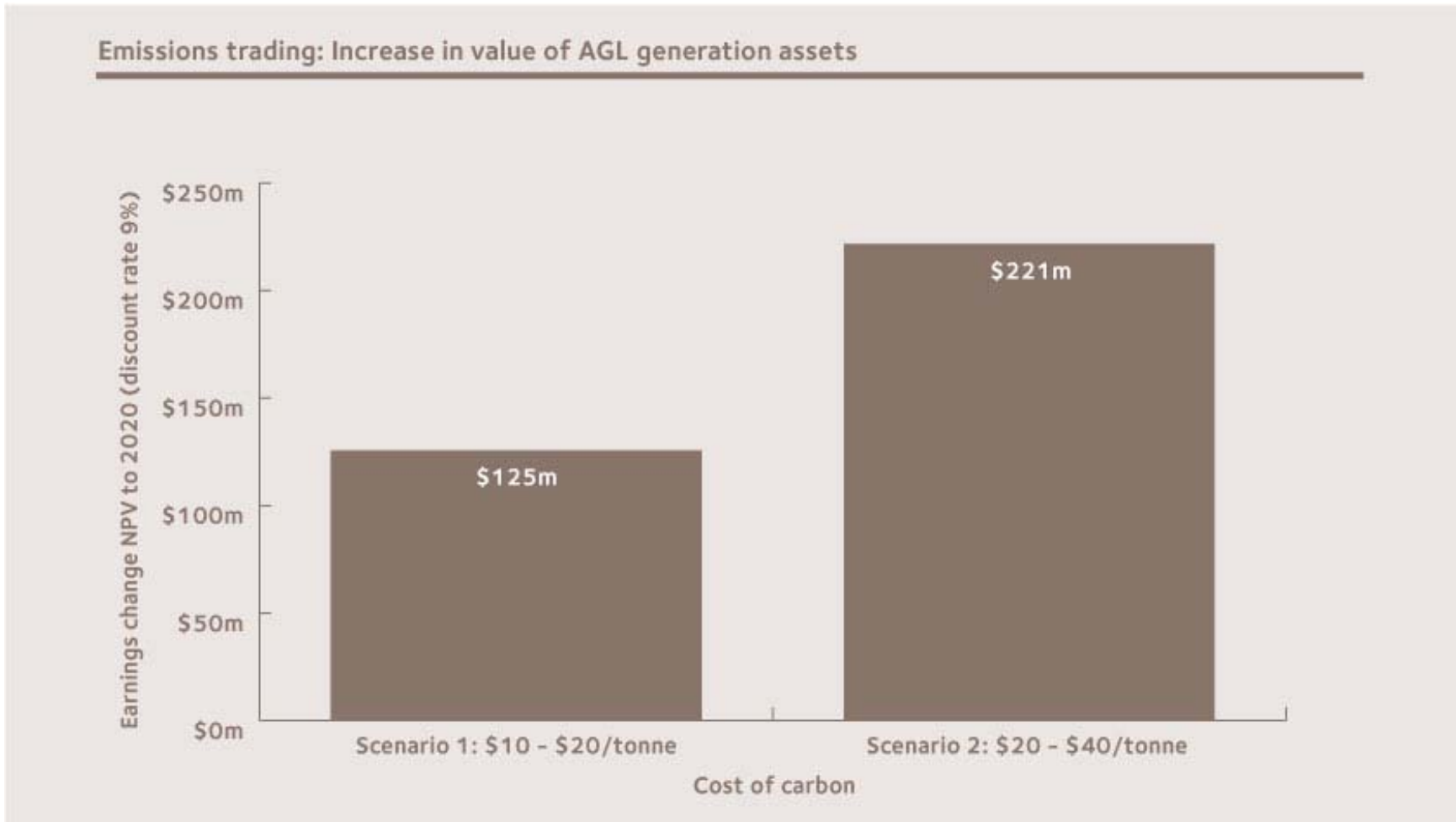


### Legend

- 2008/09
- 2007/08
- 2006/07

- » 2009 Sustainability Report
- » November 2009

# Greenhouse – Economic Impact of CPRS



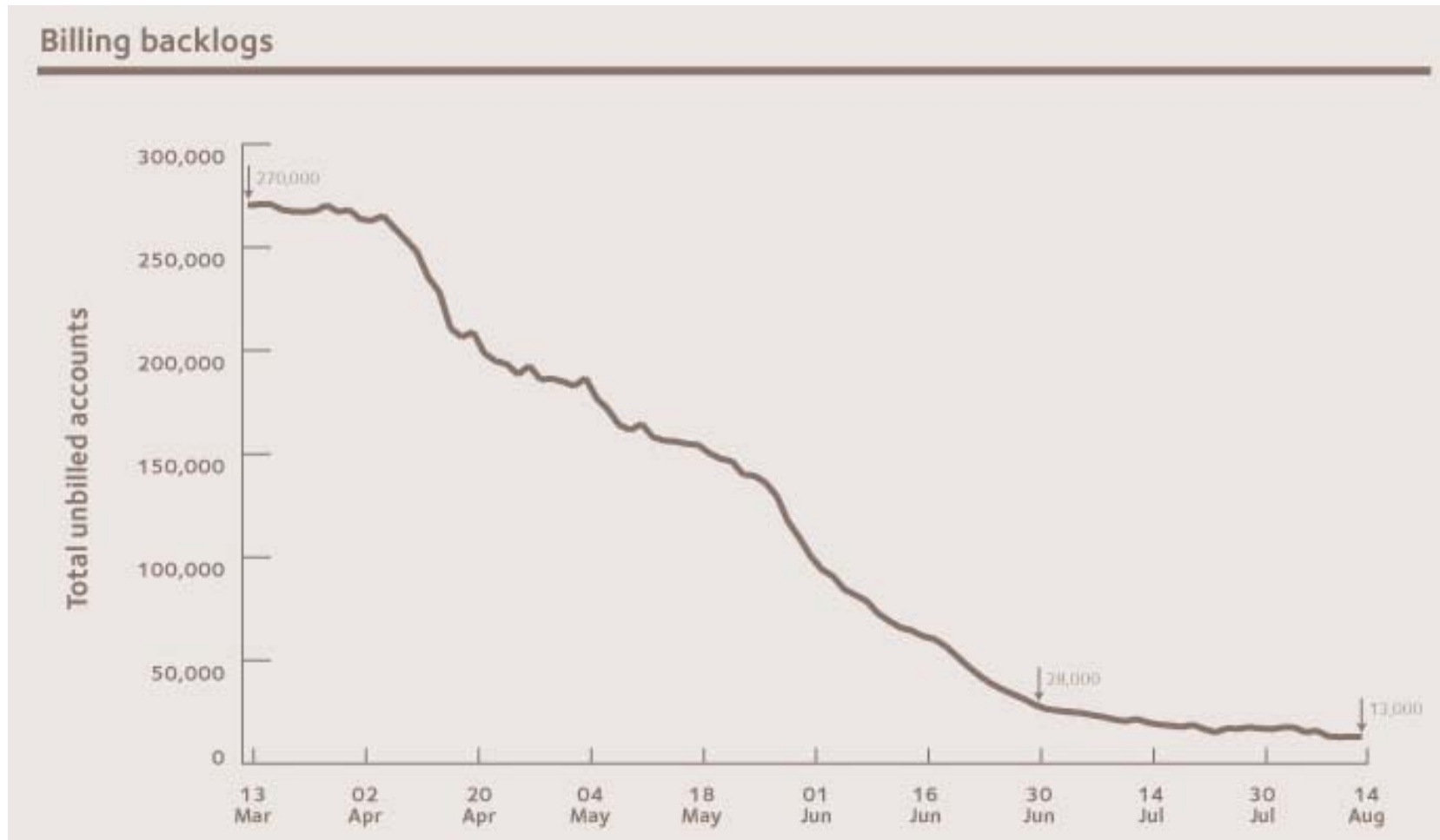
- » 2009 Sustainability Report
- » November 2009



Customers



# Customers – Billing



- » 2009 Sustainability Report
- » November 2009

# Customers – Staying Connected

## Number of years on Staying Connected program



### Notes

Data is based on a random sample of 300 Staying Connected customers in May 2009. Data represents the number of years each of the selected participants had been on the program. Where participants had been on the program on more than one occasion, this data represents the length of their current participation only.

## Staying Connected return customers



### Legend

● First time Staying Connected customer	72%
● Return Staying Connected customer (second time)	23%
● Multiple Staying Connected customer	5%

### Notes

Data is based on random sample of 300 Staying Connected customers in May 2009. Data represents the number of times each of the selected participants had been on the program.

Employees



# Employees – Engagement

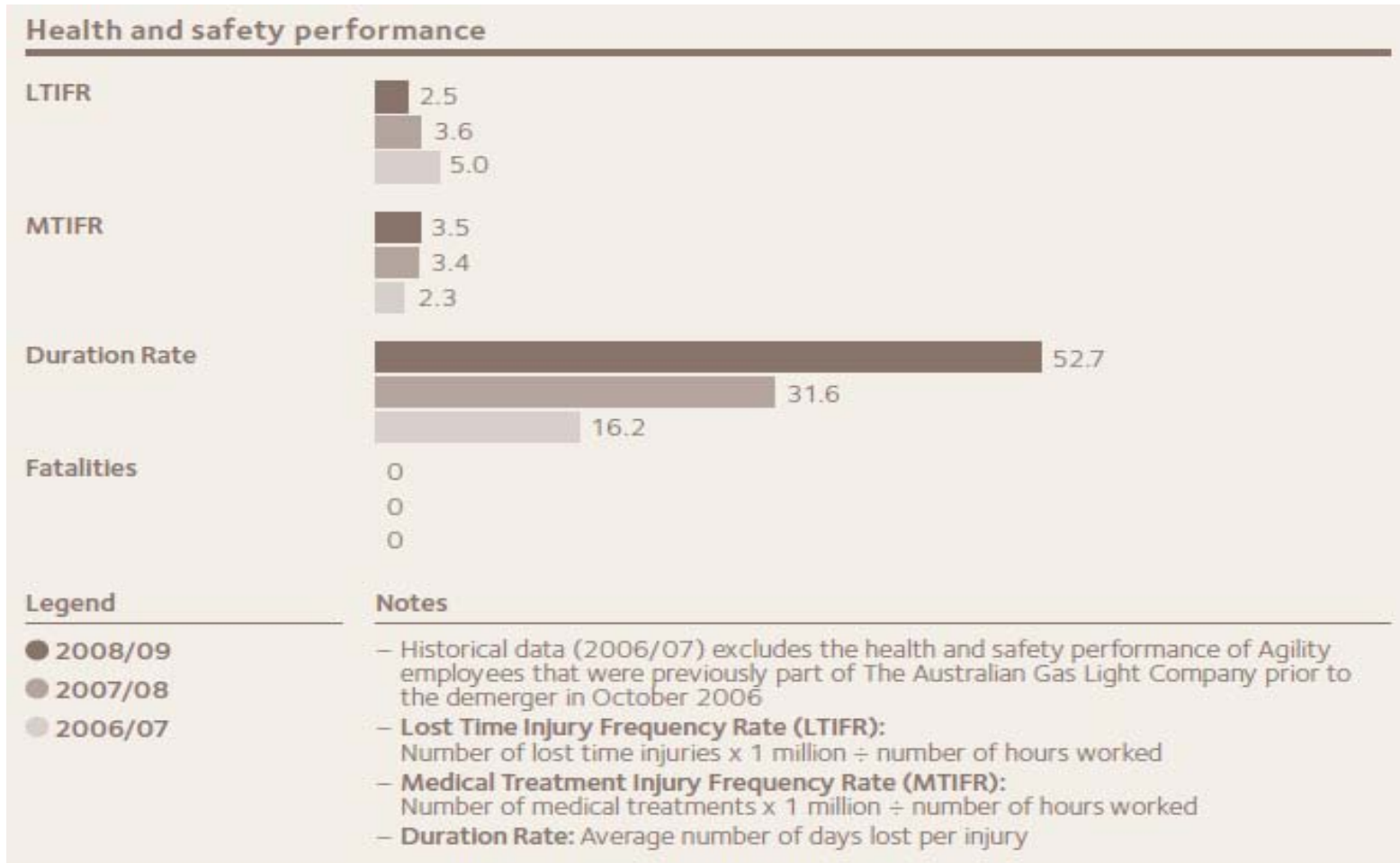
AGL employee engagement has continued to increase

- › Engagement increased by 12% in 2008/09
- › Response rate of 86% for survey

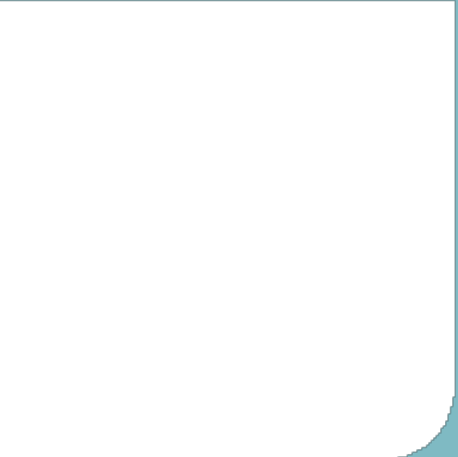
Improvements driven by increased focus on AGL values

- › One Team
- › Delivery
- › Authentic
- › Safe and Sustainable
- › Vitality

# Employees – Health and Safety

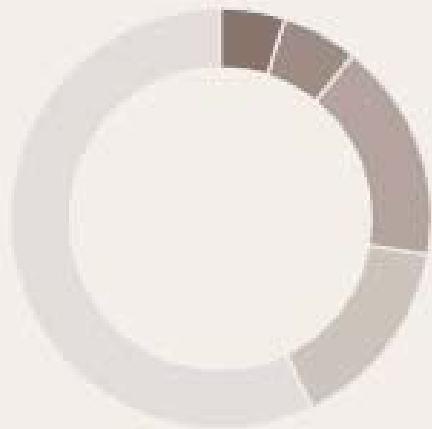


Community



# Community – Return on Investment

## Community contribution by program area



### Legend

● Energy for Life – Employee Giving	5%
● Energy for Life – Volunteering	6%
● Energy for Life – Warmth in Winter	17%
● Energy for Life – Partnerships including Energy Matters	15%
● Supporting the local community	57%

<b>Total value of investment</b>	<b>\$1,711,372</b>
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### Notes

This breaks down our community contribution according to the four Energy for Life program areas, and support provided to the local community through the AGL Hallett Wind Farm Fund, for bushfire relief, as well as contributions arising from key brand sponsorships.



Assurance



# Assurance

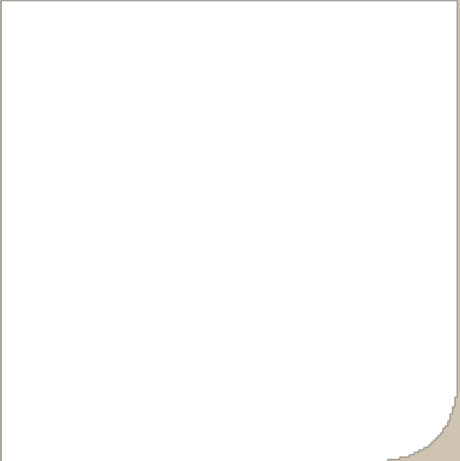
## Independent Assurance provided by Net Balance Management Group to the AA1000 2008 Assurance Standard

- › A 'Type 2 – Moderate Level' of assurance was undertaken which both assesses how well AGL meets the AA1000 2008 Accountability Principles of Inclusivity, Materiality and Responsiveness, as well as testing the reliability reported information.
- › *"It is Net Balance's opinion that the information presented within the report is fair and accurate. The report was found to be a reliable account of AGL's sustainability performance during the reporting period".*

## Alignment with Global Reporting Initiative (GRI) Guidelines

- › Report meets the requirements of a "B+" application level.

# Questions



# Further information

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