



## THE MARKET

Drawing on almost 180 years of experience, AGL Energy provides gas, electricity, solar PV and related products and services to more than 3.6 million customer accounts across Australia.

In an evolving energy market, AGL is guided by two key strategic imperatives:

Our business definition, 'Harness insights to enrich the customer's energy experience' means that our customers are at the heart of everything we do. And as an active member of the community, we're proud to contribute and support the communities in which we work and operate, as well as our strategic charity partners.



## ACHIEVEMENTS

Today, we operate the country's largest electricity generation portfolio and we're its largest ASX-listed investor in renewable energy. We are taking action to responsibly reduce greenhouse gas emissions while providing customers with secure and affordable energy.

Our diverse power generation portfolio includes base, peaking and intermediate generation plants, spread across traditional thermal generation, natural gas and storage, as well as renewable sources including hydro, wind, landfill gas, solar and biomass. With a rich history, as one of Australia's oldest companies and the second listed company on the Sydney Stock Exchange, today AGL is an S&P/ASX 50 Company.

## HISTORY

Proudly Australian since 1837, for almost 180 years, AGL Energy has been at the forefront of energy innovation in Australia. From turning on the first gas street lamp in Sydney in 1841, to launching what will be the world's largest residential virtual power plant in 2016, we have a track record of leading change. Today, with an eye on the future, we're focused on embracing innovation and technology to foster new and sustainable energy solutions for our customers. In 2015 AGL's Nyngan and Broken Hill solar plants achieve full

generation, sending 155 MW of renewable energy into the national Electricity Market. 2016 AGL launches the Powering Australian renewables Fund, an innovative new financing initiative designed to unlock investment and open up more opportunities to develop approximately 1,000 MW of renewable energy generation. In 2016 AGL also announced the launch of the world's largest virtual power plant, ultimately involving 1,000 connected batteries installed in homes and businesses in South Australia, providing 5 MW of peaking capacity and offering customers the opportunity to save on their energy bills.

## THE PRODUCT

AGL has a full suite of competitive gas and energy plans, we provide a range of energy efficiency advice, products and services via AGL Smarter Living, offering customers three ways to trade with AGL (online, in store, in home). AGL Smarter Living is an end to end concept, which is new for the Australian energy market. With shop fronts to support customer engagement, AGL Smarter Living provides expert plumbing and electrical tradespeople providing advice, repairs and new appliances for heating, cooling and hot water needs, as well as solar power services from hot water to solar PV.

AGL Energy Online, enables customers to view, pay and store energy bills online, review and upgrade energy plans and move home – all from the convenience of your own computer or mobile device.

For business customers, AGL Energy Services focuses on helping organisations to reduce their

energy usage to save money on their energy bills, as well as help manage emerging requirements such as carbon.

## RECENT DEVELOPMENTS

AGL announced it would invest \$295 million to develop a 210 MW reciprocating engine power station in June 2016, to be known as the Barker Inlet Power station, alongside the company's Torrens Island Power station site near Adelaide, South Australia

Construction of the Barker Power Station is expected to begin in the third quarter of 2017, with full operation in the first quarter of the 2019 calendar year. The new power station will replace two of the four Torrens A turbines, which AGL will progressively mothball from July 1 2019. The four Torrens B turbines will continue to operate as normal.



AGL Managing Director & Chief Executive Officer, Andy Vesey, said: "Our decision to move ahead with this development reflects our long-standing commitment to our South Australian





customers and our contribution to creating a secure energy system as the market transitions.

“Torrens A is now 50 years old. Our decision in June 2016 to defer its previously planned mothballing reflected the importance of maintaining security of supply in South Australia following the withdrawal at short notice of other thermal power stations.

“We are delighted that we are now able to confirm that Barker Inlet Power Station will be developed, improving reliability and security of supply in South Australia using modern, responsive technology that is more fuel efficient and less carbon intensive than pre-existing plant.

“This reflects our readiness to invest to support our customers’ needs as Australia’s electricity market adapts to a carbon-constrained future. We will continue to monitor the needs of the market and anticipate deploying further investment as opportunities arise.”

AGL Executive General Manager, Group Operations, Doug Jackson, said: “AGL has identified reciprocating engines as the most flexible, efficient and cost-effective synchronous generation capacity, well suited to the specific needs of the South Australian market.

## PROMOTION

Established in 2003, Energy for Life gives our employees the opportunity to get behind the causes they are passionate about, through employee giving, volunteering and fundraising events.

The Energy for Life program was revitalised in FY2012 to provide a more effective response to emerging sustainability risks, especially with respect to energy-related financial hardship in the community.

AGL is committed to rigorous measurement and reporting on its community investments and is moving towards a target of social return on investment for community contributions. This approach is embodied in AGL’s public reporting and evidence-based approach to the development of strategic partnerships.

Through the Energy for Life program, AGL will invest more than \$3 million over six years through new partnerships with The Smith Family, St Vincent de Paul Society, Cancer Council Australia and the Julian Burton Burns Trust.

AGL has developed Sustainability Indicators which would allow all stakeholders (shareholders, customers, employees and the community) to transparently assess whether AGL’s performance is improving across the most material sustainable metrics for an integrated energy business.

## CORPORATE RESPONSIBILITY

AGL seeks to conduct our activities in ways that contribute enduring benefits to the communities in which we operate. Our aim is to create net positive social, environmental and economic outcomes as our business grows.

Our engagement approach varies with the requirements of each community, and is informed by our values.

AGL’s corporate citizenship program, Energy for Life, builds on AGL’s local community engagement strategy and seeks to make a genuine contribution to the wider community. The program aims to positively respond to emerging sustainability risks, especially with respect to energy-related financial hardship in the community, and provides opportunities for our employees to give something back to the broader communities in which they live and work.

## BRAND VALUES

AGL’s vision of ‘creating energy solutions for the communities of today and tomorrow’, guides every aspect of business. This is underpinned by ‘Actions, not Words’ AGL’s brand promise for everyone who deals with AGL.

AGL executes its brand promise creatively in market to consumers via advertising and other external communications as ‘Energy in Action’. ‘Energy in Action’ illustrates that change isn’t just about words, it’s about the things you do.

As a Company, AGL is proud to offer its people the opportunity to work for a company that is innovative, customer focused and proudly still Australian.

The success of the AGL brand has come from continually asking ‘what next’ and ensuring actions align to the needs of customers and the community.

