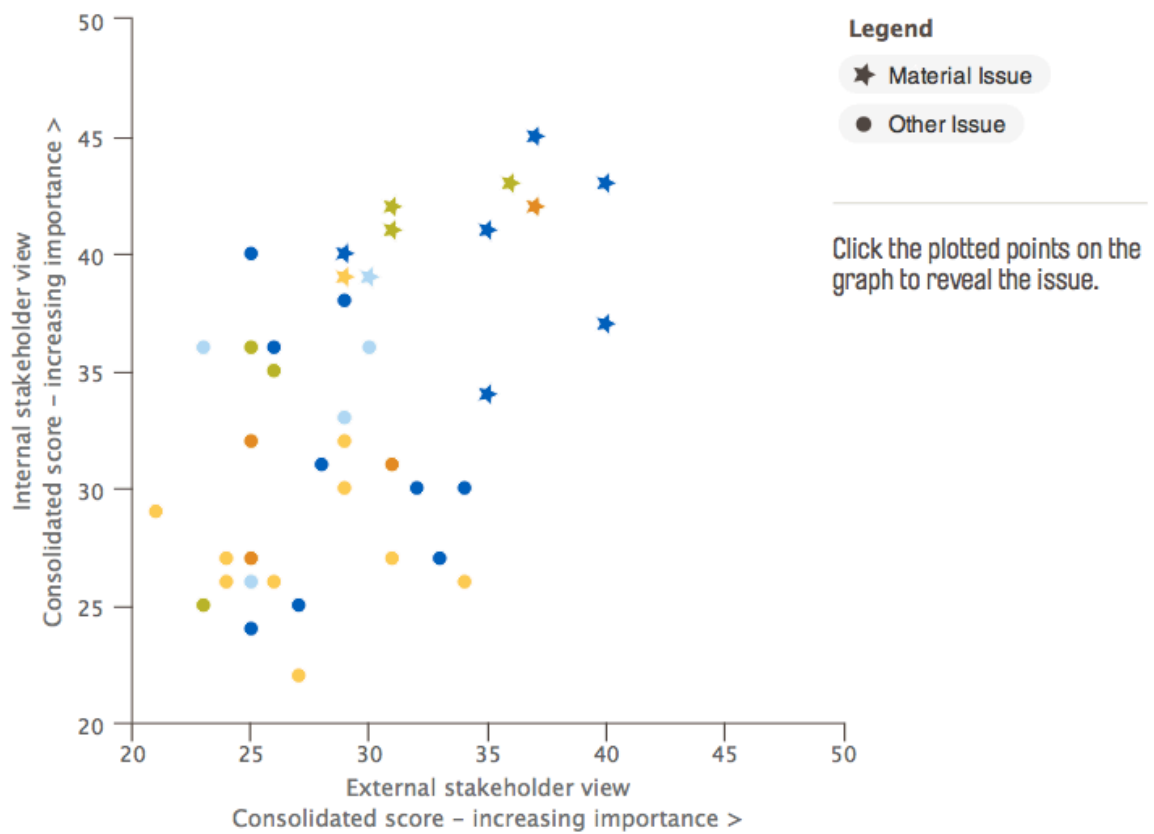


Company:	AGL
Sector:	Energy
Report Year:	2014
Headquarters:	Sydney
Standard Application:	GRI G4, AA1000, ASAE 3000
Format:	Matrix (online)

Materiality matrix



Review process

The process for undertaking the review is shown below.



Stakeholders who participated in the review

- > Ten internal stakeholders selected from the Senior Leadership Group to cover the breadth of our operations;
- > Members of AGL's Climate Change and Customer Councils (environmental and social NGOs);
- > Community representatives from the Community Consultative Committees established for AGL's Camden Gas Project and Macarthur Wind Farm; and
- > Representatives from the media, the investment community, and regulators.

There was broad agreement that although the results presented a refinement of the previous [sustainability blueprint](#), they represented a sensible categorisation and ranking of the challenges facing AGL when considered in the context of the current uncertainty within Australia's energy industry.

Importantly, there was a considerable convergence of views between internal and external stakeholders when it came to identifying which issues were most material.

Most notable is the apparent absence of climate change within the top 12 material issues. However, the risks and opportunities associated with AGL's responses to climate change, carbon pricing, and renewable energy policies is encapsulated under the issue of [energy policy uncertainty](#).

AGL will continue to consider stakeholders' views regarding which issues are the most material for inclusion in future sustainability reports.

AGL has established targets and commitments to drive performance, behaviours and transparency around each of our top 12 **material issues**.

Performance targets

Performance targets have been set where organisation-wide performance can be meaningfully and consistently measured and externally benchmarked.

Material issue	FY2015 target
Customer satisfaction	Annual mean customer satisfaction score: > major competitors ¹
Employee engagement	Employee engagement score: ≥ 75%
Health and safety	Total injury frequency rate: ≤ 2.8
Profitability	Total Shareholder Return: outcomes consistent with AGL's long-term incentive plan (LTIP) performance hurdles ²

Behavioural aspirations

Behavioural aspirations have been set to define operational and behavioural standards in respect to the way in which we do business.

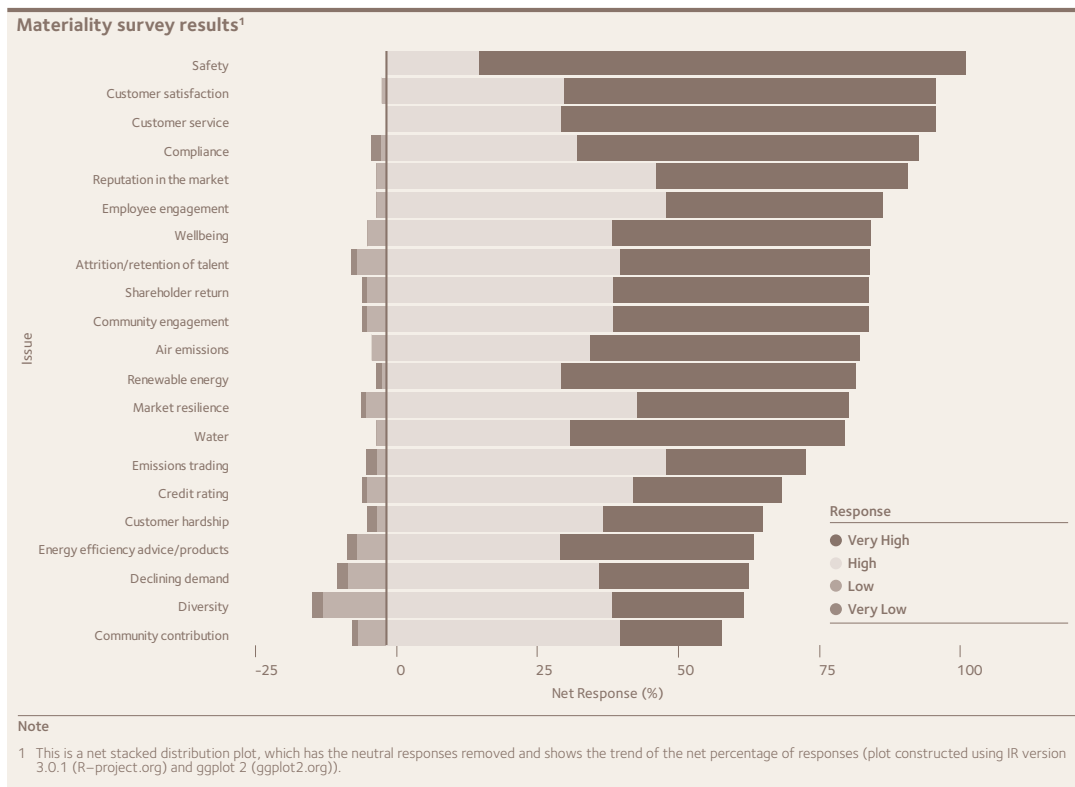
Material issue	FY2015 aspiration
Legislative compliance	AGL's aspiration is to comply with legislative requirements across the organisation.
Ethical conduct	AGL's aspiration is to act ethically in its activities, in accordance with the AGL Code of Conduct.
Corporate governance	AGL's aspiration is to adopt best practice corporate governance principles.
Talent attraction and retention	AGL will continue to develop an industry leading Employee Value Proposition.

Transparency commitments

Transparency commitments have been set to provide agreed levels of continued transparency in relation to areas where our stakeholders want proof of our performance and policies.

Material issue	FY2015 commitment
Energy policy uncertainty	AGL will continue to produce the AGL Applied Economic and Policy Research Working Paper Series.
Public policy	AGL will continue to regularly and transparently engage with its key stakeholders on significant issues of public policy.
Community engagement	AGL will continue to measure investment in local businesses, including an analysis of job creation and financial contributions to the local community.
Water management	AGL will continue to make publicly available material data relating to water at AGL sites.

From AGL 2013 Report:



Integration of AA1000 principles

