

## 2013 Sustainability Report – Global Reporting Initiative & United Nations Global Compact Index

This report applies the Global Reporting Initiative (GRI) G3.1 guidelines to a B+ level, including the Electric Utility Sector Supplement. Core indicators appear in bold.

GRI Ref.	GRI Indicator	Sustainability Report Ref.	Comments	Full or partial	UNGC Principle
Strategy and Analysis					
1.1	Statement from the most senior decision-maker of the organization.	A Message from Our CEO, p4-5		Full	COP
1.2	Description of key impacts, risks, and opportunities.	A Message from Our Chairman, p3 A Message from Our CEO, p4-5 Materiality, p12-13 Performance against Goals, p14 Looking Ahead, p15 Governance, Ethics and Respecting Rights, p16-18 Respecting Rights at Work, p29-30	We respect the rights of all our stakeholders, which is supported by our various internal policies.  Whilst elements of this indicator are addressed throughout the report, some of the aspects are commercially sensitive and therefore have not been included.	Full	COP, 1-9
Organisational Profile					
2.1	Name of the organization.	About this Report, inside cover	Pacific Hydro Pty Ltd	Full	
2.2	Primary brands, products, and/or services.	About Us, p 2		Full	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	About Us, p 2		Full	
2.4	Location of organization's headquarters.	Contact Us, back page	Level 11, 474 Flinders Street, Melbourne, Victoria 3000, Australia	Full	

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2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	About Us, p 2		Full	
2.6	Nature of ownership and legal form.	Our Owner, p16		Full	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Our Products, p20-21		Full	
2.8	Scale of the reporting organization.	Key stats, p3 Installed Capacity, p19 Our Products, p20-21 Full GRI & UNGC Index, online	We have reported on total revenue by region but not by product as this is proprietary information.	Partial	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Full GRI & UNGC Index, online	During the reporting period, we divested our share of the carbon consultancy and carbon credit business, Perenia, to Swiss company South Pole.	Full	
2.10	Awards received in the reporting period.	Full GRI & UNGC Index, online	CR Reporting Awards 2013 in the "Openness & Honesty" category for our first combined Annual Review and Sustainability Report.  "Best Hydro Project of the Year" award for the Chacayes run-of-river hydro plant in Chile at the Renewable Energy Projects of the Year Awards in the USA.  Health & Safety Excellence Award in the category "Public utilities companies" by the Chilean National Safety Council	Full	
Report Parameters					
3.1	Reporting period (e.g., fiscal/calendar year) for information	About this Report, inside cover		Full	

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	provided.				
3.2	Date of most recent previous report (if any).	Full GRI & UNGC Index, online	November 30, 2012	Full	
3.3	Reporting cycle (annual, biennial, etc.)	About this Report, inside cover		Full	
3.4	Contact point for questions regarding the report or its contents.		Michelle Bourne, Manager, Group Sustainability & Environment <a href="mailto:sustainability@pacifichydro.com">sustainability@pacifichydro.com</a>	Full	
3.5	Process for defining report content.	Stakeholders, p11 Materiality, p12-13		Full	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	About this Report, inside cover		Full	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	About this Report, inside cover		Full	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	About this Report, inside cover		Full	
3.9	Data measurement techniques	Health and Safety, p26 Greenhouse Gas and Energy Management, p39		Full	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Direct Economic Impact, p9 Training and Development Spend, p28 Full GRI & UNGC Index, online	There are two restatements from the previous report. Both restatements have minor impact on the overall representation of information.	Full	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	About this Report, inside cover Full GRI & UNGC Index, online	The boundary of this report has changed to include the performance data of joint venture, Tinguiririca, where data is available.	Full	

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3.12	Table identifying the location of the Standard Disclosures in the report.	GRI and UNGC Index, p44-45 Full GRI & UNGC Index, online		Full	
3.13	Policy and current practice with regard to seeking external assurance for the report.	About this Report, inside cover KPMG Assurance Statement, p43	This report has received independent, limited assurance from KPMG.	Full	
Governance					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Our Board, p16 Employee graphs, p30-31	We do not consider there to be any minority groups represented on our Board.	Full	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Our Board, p16		Full	
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Our Board, p16	As at 30 June 2013, 3 of our 6 Board Members were independent and all 6 were non-executive members. We define "independence" in accordance with the Australian Stock Exchange (ASX) Corporate Governance Council's Principles of Good Corporate Governance and Best Practice. We define "non-executive" Directors as those who do not also hold a managerial position within the company.	Full	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Our Board, p16	Representatives from IFM sit on our Board along with independent members, which ensures there is continual disclosure to our shareholder. In addition, certain employees regularly attend meetings of the Board and its Sub-Committees. Members of the Board also meet with employees on an informal basis.	Full	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's		Board members (other than those who are full time employees of IFM) are paid Directors' fees at a level in line with the market. Their fees are	Full	

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	performance (including social and environmental performance).		not performance-based.		
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.		To avoid conflicts of interest, Board members are required to update a Declaration of Interest at every board meeting. This is confirmed on an annual basis. Our Code of Conduct also covers avoiding conflicts of interest for Directors and employees.	Full	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.		Board members are appointed by IFM based on qualifications and experience and having regard to the appropriate skills and experience required on the Board.	Full	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	About Us, p2 About this Report, inside cover Code of Conduct, p17 Respecting Rights, p18		Full	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Our Board, p16		Full	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Full GRI & UNGC Index, online	Each Board member participates in a periodic self-assessment to evaluate their own and the collective performance of the Board and to identify opportunities for improvement.	Full	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Our Response to Climate Change, p36-37 Environmental Impacts of Pacific Hydro Activities, p39-42		Full	

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		Governance, Ethics & Respecting Rights, p16-18			
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	External Commitments, p18		Full	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Full GRI & UNGC Index, online	<ul style="list-style-type: none"> <li>• Australia Brazil Chamber of Commerce</li> <li>• Australia Chile Chamber of Commerce</li> <li>• Australia Latin America Business Council</li> <li>• Australian Government's Council on Australia Latin America Relations</li> <li>• Council on Latin America Relations</li> <li>• Australian Industry Group</li> <li>• Global Foundation</li> <li>• Chilean Generator Association – José Antonio Valdes, General Manager Pacific Hydro Chile is the Chairman</li> <li>• The Chilean Association of Renewable Energy</li> <li>• Chilean Engineering Institute</li> <li>• Business for a Cleaner Economy</li> </ul>	Full	
4.14	List of stakeholder groups engaged by the organization.	Stakeholders, p11		Full	
4.15	Basis for identification and selection of stakeholders with whom to engage.	Stakeholders, p11		Full	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholders, p11		Full	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including	Materiality, p12-13		Full	

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	through its reporting.				
Economic					
DMA	Disclosures on management approach.	Business Operations and Finance, p19-24			
EC1	<b>Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.</b>	Delivering Economic Value, p9		Full	
EC2	<b>Financial implications and other risks and opportunities for the organization's activities due to climate change.</b>	Operational Excellence, p21-22 Our Response to Climate Change, p36-37		Partial	7-9
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Remuneration and Bonuses, p31		Partial	
EC6	<b>Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.</b>	Local Sourcing and Employment Opportunities , p35	We define local as the region in which a project or asset is located.	Full	6
EC7	<b>Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.</b>	Local Sourcing and Employment Opportunities , p33-35		Partial	6
EC8	<b>Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.</b>	Support and Development of Communities, p33-35		Full	1
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Local Sourcing and Employment Opportunities , p35 Support and Development of Communities, p34-35		Partial	1
Environment					
DMA	Disclosures on management approach.	Environment, p36-42			

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EN3	<b>Direct energy consumption by primary energy source.</b>	Greenhouse Gas Emissions, Abatement and Energy Use, p38		Full	
EN4	<b>Indirect energy consumption by primary source.</b>	Greenhouse Gas Emissions, Abatement and Energy Use, p39		Full	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Our Products, p20-21 Greenhouse Gas Emissions, Abatement and Energy Use, p40-41		Partial	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Greenhouse Gas Emissions, Abatement and Energy Use, p37		Partial	
EN12	<b>Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.</b>	Biodiversity and Native Revegetation, p39-40		Partial	7, 8
EN13	Habitats protected or restored.	Biodiversity and Native Revegetation, p39-40		Partial	7, 8
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Biodiversity and Native Revegetation, p39-40		Full	
EN16	<b>Total direct and indirect greenhouse gas emissions by weight.</b>	Greenhouse Gas Emissions, Abatement and Energy Use, p38		Full	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Greenhouse Gas Emissions, Abatement and Energy Use, p37		Partial	8
EN28	<b>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.</b>	Full GRI & UNGC Index, online	We did not receive any fines or non-monetary sanctions for non-compliance with environmental laws and regulations.	Full	
Labour					
DMA	Disclosures on management approach.	Workplace, p25-31			
LA1	<b>Total workforce by employment type, employment contract, and region.</b>	Employee graphs, p30-31		Full	

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LA2	<b>Total number and rate of new employee hires and employee turnover by age group, gender, and region.</b>	New Hires, p31		Partial	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Remuneration and Bonuses, p30		Partial	
LA4	<b>Percentage of employees covered by collective bargaining agreements.</b>	Respecting Rights at Work, p29		Full	3
LA7	<b>Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.</b>	Health and Safety Performance, p26		Partial	
LA8	<b>Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.</b>	Employee Wellbeing, p26-27		Partial	
LA10	<b>Average hours of training per year per employee by employee category.</b>	Training and Development, p28-29		Partial	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Training and Development, p28-29		Partial	
LA12	Percentage of employees receiving regular performance and career development reviews.	Full GRI & UNGC Index, online	100% of our employees receive regular performance and career development reviews.	Full	
LA13	<b>Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.</b>	Employee graphs, p30-31 Our Board, p16		Partial	6
Human Rights					
DMA	Disclosures on management approach.	Code of Conduct, p17			

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		Respecting Rights at Work, p29 Respecting Rights, p18			
HR3	<b>Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.</b>	Code of Conduct, p17 Respecting Rights at Work, p29		Partial	
HR4	<b>Total number of incidents of discrimination and actions taken.</b>	Respecting Rights at Work, p29		Full	6
HR5	<b>Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.</b>	Respecting Rights at Work, p29		Full	3
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Respecting Rights, p18		Full	
HR 11	<b>Number of grievances related to human rights filed, addressed, and resolved</b>	Respecting Rights, p18 Respecting Rights at Work, p29		Full	1-6
Society					
DMA	Disclosures on management approach.	Community, p32-35			
SO1	<b>Percentage of operations with implemented local community engagement, impact assessments, and development programs.</b>	Community Investment Programs, p33-34		Full	
SO2	<b>Percentage and total number of business units analysed for risks related to corruption.</b>	Compliance, p17		Full	
SO3	<b>Percentage of employees trained in organization's anti-corruption policies and procedures.</b>	Code of Conduct, p17 Corruption and Anti-Competitive Behaviour, p17		Partial	1-6, 10

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SO4	<b>Actions taken in response to incidents of corruption.</b>	Corruption and Anti-Competitive Behaviour, p17 Respecting Rights at Work, p29		Full	
SO5	<b>Public policy positions and participation in public policy development and lobbying.</b>	Government Lobbying and Public Policy, p23-24		Full	7
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Donations, p18		Full	7
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Full GRI & UNGC Index, online	There were no legal actions for anti-competitive behaviour, anti-trust or monopoly practices.	Full	
SO8	<b>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.</b>	Full GRI & UNGC Index, online	There were no fines received or non-monetary sanctions for non-compliance with any laws or regulations	Full	
Product Responsibility					
DMA	Disclosures on management approach.	Our Products, p20 Operational Excellence, p21-22 Risk Management, p17 Compliance, p17 Ethical Behaviour, p17-18 Full GRI & UNGC Index, online			
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		There have been no incidents of non-compliance concerning the health and safety impacts of our products and services reported or recorded	Full	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.		There have been no incidents of non-compliance concerning product and service information and labelling reported or recorded	Full	

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PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		There have been no incidents of non-compliance concerning marketing communications reported or recorded	Full	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		There have been no complaints regarding breaches of customer privacy and losses of customer data reported or recorded	Full	
PR9	<b>Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.</b>		There were no fines received	Full	
Electric utility Sector Supplement					
DMA	Disclosures on management approach.	Operational Excellence, p21-22 Health and Safety, p.25-26			
EU1	Installed capacity, broken down by primary energy source and by regulatory regime.	Installed Capacity, p19	All Australian assets are part of the National Electricity Market which is operated by the Australian Energy Market Operator (AEMO); except for the Ord in Western Australia, which is regulated by the Economic Regulation Authority of Western Australia.  All assets in Brazil are regulated by the National Agency of Energy Electricity (ANEEL).  All assets in Chile are part of the Central Interconnected System (SIC, Sistema Interconectado Central), which is operated by the Centre for the Economic Load Dispatch (CDEC).	Full	
EU16	Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	Health and Safety, p.25-27		Partial	

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EU19	Stakeholder participation in the decision making process related to energy planning and infrastructure development.	Consultation and Engagement with Communities, p32-33		Partial	
SO1 (EU SS)	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	Community Investment Programs, p33-34		Full	