



Towards Sustainability

2003





This Report features the children of CitiPower and Powercor employees and we thank both parents and children for their support.



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Towards Sustainability 2003

Contents

About this Report	1	Goal 5: Continually improve our Environmental Management System by establishing, monitoring and reviewing environmental objectives and targets	26	Goal 3: To report on labour practices, employee profile and diversity	42
Message from the CEO	2	Certification to ISO 14001	26	Employee Covered by Award	42
Performance Highlights	3	Going Forward	26	Employee Claims	42
Environmental Performance Highlights	3	Goal 6: Consult and communicate with our employees, the government and regulatory authorities on significant environmental matters relevant to our activities	27	Employment Profile	43
Social Performance Highlights	4	Vegetation Management	27	Going Forward	43
Performance at a Glance	5	Easement Management Policy	28	Goal 4: To be a leading distributor in the provision of customer service	44
Organisational Overview	7	Going Forward	28	Customer Service	44
Profile	7	Goal 7: Partner with the community and NGOs in programs encouraging environmental responsibility and sustainability	29	Stakeholder Engagement	44
Management and Governance	9	Going Forward	32	Going Forward	44
Vision	9	Goal 8: Apply the principles of continual improvement, pollution prevention and waste minimisation	33	Goal 5: To provide sustained improvement in reliability of supply	45
Values	9	Reduce and Recycle	33	CitiPower Network Performance	45
Corporate Governance	9	Going Forward	34	Powercor Network Performance	46
Environmental Management	10	Goal 9: Report annually on environmental performance and compliance	35	Going Forward	46
Health and Safety Management	13	Social Performance	36	Goal 6: To establish CitiPower and Powercor as a responsible corporate citizen with respect to the environment, public safety, and the economic and social well-being of the community	47
Management Systems	14	Goal 1: To improve employee satisfaction, commitment and motivation	37	Community Reputation Index	47
Policies	15	Employee Benefit Scheme	37	Public Safety	47
Environmental Performance	16	Employee Development	37	Apprenticeships	47
Goal 1: Comply with environmental legislation, regulation and voluntary commitments	16	Employee Satisfaction	38	Economic and Social Well-Being	48
Legal Compliance	17	Employee Turnover	38	A Vision for Becoming a Sustainable Business	49
Voluntary Initiatives	17	Employee Recognition	38	Global Reporting Initiative	51
Going Forward	18	Sponsorships	38	Supplementary Publications and Additional Sources of Information	56
Goal 2: Promote a culture of environmental responsibility among our employees and contractors and ensure that they are aware of their environmental obligations	19	Going Forward	38	Feedback on our 2003 Towards Sustainability Report	56
Environmental Training	19	Goal 2: To improve our health and safety performance	39		
Environmental Awareness	19	Lost Time Injuries	39		
Environmental Expertise	20	Medical Treatment Injuries	40		
Going Forward	20	SafetyMAP Certification	40		
Goal 3: Minimise the environmental impacts of our assets and operations	21	Days Lost	41		
Managing Hazardous Substances	21	Going Forward	41		
Bushfire Mitigation	21				
Visual Amenity	22				
Going Forward	23				
Goal 4: Use materials and resources effectively, maximising their value to the community and to future generations	24				
Going Forward	25				

About this Report



This report is the first 'Towards Sustainability Report' prepared by CitiPower and Powercor, and illustrates the organisation's commitment to transparently reporting its sustainability performance.

While Powercor has publicly reported on its environmental performance since 1999 and its community involvement since 2001, this 'Towards Sustainability Report' is the first to provide information relating to CitiPower and Powercor as a combined entity. It also represents our commitment to move towards a comprehensive, integrated sustainability report providing information about our environmental, social and economic performance.

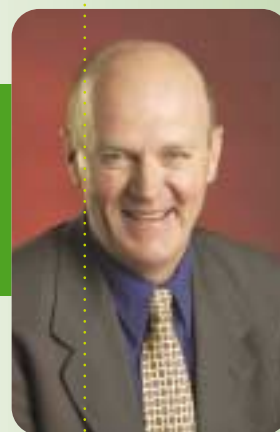
We recognise that the organisation's financial sustainability is linked to our environmental and social performance. As part of our challenge to continually improve our performance overall, we will measure and report on our broader sustainability achievements and aim to become a leader in our sector. Accordingly, this report represents our first step on this journey.

It should be noted that information contained within this report is limited to our environmental and social performance. Our economic performance is detailed in our Annual Report 2003 and interested stakeholders may wish to read it in conjunction with this report to obtain a more complete picture of our sustainability performance.

While this report has not strictly been prepared in accordance with the 2002 Global Reporting Initiative (GRI) Guidelines, we have sought to align with the Guidelines with the incorporation of a GRI Content Index, which links reported information to GRI indicators.

This report presents CitiPower and Powercor's environmental and social performance for the period 1 January 2003 to 31 December 2003.

Message from the CEO



If a company is to achieve success for all its stakeholders – its shareholders, employees and the community – it is no longer acceptable to pursue economic efficiencies alone.

Today, a successful business is one whose decision-making processes also take into consideration the well being of its workforce, the environment and the communities in which it operates.

At CitiPower and Powercor, we are committed to the principles of environmental sustainability and social responsibility, and the aim of this Report is to provide you with information on our environmental and social performance in 2003.

As detailed in the Report, we have demonstrated our commitment to the health, safety and general well being of our employees by ensuring our workplaces and practices meet the criteria to attain Advanced Level SafetyMAP (Edition 4) certification, and our Human Resources Policies ensure conditions of employment for both our contract and union employees are of the highest standard.

We work in partnership with several community and environmentally focussed groups to support the communities in which we operate. This includes such activities as tree planting and revegetation projects, educational sponsorships, programs to reduce the spread of pest plants and disease, and a program to recycle wastewater.

In 2004 we are continuing to make recycling, green purchasing, office waste reduction and environmental rejuvenation projects a high priority.

However we are aware of the impacts our assets and operations have on the current and future environment and we acknowledge that there are areas where CitiPower and Powercor need to make improvements. We will develop a comprehensive response not only for our business but also for the communities we serve. This will include developing and implementing policies and programs to respond to issues that impact on the whole community, including greenhouse gas emissions.

Electricity is a wonderful product and it is difficult to imagine life without it. Yet as a community we must learn to generate, transmit, distribute and use electricity in ways that reduce its impact on the environment now and for future generations.

This is our challenge, a challenge we at CitiPower and Powercor will accept and meet in the coming years.

A handwritten signature in blue ink that reads "Shane Breheny".

Shane Breheny
Chief Executive Officer

Performance Highlights



Environmental Performance Highlights

Certification to ISO 14001

In 2003, the Environmental Management Systems of CitiPower and Powercor were combined. For the first time, CitiPower was audited for compliance to ISO 14001 and was successful in achieving certification. Powercor, which had already achieved certification, successfully underwent an audit to maintain certification.

Taking the Lead on Weeds

Powercor's *Taking the Lead on Weeds* program was awarded a United Nations Association of Australia Environment Award in 2003.

Landcare Partnership

CitiPower entered into two sponsorships with Landcare in 2003, one located at Merri Creek, Northcote, and the other at Loy's Paddock, Richmond. Powercor supported the Sheepwash Creek Landcare Group as well as sponsoring regional Landcare Awards.

The Future is in the Wind

Powercor was involved in one of the most challenging alternative energy projects in Australia – the interconnection of the giant Chalice Hills Wind Farm at Buangor, near Ararat.

Wastewater Recycling

As part of a project with Barry Brothers, Telstra and the City of Port Phillip, CitiPower began recycling the majority of its wastewater for reuse in the irrigation of parks, gardens and sports ovals.

Greening Australia

Powercor sponsored the final site of Greening Australia's 2003 Spring Planting Festival, planting more than 3,000 seedlings along the Werribee River.

The Enviro Challenge

In 2003, CitiPower joined Powercor for the first time in the Enviro Challenge to see which site could reduce copy paper use by the largest percentage. Company-wide, we recorded a decrease of 9.05%, or 1,393 reams of paper.



Social Performance Highlights

Community Partnerships

CitiPower and Powercor continued to support the community through donations and sponsorships in the following areas:

- Arts and Culture
- Business Support and Business Awards
- Community
- Environment
- LifeFlight Helicopter.

Business Excellence Awards

In 2003, CitiPower became a major sponsor of the City of Port Phillip's Business Excellence Awards. The Awards are a celebration of the achievements of local businesses and an important channel through which to foster local networks and business development in the community.

Powercor extended its support to 20 Business Awards across its network.

Powercor LifeFlight Community Rescue Helicopter Service

Powercor continues to support the LifeFlight Community Rescue Helicopter Service – a not-for-profit organisation established to ensure Victorians receive aeromedical and rescue assistance when and where they need it most.

Australian Maintenance Engineering Awards

Powercor received two prestigious awards for excellence in maintenance engineering in 2003:

- Australian Maintenance Engineering Excellence Awards
- The Maintenance Engineering Society of Australia's Management Award.

Asset Maintenance Manager Kieran Skelton was named runner-up in the Maintenance Engineering Society of Australia's Leadership Awards.

SafetyMAP Certification

In 2003, both CitiPower and Powercor's SafetyMAP certification was upgraded to Advanced Level (Edition 4).

Lost Time Injuries

In January 2003, Powercor achieved a health and safety first recording 12 months without a lost time injury. CitiPower achieved the same milestone in May 2003.

Combined Health and Safety Policy

CitiPower and Powercor established a common Health and Safety Policy in 2003.



Performance at a Glance



A summary of our key performance indicators against our performance targets is presented in the table below. Detailed information on our performance is provided in the environmental and social performance sections of this report.

We are still in the process of reviewing our internal data collection and management systems to facilitate trend analyses in our performance areas. We strive to provide quantitative information and report information against targets where available.

Objectives and targets are important as they enable the translation of policies into focussed actions and allow us to measure the success of those actions. We currently have a number of management targets and limited quantitative targets in place with regard to environmental and social performance. We see the public reporting of our targets and performance as a demonstration of our commitment and transparency.

What we measure	CitiPower		Powercor	
	Our Target	How we performed	Our Target	How we performed
Environment: Compliance				
Number of Environmental Prosecutions	0	No prosecutions reported	0	No prosecutions reported
Number of Releases	0	No releases to the environment resulted in damage to the environment or impacted on beneficial uses	0	Three incidents resulted in releases to the environment. All releases were managed to the requirements and satisfaction of the Environment Protection Authority.
Bushfire Mitigation				
Bushfire Mitigation Index (during declaration period)	Not Applicable to CitiPower		0	Powercor could not meet this target for a number of weeks during the Declared Fire Season because of access difficulties, including poles located in crops
Customer Satisfaction – Vegetation Management	Not Applicable to CitiPower		93%	Powercor reported a rating of 87%. The target of 93% was not met and the rating had decreased from the 89% reported in 2002. This was partly due to the increased amount of works in urban areas. Additional measures have been planned in order to improve our performance.
PCB Management				
Zone Substation PCB Capacitors Removed	CitiPower removed and destroyed its PCB contaminated capacitors between 1999 and 2001		189	Powercor removed all 189 capacitors as planned

* For the purpose of this report, a 'release to the environment' refers to instances where beneficial uses of the environment have been compromised, that is, where pollution has occurred.

What we measure	CitiPower		Powercor	
	Our Target	How we performed	Our Target	How we performed
Employee Satisfaction Index	70%	Our employee satisfaction of 68% was below the target but 6% higher than the average for Australian companies	70%	Our employee satisfaction of 68% was below the target but 6% higher than the average for Australian companies
Number of Lost Time Injuries	0	CitiPower achieved a milestone of 12 months without a lost time injury in May 2003 and continued that high level of performance for the remainder of 2003	0	Powercor achieved a health and safety first in January 2003 with no lost time injuries recorded in 12 months. That level of performance was not maintained which resulted in our inability to meet our target.
Number of Medical Treatment Injuries	9	CitiPower achieved its target for the year with five medical treatment injuries recorded in 2003	30	Powercor recorded 22 medical treatment injuries in 2003. We met our target for the year and bettered our performance for 2002.
Community				
Community Reputation Index	> 50%	CitiPower met its target with a Community Reputation Index of 51.2%, an improvement on the 47.8% previously reported	>50%	Powercor met its target with a Community Reputation Index of 59.2%, an improvement on the 51.4% previously reported
Community Reputation Index – Comparative ranking among six surveyed utilities	Top 25%	CitiPower was ranked fifth out of six companies surveyed	Top 25%	Powercor was ranked first out of six companies surveyed, thus achieving its target of being ranked in the top 25%
Customers and Suppliers				
Customer complaints per 1,000 distribution customers	0.42	CitiPower recorded 0.23 complaints, an improvement on the 0.44 complaints reported in 2002	0.27	Powercor recorded 0.24 complaints, an improvement on the 0.25 complaints reported in 2002
Call centre grade of service	80%	CitiPower answered 90% of its customer calls within 30 seconds	80%	Powercor answered 79% of its customer calls within 30 seconds
System average interruption duration index – unplanned	32 minutes	CitiPower reported 23.91 minutes of unplanned interruptions, an improvement on the 32.4 minutes reported in 2002	175.88 mins	Powercor reported 164.1 minutes of unplanned interruptions (with ESC exemptions), an improvement on the 186.6 minutes reported in 2002
System average interruption frequency index – planned	9 minutes	CitiPower reported 6.67 minutes of planned interruptions, an improvement on the 8.6 minutes reported in 2002	15.74 mins	Powercor reported 11.6 minutes of planned interruptions, an improvement on the 16.7 minutes reported in 2002
System average interruption frequency index – unplanned	0.75 minutes	CitiPower reported a frequency of 0.506 minutes, an improvement from 0.69 minutes reported in 2002	2.08 minutes	Powercor reported a frequency of 2.18 minutes. While not meeting its 2003 target, the performance was an improvement from the 2.21 minutes reported in 2002.
Customer Satisfaction (percentage of customers rating 'satisfied' or 'very satisfied' according to certain parameters)	Not Applicable to CitiPower in 2003. CitiPower will be measured on this performance in 2004.		There was no corporate target for 2003 (measurement and target were at business unit level) Powercor achieved a customer satisfaction of 76% ('satisfied' and 'very satisfied')	



Organisational Overview



Profile

CitiPower and Powercor are two of Victoria's five privately owned electricity distribution businesses. CitiPower owns and operates the electricity distribution network covering Melbourne's Central Activity District (CAD) and the inner suburbs. Powercor owns and operates the electricity distribution network in western and central Victoria, including some of Melbourne's western suburbs. Together, we provide electricity to more than 890,000 customers.

As electricity distribution businesses, we own and operate the distribution networks that deliver electricity to our customers. Our key stakeholders are our customers, our employees, our shareholders and our local communities.

CitiPower Network Profile

- CitiPower is Victoria's most reliable network electricity distributor
- We own and manage the electricity distribution network covering Melbourne's CAD and inner suburbs, and currently have a regulated asset base of \$875 million
- We deliver electricity to more than 273,000 customers who buy it from their electricity retailer
- Our network covers 157 square kilometres and includes 39 zone substations, 4,286 distribution transformers, and approximately 3,920 kilometres of overhead and underground cables.

We employ a highly skilled and experienced team of 170 employees and engage a number of contractors and suppliers. Network Services provides design, construction and maintenance work.

Powercor Network Profile

- Powercor's network is the largest in Victoria in terms of size and number of customers
- We have a regulated asset base of \$795 million, covering around 65% of the State. Our network spans from the western suburbs of Melbourne to the Murray River and the South Australian border, linking southwest Victoria, the Murray and Goulburn valleys, and the Wimmera region
- We deliver electricity to more than 620,000 customers
- Our network covers 150,000 square kilometres, and includes 63 zone substations, 74,000 distribution transformers, and approximately 82,000 kilometres of overhead and underground cables.

Our team of 150 dedicated employees plans and manages the ongoing development, maintenance and operation of the network. Design, construction and maintenance work is undertaken by our Network Services group, which operates from 12 business centres around Victoria and is supported by a network of Local Service Agents in an additional 14 regional locations.

Subsidiaries

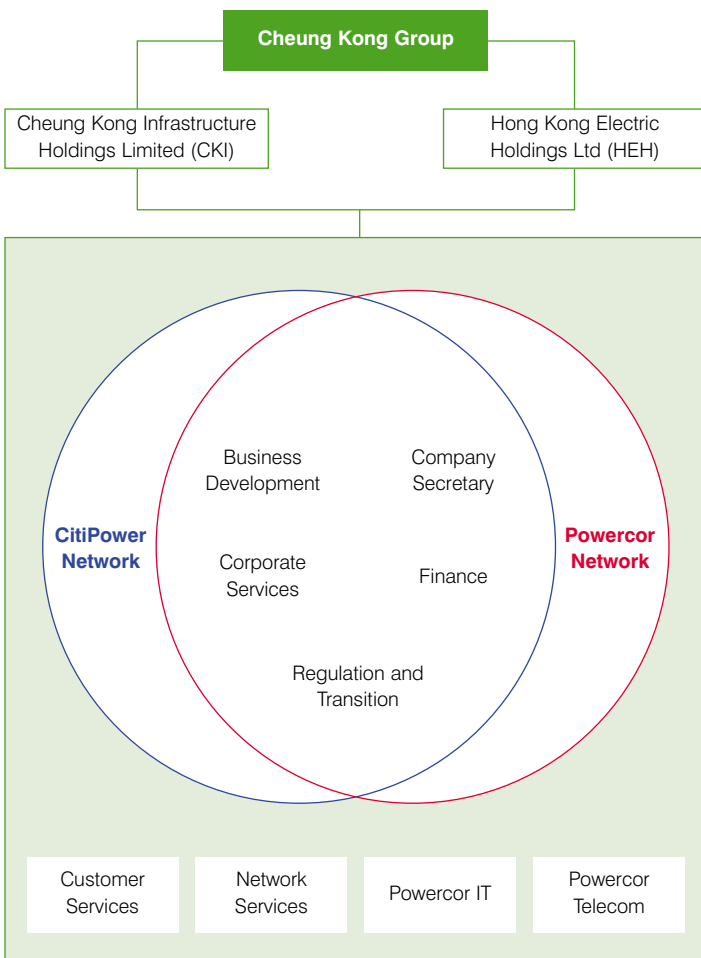
In addition to our core regulated businesses, Powercor has four wholly owned non-regulated businesses:

- An engineering, design and construction services business – Network Services
- A telecommunications business – Powercor Telecom
- An information technology services business – Powercor IT
- A customer service business providing services in the contestable market – Customer Services.

Support Services

Supporting the two electricity distribution businesses are more than 1,000 employees working in areas including finance, regulation, corporate services, business development and company secretary. Both networks, the subsidiaries, and all support services are managed under one CEO.

CitiPower and Powercor Organisational Structure



Stakeholders

We strive to deliver excellent returns to our four key stakeholder groups – shareholders, customers, the community, and our employees. We have established strategic priorities to address our key stakeholders' requirements, and comprehensive plans are being implemented to achieve them.

Shareholders

Our shareholders are those who own the business. CitiPower and Powercor are jointly owned by Cheung Kong Infrastructure (CKI) and Hong Kong Electric Holdings Limited (HEH).

Customers

Our customers are those to whom we provide network distribution services.

Community

Our community includes those who live within the broader communities in which we operate.

Employees

Our employees are those working for CitiPower and Powercor on a full-time, part-time, or contract basis.

Other stakeholders include our suppliers, the energy supply association of australia (esaa), government and regulatory bodies, unions, environmental and public advocacy organisations, and the Australian Consumers' Association (ACA).

We do not currently have a formal process for the identification and selection of stakeholders. This issue is to be given greater consideration and we will report on our progress in the next reporting period.



Management and Governance



Vision

CitiPower and Powercor will be a leading distribution business in Australia with outstanding performance. We strive to excel in financial performance, productivity, supply reliability, customer service and community perception.

We will benchmark ourselves closely against other electricity distribution businesses in Victoria, and indeed, in other parts of the world as appropriate, to ensure that we attain the outstanding performance level as per our Vision.

Our priorities in supporting this Vision are:

- The performance of our core electricity distribution business
- Customer service
- Team spirit across the organisation
- Co-ordinated policy and co-ordinated control
- Longer term planning
- Synergy management with our sister company, ETSA Utilities
- A concerted effort to develop new businesses.

Values

CitiPower and Powercor are committed to:

- Excellence and innovation
- Satisfied customers and motivated employees
- Ethical and fair standards and behaviour
- Strategies and practices that are environmentally responsible
- Personal safety of employees and the community
- Working as a team that trusts and respects each other.

These values were developed in consultation with our employees. They are of key importance to us and influence the way we carry out our day-to-day activities and the achievement of the companies' strategic objectives.

Corporate Governance

Our CEO is responsible for managing and overseeing the daily operation and implementation of our policies and strategies.

We have 12 Directors on our Board with four Board Committees to manage the following areas:

- Risk Management
- Remuneration
- Audit
- Compliance.

Additional information regarding the composition and expertise of Board members and senior management can be obtained from our 2003 Annual Report.

Corporate and Sustainability Governance at CitiPower and Powercor





Environmental Management

At CitiPower and Powercor, we have a comprehensive structure for managing environmental issues.

The majority of environmental issues relate to the CitiPower and Powercor electricity distribution networks. These issues are managed by employees with specific environmental responsibilities. They are supported by Site Environmental Representatives across all locations.

Powercor's Regional Asset Managers also have environmental management responsibilities.

The Environmental Strategy Group, which is made up of representatives from across CitiPower and Powercor, provides strategic guidance and support.

Ultimately, our CEO and Board have overall responsibility for the environmental performance of the business.

Environmental Strategy Group

The Environmental Strategy Group is a cross-functional team that meets monthly. The Group is chaired by the General Manager Corporate Services and consists of representatives from business units with an environmental responsibility or involvement.

The Group develops and monitors the annual Environmental Plan, which details environmental actions specific to business units, as well as both companies. The Group provides a forum for cross-business unit discussion, increasing understanding and cooperation on environmental issues, and allowing emerging issues to be tracked. It also aims to create a culture of environmental awareness and responsibility among employees and to promote and report on CitiPower's and Powercor's environmental credentials, both internally and to the wider community.



Network Environmental Management

The General Managers of both networks are responsible for the management and performance of the Environmental Management System. There are employees in each network business with specific environmental responsibilities.

These responsibilities include:

- Ensuring that an effective Environmental Management System is developed, documented and implemented; that it is certified to the International ISO 14001 Standard; and that its certification is maintained
- Acting as a resource and mentor for line managers and supervisors where environmental issues arise in operational areas
- Coordinating a response to environmental issues and the development of new policies and procedures
- Planning medium to long-term environmental activities
- Providing technical and policy advice to the environmental strategy group
- Monitoring, reporting and responding to external matters that may affect existing or future operations, including amendment of legislation, planning scheme amendments, government policies and research and development
- Liaison with external bodies and the community.



CitiPower Environmental Management and Planning Committee

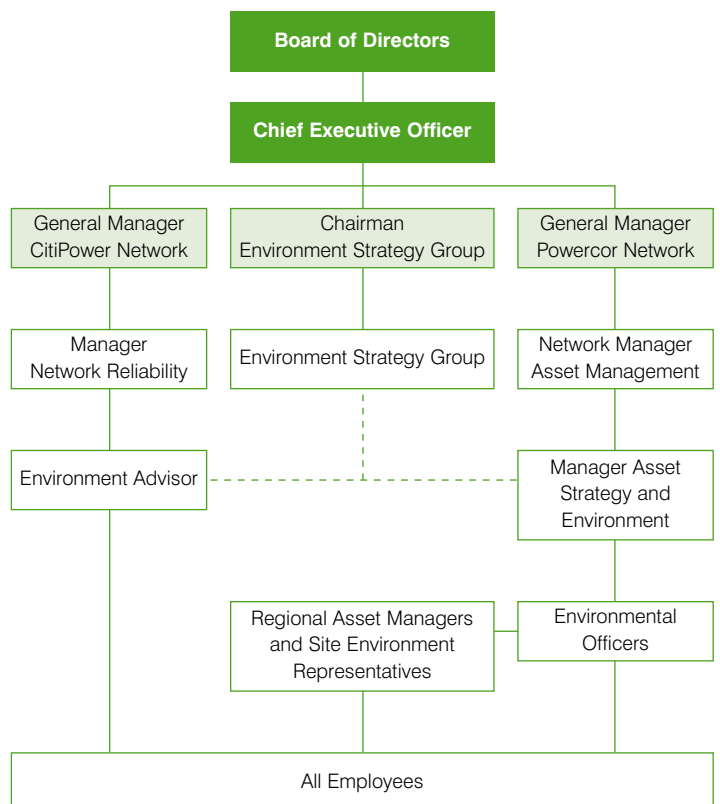
The CitiPower Environmental Management and Planning Committee meets every two months to discuss key environmental issues relevant to the network, and to monitor the progress of various environmental projects within CitiPower’s Network Plan.

Customer Consultative Committee

A Customer Consultative Committee was established in 2000 to strengthen the partnerships and understanding between CitiPower and Powercor, and the communities we serve.

Customer Consultative Committee members work with management, providing input and comments on policy areas of our business operations and development. The Committee meets four times a year.

Environmental Management Structure



Health and Safety Management

There are two key components to health and safety management at CitiPower and Powercor. They are the Health and Safety Steering Committee and Local Health and Safety Committees.

Health and Safety Steering Committee

The Health and Safety Steering Committee meets bi-monthly and comprises the Chief Executive Officer, General Manager Network Services, General Manager Powercor Network, General Manager CitiPower Network, General Manager Corporate Services, Manager Health and Safety, Network Access and Safety Manager, Manager Safety and Works Practices and a representative from each of the Local Health and Safety Committees.

The Health and Safety Steering Committee:

- Facilitates cooperation between CitiPower and Powercor and employees in instigating, developing and carrying out measures designed to ensure the health and safety of all employees at work
- Formulates, reviews and disseminates the standards, rules and procedures relating to health and safety that are carried out or complied with at CitiPower and Powercor and provides direction on strategic matters
- Monitors the overall health and safety performance including the progress of programs (including hazard management) and initiatives throughout the business
- Supports and facilitates health and safety promotion and communication throughout the business
- Considers issues common across CitiPower and Powercor that are unable to be resolved at a local level and ensures resolution.

Local Health and Safety Committees

Local Committees consist of nominated management representatives and elected employees, representing designated work groups at the site.

Local Health and Safety Committees:

- Facilitate cooperation between management and employees in instigating, developing and carrying out measures designed to ensure the health and safety of all employees at work
- Review and disseminate performance results, accident/incident reports, audit reports and matters relating to health and safety within CitiPower and Powercor. They also provide direction on local matters.
- Support and facilitate the process of consultation and communication in the workplace so that members can report and discuss health and safety matters
- Consider issues that cannot be resolved directly in the workplace.

Health and Safety Manual

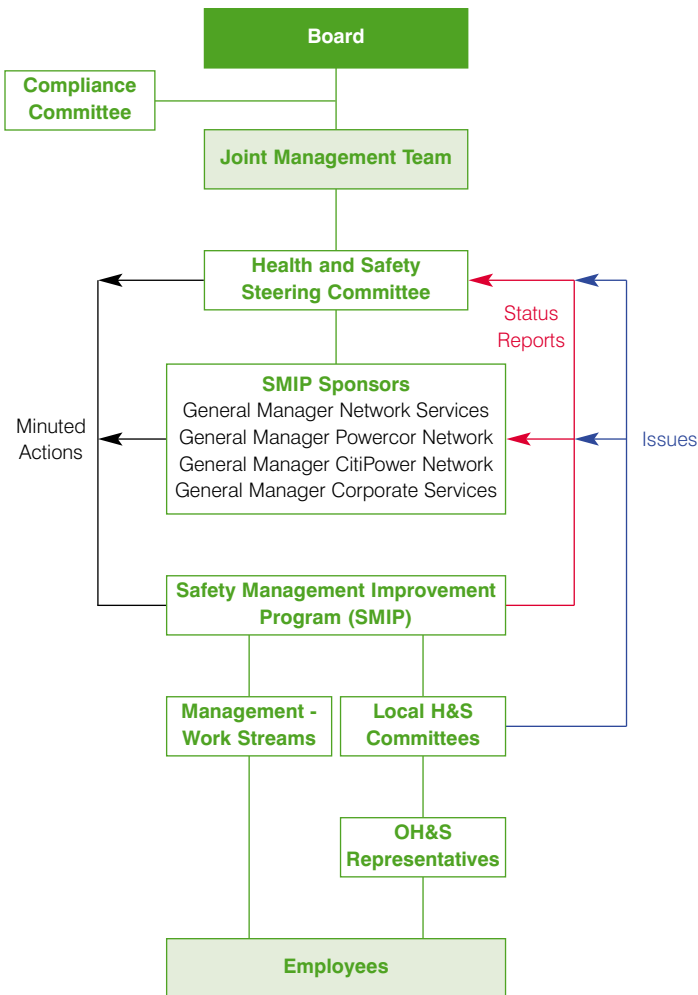
The CitiPower and Powercor Health and Safety Manual is an integral part of our Health and Safety Program. It provides guidance on all areas of health and safety and identifies the major hazards associated with work conducted within CitiPower and Powercor.

The Health and Safety Manual provides comprehensive reference information regarding health and safety policies, procedures and work instructions.





Health and Safety Management Structure



Management Systems

The CitiPower and Powercor Quality, Safety and Environmental Management Systems were all consolidated during 2003.

Environmental Management System

The Environmental Management System (EMS) is the framework by which our Environmental Policy, which was revised in 2003, is implemented. It provides a means for identifying any environmental issues, developing solutions to those issues and ensuring solutions are then implemented.

The CitiPower and Powercor EMS has been certified to the International Standard ISO 14001. High levels of environmental management within CitiPower and Powercor are required to ensure our ongoing compliance to the Standard.

Health and Safety Management System

Our Health and Safety Management System carries SafetyMAP certification. The safety of our employees and the public is paramount and the systematic identification and prevention of operational risks is crucial to ensure employee and public safety as we go about our day-to-day activities.

CitiPower and Powercor's commitment to health and safety was recognised when CitiPower was upgraded from SafetyMAP Advanced Level (Edition 3) to SafetyMAP Advanced Level (Edition 4), and Powercor was upgraded from SafetyMAP Initial Level (Edition 3) to SafetyMAP Advanced Level (Edition 4).

Quality Management System

Our Quality Management System is certified to ISO 9001, and 2003 saw the certification of CitiPower, Powercor and Powercor Telecom to ISO 9001: 2000.

Policies

CitiPower and Powercor Environmental Policy

The CitiPower and Powercor Environmental Policy was revised in 2003 to reflect the environmental commitment of both companies. The Policy is displayed in the reception areas of both businesses, on all local notice boards, and is made available to the public on our website.

CitiPower and Powercor are committed to the principles of sustainable development and managing our business in an environmentally responsible manner.

Our goal is to:

- Comply with environmental legislation, regulation and voluntary commitments
- Promote a culture of environmental responsibility among our employees and contractors and ensure they are aware of their environmental obligations
- Minimise environmental impacts of our assets and operations
- Use materials and resources efficiently, maximising their value to the community and to future generations
- Continually improve our Environmental Management System by establishing, monitoring and reviewing environmental objectives and targets
- Consult and communicate with our employees, the community, government and regulatory authorities on significant environmental matters relevant to our activities
- Partner with the community and Non Government Organisations in programs encouraging environmental responsibility and sustainability
- Apply the principles of continual improvement, pollution prevention and waste minimisation
- Report annually on environmental performance and compliance.

signed

Shane A Breheny

Chief Executive Officer

Date: 1/7/2003

Revision by: 30/6/2006

Health and Safety Policy

CitiPower and Powercor

At CitiPower and Powercor, our commitment to the health and safety of our employees, contractors, customers and the wider community is clear: We will never compromise health and safety to get a job done.

Our responsibility for health and safety is three-fold:

1. As a company, the Management Team has responsibility under the Occupational Health and Safety Act to take all practicable measures to provide a safe workplace and system of work for all employees and contractors
2. As individuals, we have responsibility for our own health and safety and for those around us that may be affected by our actions
3. As a company we will take reasonable care for the safe design, construction, operation and maintenance of our network assets.

To realise our commitment, we must strive to:

- Actively manage risk and continuously improve processes
- Maintain a healthy and safe work environment
- Ensure network assets are safe and operated safely
- Develop and implement safe procedures and work practices
- Involve and educate employees and contractors in safe work practices
- Actively assist employees who have sustained an injury.

Together, we must work to not only comply with, but to exceed the health and safety standards of the law. We must recognise that all accidents are avoidable and work to eliminate their root causes from our workplace.

Together, we will achieve the highest standards of Health and Safety.

signed

Shane A Breheny

Chief Executive Officer

4 May 2004

Environmental Performance



2003 was the first full year of operation by the business as an integrated entity since CitiPower was purchased by Cheung Kong Infrastructure Holdings Ltd and Hong Kong Electric Holdings Limited. The Environmental Strategy Group, with representatives from CitiPower and Powercor, continued to facilitate the actioning of the organisation's environmental commitments, and explore opportunities for improvement in environmental performance.

A revised Environmental Policy reflecting the environmental commitment of both companies was finalised and implemented in July 2003. The Policy provides the focus and ensures that planned activities are consistent with the vision of both CitiPower and Powercor. The Annual Environmental Plan, the guiding document for the management of environmental issues, was updated in 2003 with activities specific to each of the goals set out in the CitiPower and Powercor Environmental Policy.

The key environmental issues we faced as an organisation in 2003 were:

- Integrating CitiPower's and Powercor's Environmental Management Systems
- Raising awareness of environmental responsibilities across the business in an integrated manner
- Developing a new joint Environmental Policy for CitiPower and Powercor
- Developing a partnership approach with environmental groups
- CitiPower's certification to ISO 14001
- Powercor's recertification to ISO 14001.

Our environmental performance is examined under the nine goals of our Environmental Policy.



Goal 1: Comply with environmental legislation, regulation and voluntary commitments

Legal Compliance

The protection of the environment and the community in which we operate is of paramount importance. We have compliance indicators to monitor our performance and we maintain our reporting obligations to the Environment Protection Agency. We consider legal compliance to be the minimum performance standard and we continually seek to improve our environmental performance beyond that which is legally mandated.

What we have achieved

- ✓ CitiPower kept a 'clean slate' in 2003 and maintained its performance from 2002 against all of its compliance indicators.
- ✓ All of CitiPower's and Powercor's mandatory submissions to the EPA were accepted without revisions.

CitiPower and Powercor – Compliance Performance

	CitiPower		Powercor	
	2002	2003	2002	2003
Notifications from EPA (no.)	0	0	1	0
EPA orders (no.)	0	0	0	0
Environmental violations resulting in fines (no.)	0	0	0	0
Penalties for non-compliance (\$)	0	0	0	0
Environmental prosecutions (no.)	0	0	0	0
Releases to environment (no.)*	0	0	0	3

* For the purpose of this report, a 'release to the environment' refers to instances where beneficial uses of the environment have been compromised, that is, where pollution has occurred.

Voluntary Initiatives

We recognise the importance of voluntary environmental reporting initiatives in raising the standard of disclosure and driving performance improvement (whether directly or indirectly), and we continue to report on our progress as part of industry-wide initiatives such as the esa Code of Environment Practice, or related initiatives such as the Greenhouse Challenge.

Greenhouse Challenge

Powercor has recommitted to the Greenhouse Challenge and 2003 saw the submission of Powercor's third Progress Report. Line losses from our electricity distribution network represent the most significant contributing factor to our greenhouse gas emissions. Improving and upgrading our distribution assets has two benefits:

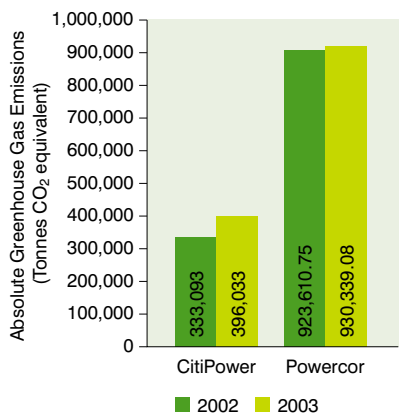
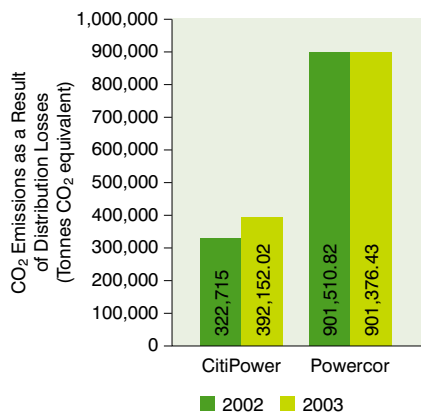
- Increasing the performance and efficiency of our system
- Reducing line losses leading to reduced emissions.

CitiPower is currently in the process of becoming a signatory to the Greenhouse Challenge and it is expected that its first submission will be completed in the second half of 2004.

CitiPower and Powercor – Greenhouse Performance

	CitiPower		Powercor	
	2002	2003	2002	2003
Absolute Distribution Losses (GWh)	295.87	287.71	661.42	661.32
Relative Distribution Losses (MWh/circuit km)	79.46	71.15	8.34	8.34
% of total load into network	4.84	5.03	6.70	6.51
% of total load used by customers	5.33	5.30	7.05	6.96
SF6 released (kg)	10.8	10.8	8.4	8.4





What we have achieved

- ✓ CitiPower decreased its distribution losses by 2.7%, and the distribution loss per circuit kilometre decreased by 10% compared with 2002.
- ✓ Powercor maintained its absolute and relative distribution losses compared with 2002.
- ✓ Powercor commissioned a number of replacements and upgrades to its distribution assets to reduce line losses. These abatement initiatives resulted in emission savings of approximately 4,200 tonnes (CO₂ equivalent).
- ✓ CitiPower carried out a number of projects to improve network efficiency which also decreased greenhouse gas emissions by an estimated 2,600 tonnes (CO₂ equivalent). It is anticipated that improved data collection will enable CitiPower to report on actual savings in the 2004 reporting period.
- ✓ The rigour of our data capture is improving. Improved metering at zone substations resulted in more accurate data on the energy input from co-generators into the Powercor system.

Where more work is needed

- ✗ Despite the abatement initiatives, CO₂ emissions as a result of distribution losses for CitiPower increased by 21% while absolute greenhouse gas emissions increased by 19% when compared with 2002. It should be noted that any increase in electricity load results in increased emissions.

Going Forward

Greenhouse Gas Emissions – We recognise that the issue of greenhouse gas emissions has extensive climate change implications. We continue to review our policy position on the issue, with the long-term view towards becoming carbon neutral. In the meantime, we will continue our emissions abatement initiatives as we tackle the issue of distribution losses – a major contributor to our greenhouse gas emissions.

Voluntary Initiatives – We will continue to identify and participate in voluntary initiatives that are relevant to our business, and which will provide positive environmental and, over time, financial outcomes.



Goal 2: Promote a culture of environmental responsibility among our employees and contractors and ensure that they are aware of their environmental obligations

We are committed to making environmental focus a basic component of our company culture, and an integral part of the way we do business. 2003 saw us make encouraging progress in our drive to develop a culture that encourages our employees and contractors to conduct their activities in an environmentally responsible manner.

Our vision is to continually improve our environmental performance and become an industry leader in environmental management.

Environmental Training

The need for environmental training was identified during a surveillance audit in 2002 and CitiPower and Powercor have now instituted environmental training programs for all relevant employees and contractors.

What we have achieved

- ✓ All field employees and contractors of Powercor were provided with environmental awareness and weed training to equip them with the necessary environmental knowledge for their work in the field. CitiPower also conducted environmental awareness training.

Environmental Awareness

The Volt is the CitiPower and Powercor intranet site and contains information on all environmental aspects of both companies.

What we have achieved

- ✓ CitiPower and Powercor revised their environmental manuals, procedures and work instructions in 2003.
- ✓ These revised documents were then placed on *The Volt* to enable all employees to access up-to-date environmental reference material relevant to their role.



Environmental Expertise

2003 saw CitiPower and Powercor consolidate our environmental expertise. We currently have three full-time-equivalent employees committed to ensuring that all network operational environmental concerns are adequately and appropriately addressed.

Case Study

2004 Environmental Calendar

A 2004 Environment Calendar was produced and distributed to all employees and some customers/organisations. The calendar featured drawings by the children and grandchildren of employees. More than 100 entries were received and 13 were selected for the calendar. The aim of the calendar was to encourage our employees, their families and others in the community to think about their environmental responsibilities and to offer a reminder of the many things we can do to help protect and preserve our environment.

Going Forward

Training – We are committed to on-going evaluation of the environmental training needs of our employees. Training will be facilitated and conducted in accordance with our training matrix.

Awareness Raising – We strive to maintain a high level of environmental awareness among our employees through engagement and training. Our contractors and service providers represent other stakeholder groups with whom we hope to engage. We will investigate the potential of programs to ensure that we systematically identify and address areas in which we can positively influence our supply chain to improve their environmental and sustainability performance.



Goal 3: Minimise the environmental impacts of our assets and operations

Managing Hazardous Substances

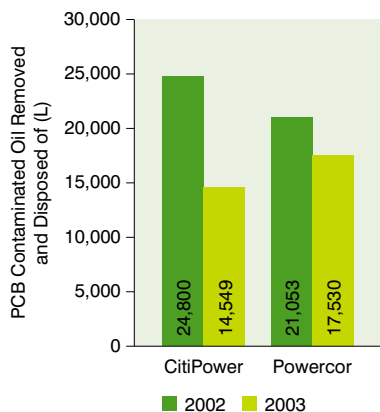
We have assets which contain oil, Polychlorinated Biphenyls (PCBs) and asbestos. Where it is not possible to substitute or eliminate the use of these substances, we seek to manage them appropriately.

What we have achieved

- ✓ CitiPower and Powercor recorded no PCB releases over the reporting period.
- ✓ Powercor removed the 189 remaining zone substation PCB capacitors from its network, as targeted.
- ✓ CitiPower removed 20 public lighting control boxes from power poles located in priority areas.
- ✓ We safely disposed of 32,129 litres of PCB contaminated oil and 23m³ of asbestos via licensed facilities, in accordance with legislative requirements.
- ✓ Powercor reported no cable oil losses.

Where more work is needed

- ✗ CitiPower reported a loss of 800 litres of cable oil in 2003, which is an increase from the 400 litres lost in 2002.

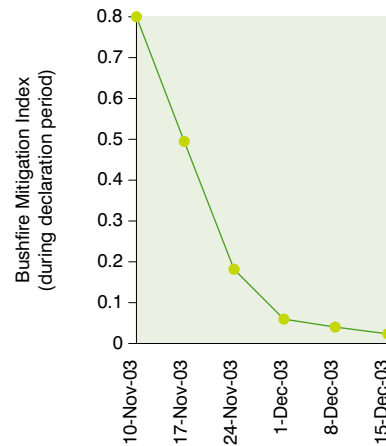


Bushfire Mitigation

Bushfire mitigation is a priority for Powercor. The Bushfire Mitigation Index (BMI) measures our performance on a range of maintenance activities that impact on potential fire risk. This Index includes compliance with tree clearance regulations, priority pole-top maintenance items and other hazards. The BMI runs for 12 months from 1 July to 30 June and is reported to the Office of the Chief Electrical Inspector (OCEI) every two weeks in the non-fire period and weekly in the Declared Fire Season.

Where more work is needed

- ✗ Powercor did not achieve its target of zero BMI for a number of weeks during the Declared Fire Season. This was due to access difficulties, including poles located in crops.





Visual Amenity

CitiPower has 1,739km of underground cables, comprising 43% of its network. Powercor has 7,552.2km of cables underground. This represents 9.21% of the network and is an increase from the 7.31% reported in 2002.

Case Studies

CitiPower Noise Abatement Works

Noise pollution is an issue in many inner Melbourne suburbs. In 2003, CitiPower completed significant noise abatement projects, resulting in reduced noise emissions from several zone substations.

CitiPower regularly conducts noise sampling at all of its zone substations, with any elevated levels referred for independent expert advice. In the event that advice confirms the noise level emitted from the substation exceeds Environment Protection Authority (EPA) levels, a number of options are investigated to determine the most appropriate and cost-effective means of reducing those noise levels. Options include relocating the substation, installing new, quieter transformers, modifying load distribution, minor engineering modifications, or constructing an enclosure around the substation to reduce noise levels.

CitiPower submitted a draft Environment Improvement Plan for Noise to the EPA for consideration in 2003. The Plan detailed our long-term commitment to improving noise emissions across the network and outlined our new customer complaint procedure.

The Future is in the Wind

Powercor was involved in one of the most challenging alternative energy projects in Australia – the interconnection of the giant Challeicum Hills Wind Farm at Buangor, near Ararat. The project comprised 35 turbines, each capable of approximately 1,500kW output, giving a total export capacity of 52.5MW – enough to power more than 25,000 homes.

Powercor constructed a switching station at Buangor, which enabled a spur line to extend to the 66kV transformers.

Electricity generation from the wind farm avoids the conventional burning of coal or gas and will save 180,000 tonnes of greenhouse gas emissions each year. The location of the farm also saves what would otherwise be significant losses from transmission of power via traditional sources in the Latrobe Valley.



Going Forward

Polychlorinated Biphenyls (PCBs) – CitiPower and Powercor have committed to a 2005 deadline for the removal and destruction of PCB containing materials. Powercor has its former zone substation PCB capacitors consolidated and awaiting destruction. CitiPower is currently removing its remaining public lighting control boxes containing PCB capacitors under two separate programs in order to meet the 2005 deadline.

Asbestos – We are continuing to prioritise our sites for budgeted asbestos replacement and disposal works.

Cable Oil – We are continuing to analyse the causes of cable oil losses and identifying opportunities for replacement and substitution.

Bushfire Mitigation – The management of our bushfire risk is critical not only for the preservation of our assets, but for the safety of the communities in which we operate. Powercor will investigate potential areas for improvement in order to ensure that the BMI target of zero during the Declared Fire Season can be achieved.

Visual Amenity – We have budgeted for vegetation screening at four of our zone substations in order to address the visual and aesthetic impact of our assets on the community.

Environmental Impact Assessments (EIAs) – In line with our integrated approach to managing the environmental impacts of our works, EIAs are now produced for all major projects, new lines, zone substation developments or works in sensitive areas. Our target is to produce these EIAs within a timeframe of between three and six months.

Indirect Impacts – We do not currently have a formal policy for the management of upstream and downstream impact. We recognise that our interaction with the environment extends beyond our direct operations and we plan to report on more integrated indicators, such as our ecological footprint. This will provide more complete information on the 'sum of our environmental impacts' in future reporting periods.

Biodiversity – We do not currently report on our impact on biodiversity, but intend to do so in the next report.

Contaminated Land – There is potential for our operations to impact on the quality of land and groundwater. Our management of this issue, including land remediation, will be included in the next report.

Goal 4: Use materials and resources effectively, maximising their value to the community and to future generations

As with any organisation, CitiPower and Powercor consume resources as part of our operations. We are committed to using these resources in a sustainable manner and accordingly, the performance areas we monitor include consumption of office paper, water, electricity and fuel. The Enviro Challenge, a CitiPower and Powercor paper saving initiative, launched in 2002, was expanded in 2003 to cover electricity and water consumption (in addition to paper), and to include the participation of CitiPower.

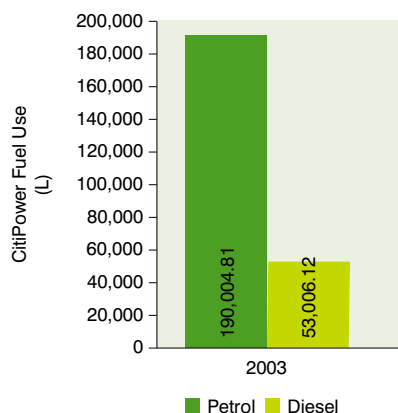
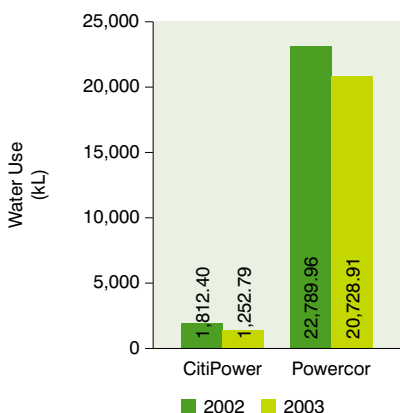
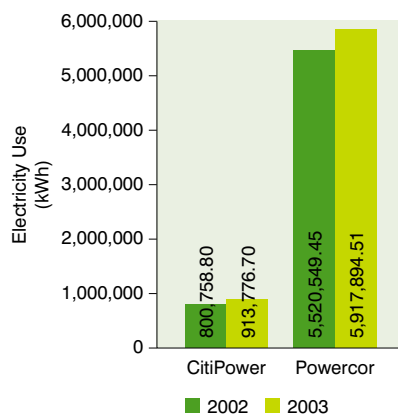
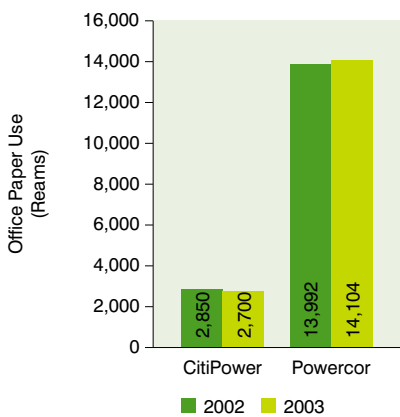
What we have achieved

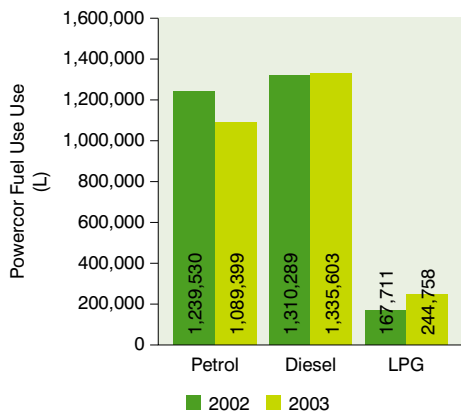
At **CitiPower**, we have:

- ✓ Decreased paper consumption by 5.3%.
- ✓ Decreased water use by 30%.

At **Powercor**, we have:

- ✓ Decreased paper consumption, in absolute quantities, by 6%.
- ✓ Decreased water use, in both absolute and relative quantities (per full-time-equivalent), by 9% and 15% respectively.
- ✓ Decreased our total fuel consumption by nearly 2%.





Going Forward

Green Purchasing Policy – While we continue to strive to improve our resource use performance at CitiPower and Powercor, we also see opportunities to influence our suppliers to improve their own environmental performance. Our Green Purchasing Policy was developed during 2003. Its implementation will enable us to factor environmental considerations into our procurement decisions. Green Purchasing will become an integrated part of the way we do business, consistent with our sustainability objectives.

Enviro Challenge – Resource use will continue to be our focus, with reducing our electricity consumption a priority. We aim to meet or exceed a savings target similar to that achieved in 2003.

Goal 5: Continually improve our Environmental Management System by establishing, monitoring and reviewing environmental objectives and targets

Certification to ISO 14001

In 2003, the Environmental Management Systems (EMS) of CitiPower and Powercor were combined to align each company's approach to managing the environmental impacts of our operations.

For the first time, CitiPower was audited for compliance to ISO 14001, and successfully achieved certification. Powercor was also successful in maintaining its ISO 14001 certification.



Environmental issues can present themselves as risks or opportunities depending on how they are managed. The top 10 issues managed under the EMS in 2003 were:

1. Oil contained within assets
2. Noise emanating from assets and premises
3. Disposal of wastes
4. Wastewater
5. Storage and handling of hazardous substances
6. Maintenance and development activities
7. Contamination from previous site impacting activities
8. Maintenance and operation of cooling towers
9. EMF
10. Greenhouse gas management.

Going Forward

We will continue to maintain certification to ISO 14001, and will strive to improve our environmental performance, as required by this Standard.

Goal 6: Consult and communicate with our employees, the government and regulatory authorities on significant environmental matters relevant to our activities

Vegetation Management

Our vegetation management works have the potential to impact on our customers and Powercor monitors our performance by tracking customer satisfaction.

Customer Communication Undertaken by VEMCO for Powercor

	2002	2003
No. customers affected with whom VEMCO negotiated	29,742	27,426
No. enquiries	1,073	832
No. complaints	21	22

Where more work is needed

✘ 87% of Powercor customers were satisfied with our vegetation management in 2003. This is a decrease from 89% in 2002 and saw us fall short of our target of 93%.

This was due, in part, to the fact that the majority of vegetation clearance work in 2003 was scheduled and conducted in urban areas. This resulted in increased customer interaction, which in turn, led to more potential for complaints.

Powercor’s vegetation contractor, VEMCO, also undertook customer negotiations and handled customer enquiries on our behalf while carrying out vegetation management works.



Easement Management Policy

Powercor developed and implemented an Easement Management Policy in 2003. This policy relates to the management of easements where Powercor has strategic interests and stakeholder requirements are involved (such as fire breaks and prevention of the creation of illegal tracks).

The new policy ensures that stakeholder concerns are taken into consideration as part of the management process.

Case Study

The Powercor program *Taking the Lead on Weeds* tackles the spread of pest plants and diseases – a key environmental issue in Australia. The program covers a wide spectrum of activities and provides employees with specific details on how to help prevent the spread of pest plants and diseases in their day-to-day activities.

Two of the more innovative aspects of the program are:

- The Powercor Environmental Weed Guide, which details those weeds most prevalent in the Powercor service area and the various ways in which their spread can be contained, and
- The required weekly washing of all Powercor trucks to minimise the spread of any weed or diseases.

Powercor's *Taking the Lead on Weeds* program was awarded a United Nations Association of Australia Environmental Award in 2003.



Going Forward

Vegetation Management – Powercor has developed an action plan to address some of those issues which impacted significantly on customer satisfaction, including:

- Notification of timing of pruning
- Discussion regarding the extent of pruning
- How areas looked after pruning.

It is anticipated that appropriate management of these issues will lead to an improvement in Powercor's performance for the following reporting period. Our customer satisfaction target remains at 93% in 2004 and we expect to meet it by implementing these additional measures.



Goal 7: Partner with the community and NGOs in programs encouraging environmental responsibility and sustainability



Communities and non government organisations (NGOs) are among our key stakeholders. We strive to engage, support and work with them. One of the key ways we support the community is through partnerships with Landcare, the Royal Botanical Gardens, Greening Australia, the Education Foundation and the Country Fire Authority.

Landcare

Powercor supported four Landcare projects in 2003. They were:

- Weed Warriors – a program to educate school children about weeds
- Strathfieldsaye Landcare group – where Powercor Bendigo employees were able to demonstrate their support at a planting activity
- The north central Landcare festival
- The regeneration of Lake Batyo Catyo.

CitiPower entered into two partnerships with Landcare in 2003:

- Merri Creek, Northcote
- Loy's Paddock, Richmond.

Both sites required significant revegetation.

Projects such as these give us the opportunity to work closely with active community groups, the local councils and Landcare. They also offer the opportunity to involve our employees in planting activities. Though our commitment was made to these partnerships in 2003, many of these activities will take place in 2004.



Royal Botanic Gardens

CitiPower is supporting the Ian Potter Foundation Children's Garden at the Royal Botanic Gardens. The Children's Garden is due to be opened in spring 2004.

Greening Australia – Spring Planting Festival

Powercor sponsored the final site of Greening Australia's 2003 Spring Planting Festival on Sunday 19 October 2003 at College Flats, Werribee.

The area is set to become a new regional park and the aim of our Spring Planting activity was to enhance the riverside vegetation of the park by planting more than 3,000 seedlings.

Education Foundation

Powercor and the Education Foundation run a program – the Powercor School and Community Fund – which supports three-year environmental projects at three schools in the Powercor service area.

The schools – Stawell Secondary College, Murtoa College and Mt. Clear College – are all undertaking significant environmental projects that also involve the wider community.

2003 was the second year of the project and saw students begin to put their significant planning into practice.



Country Fire Authority

Powercor worked with the Country Fire Authority (CFA) on a project to review the fire hazard ratings across Victoria. Part of the Electricity Safety Act 1998 allows for the CFA to assign fire hazard ratings of 'high' or 'very high' to areas of land. The fire hazard areas had not been reviewed for some time and with the expansion of urban areas within municipalities throughout Victoria, the ratings needed to be updated to reflect the current situation.

Going Forward

We are committed to identifying new support and partnership opportunities that align with our core business and expertise, and that are consistent with our sustainability agenda.



Goal 8: Apply the principles of continual improvement, pollution prevention and waste minimisation

At CitiPower and Powercor, our operational wastes include waste oil, office waste, scrap metal and wastewater. We strive, where possible, to manage these wastes in accordance with the waste hierarchy, where reduction, reuse and recycling options are preferred over disposal.

Reduce and Recycle

Waste Oil

CitiPower and Powercor recover waste oil from scrapped equipment for reuse.

What we have achieved

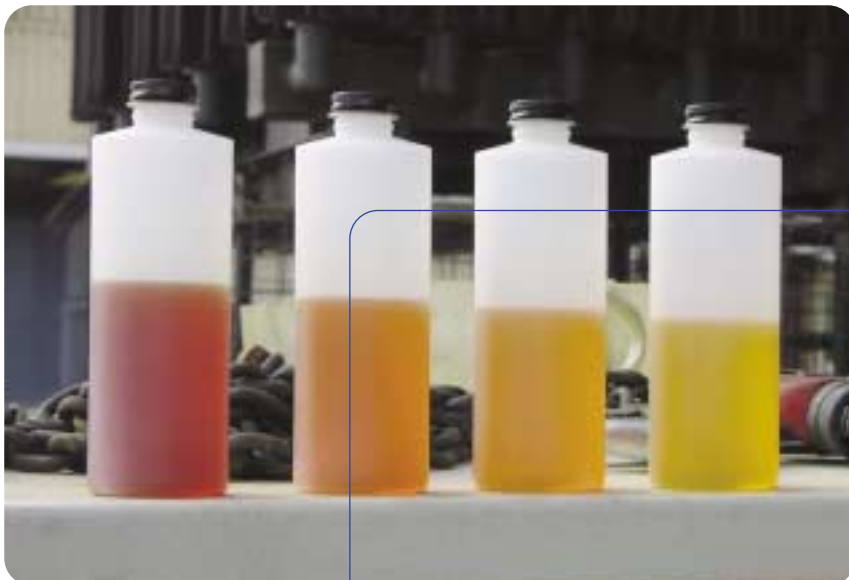
- ✓ A total of 371,084 litres of waste oil was recovered by CitiPower and Powercor in 2003.
- ✓ CitiPower and Powercor recycled 100% of the PCB-free waste oil recovered.

Scrap Metal

Scrap metal is generated from the upgrading and refurbishing of equipment.

What we have achieved

- ✓ Nearly 648 tonnes of metal, part of which was derived from the refurbishment of transformers, was recycled by CitiPower and Powercor in 2003.



Wastewater

CitiPower has been recycling its wastewater through partnership agreements with Collex and the Port Phillip Recycling Plant.

What we have achieved

- ✓ Nearly 1.4 megalitres of wastewater was recycled during the reporting period via reuse in a soil fixation process at Collex in Brooklyn, and also through the Port Phillip recycling plant.
- ✓ This quantity of recycled wastewater represented an increase of approximately 30% compared with 2002.

Waste

CitiPower and Powercor generated 1,404m³ and 11,170m³ of solid co-mingled waste respectively during the reporting period.

Powercor launched a strategy in 2003 to reduce the amount of its operational waste going to landfill. The strategy was initially aimed at Powercor's construction field activities and was implemented across all depot locations. More waste is now being recycled as a result of implementing this strategy.

Where more work is needed

- ✗ Powercor will implement a system to more accurately measure the amount of waste going to landfill. Currently different contractors collect waste, and therefore supply us with data, according to different criteria. For example, some contractors collect waste to a set schedule, whereas others collect only when a bin is full.

Case Study

CitiPower Wastewater Recycling Project

Each year, approximately two million litres of water enters the 17,000km CitiPower underground pit and conduit system via stormwater, burst mains, groundwater and even tidal ingress. This water must be removed to make the work site safe and to protect our assets.

As part of a project with Barry Brothers, Telstra and the City of Port Phillip, CitiPower's wastewater now goes through a series of checks to determine its suitability for recycling and as a result, most of our wastewater is now being recycled through a water recycling plant at Port Melbourne's J L Murphy Reserve. After treatment at the plant, wastewater is stored in batch tanks for sampling before being pumped into tankers for distribution to parks and gardens, or irrigated directly onto neighbouring sports ovals.

Going Forward

Waste to Landfill – Powercor's strategy to reduce the amount of waste going to landfill will be extended in 2004 to identify other waste streams currently going to landfill that have the potential to be recycled or even eliminated from work sites across Powercor.



Goal 9: Report annually on environmental performance and compliance

Powercor has always been committed to public disclosure of its performance and has done so through the publication of Environment, Community, and Health and Safety Reports since 1999.

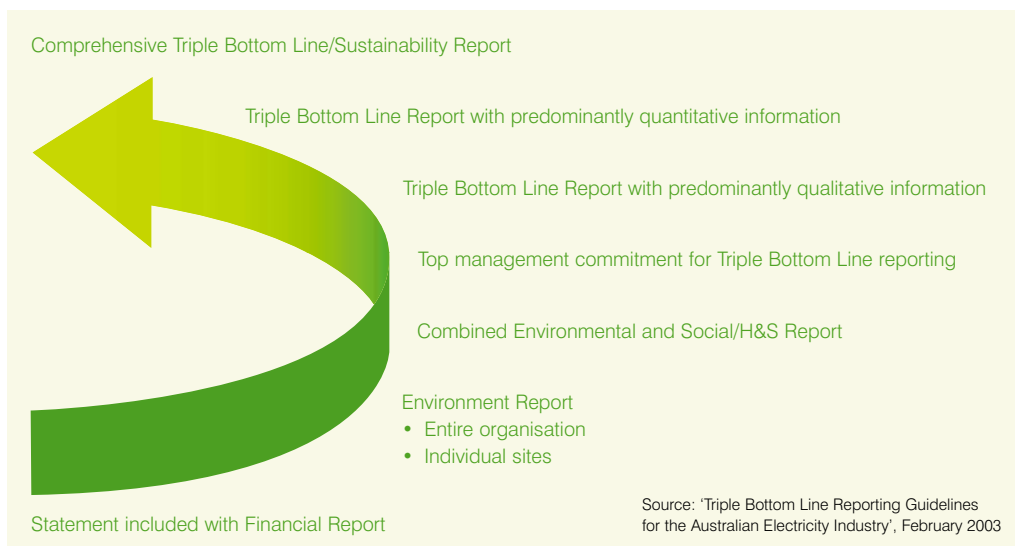
Following the CKI/HEH purchase of CitiPower, it was recognised that there was an opportunity for the integrated organisation to not only operate in an environmentally responsible way, with a focus on health and safety and with due consideration for the community, but also to orient the organisation towards operating in a sustainable manner.

This 'Towards Sustainability' report represents our first step in reporting on both our environmental performance and our social performance in terms of managing and engaging with our stakeholders, such as our employees and the wider community.

Opportunities to improve are noted in this report and we will endeavour to address them over time. While we have attempted

to report our current performance against industry guidelines established by the esaa, we recognise that more work is required to enable us to measure our performance, not only against local industry standards, but also against current international best practice. We will expand our current suite of targets to ensure that we have quantifiable targets, where possible, for each of our performance indicators.

While the need for reporting will contribute greatly towards improving our sustainability performance, we intend to move towards making sustainability the foundation on which we operate. We also intend to move away from being outcome-oriented and to adopt a more systems-based approach, with objectives and policies consistent with our values to provide overall guidance.



Social Performance

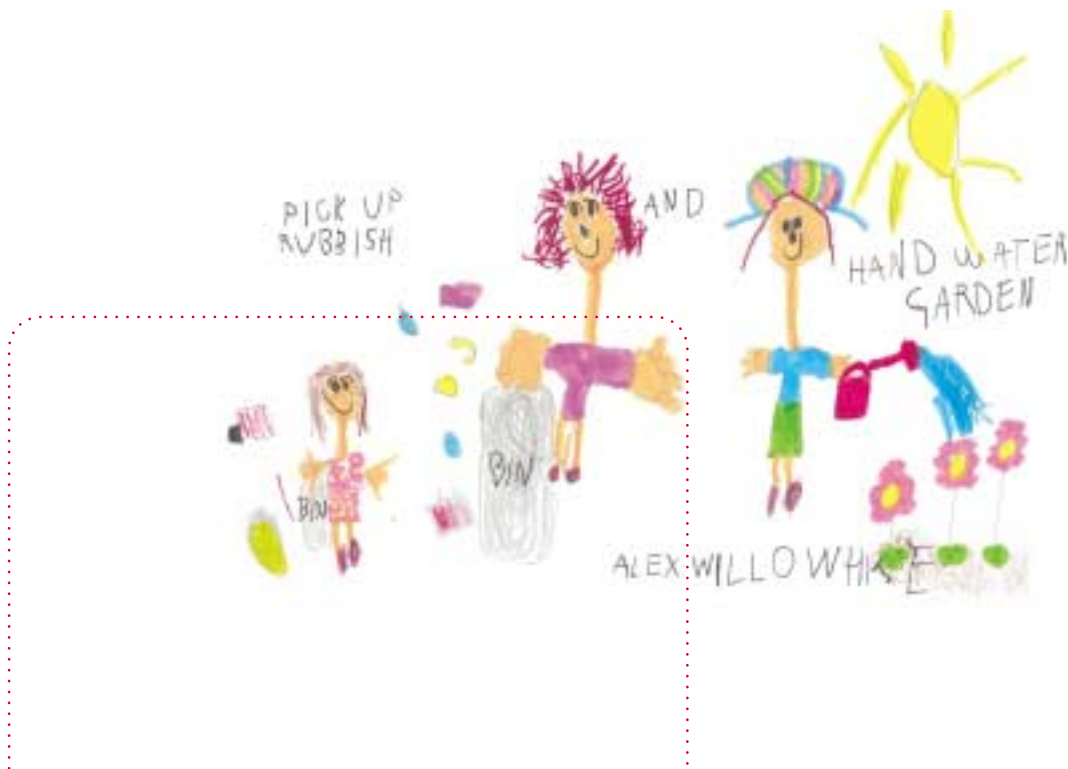


Our key social challenges for 2003 were:

- Network reliability – improving unplanned outages, minimising faults and shortening our response and repair times
- Raising public awareness of CitiPower and Powercor following the sale of the retail businesses
- Promoting an understanding of who CitiPower and Powercor are and what we do
- Starting the process of negotiating a new Enterprise Bargaining Agreement
- Managing our excess leave balance.

Our social performance is examined under six key goals:

- 1 To improve employee satisfaction, commitment and motivation
- 2 To improve our health and safety performance
- 3 To report on labour practices, employee profile and diversity
- 4 To be a leading distributor in the provision of customer service
- 5 To provide sustained improvement in reliability of supply
- 6 To establish CitiPower and Powercor as responsible corporate citizens with respect to the environment, public safety, and the economic and social well-being of the community.



Goal 1: To improve employee satisfaction, commitment and motivation

Our people are our assets and we are committed to providing a workplace where our employees feel valued.

Employee Benefit Scheme

We reviewed and integrated the employee benefit schemes of CitiPower and Powercor in 2003.

What we have achieved

- ✓ Income protection, maternity, paternity and carer's leave, part-time employment, job sharing, flexible working hours and working from home arrangements – these are some of the benefits now available to all CitiPower and Powercor employees.

Employee Development

Consistent with our objective to be an employer of choice, we provide our employees with training in the workplace relevant to their roles. In addition, our employees have the opportunity to gain tertiary qualifications in management through our DeakinPrime partnership with Deakin University, an arrangement which has been in place since 1995.

What we have achieved

- ✓ 18 employees completed a Certificate of Management and 16 completed a Diploma of Management in 2003 through the DeakinPrime program.
- ✓ CitiPower and Powercor spent \$1,693 per employee on training in 2003.
- ✓ Our employees spent an average of 48 hours each in training.



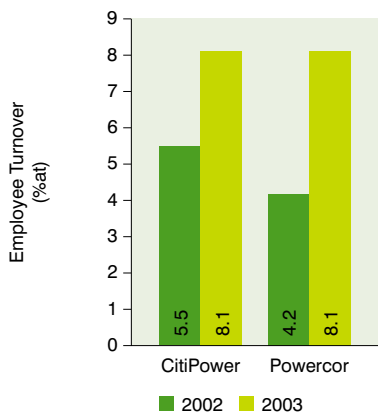
Employee Satisfaction

2003 saw CitiPower and Powercor conduct their first Employee Opinion Survey as an integrated organisation.

- x The level of employee satisfaction was 68%, which was below our target of 70%.

Employee Turnover

CitiPower and Powercor had an 8.1% employee turnover in 2003. This is an increase from the 5.5% reported for CitiPower in 2002, and an increase from the 4.2% reported for Powercor in 2002.



Employee Recognition

The Spirit of Excellence Award is the way we recognise employees who have made an outstanding contribution to the organisation. Employees are nominated by their peers. In 2003 we received 46 nominations and honoured 28 employees with Awards.

Sponsorships

We support our employees by sponsoring their participation in external fundraising or corporate events, some of which include:

- Cancer Council Victoria's Relay for Life events in Warrnambool, Geelong and Bendigo to raise funds for cancer research
- The BRW St George's Triathlon
- Around the Bay in a Day, with proceeds going to the Smith Family.

Going Forward

- We will continue to survey and engage with our employees to identify areas for improvement to ensure we achieve our objective of becoming an employer of choice.
- We will review our employee development program to ensure we gain the right skills mix and to provide opportunities for employees to pursue their own goals within the company.



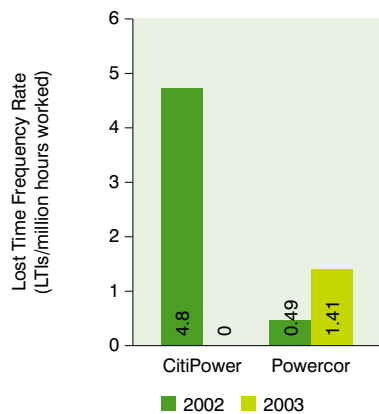
Goal 2: To improve our health and safety performance

Our key health and safety challenges in 2003 were:

- Continued integration of the businesses
- New health and safety policy (which was again revised in 2004)
- Certification to Advance Level SafetyMAP (Edition 4) for Powercor
- Certification to Advanced Level SafetyMAP (Edition 4) for CitiPower
- Continued focus on lost time injuries (LTIs)
- Meeting or bettering our targets for medical treatment injuries (MTIs)

Lost Time Injuries

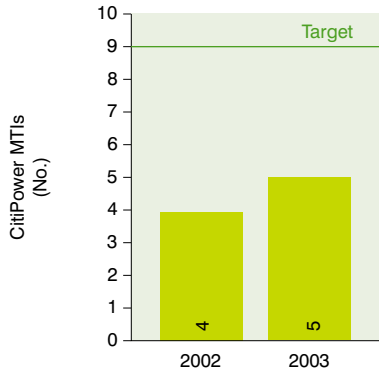
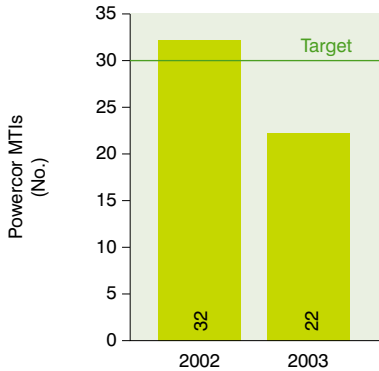
Powercor achieved a health and safety first in January 2003 when we recorded 12 months without a LTI. CitiPower also achieved the same milestone in May 2003 and continued its high performance throughout the year. Powercor unfortunately failed to meet its targets in 2003 due to LTIs later in the year.



Medical Treatment Injuries

What we achieved

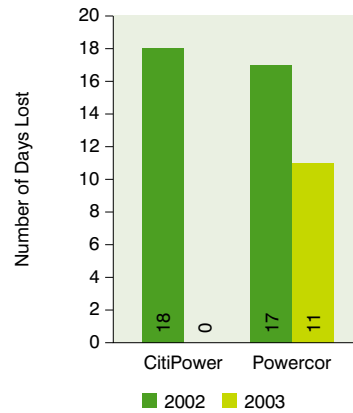
- ✓ CitiPower recorded five Medical Treatment Injuries (MTIs) in 2003. Our MTI target for the year was nine.
- ✓ Powercor achieved our MTI target of 30, recording 22 MTIs.



SafetyMAP Certification

In 2003, CitiPower was upgraded from SafetyMAP Advanced Level (Edition 3) to SafetyMAP Advanced Level (Edition 4), and Powercor was upgraded from SafetyMAP Initial Level (Edition 3) to SafetyMAP Advanced Level (Edition 4). This was a significant achievement as certification to the Advanced Level (Edition 4) requires the organisation to satisfy the requirements of all 125 SafetyMAP audit criteria (compared with 82 for the Initial Level). Organisations operating at this level possess the systems and processes to enable them to maintain their health and safety system at 'best practice'. These organisations derive maximum benefit from their health and safety system, having reached a level of excellence that others acknowledge and respect.

The achievement of the upgrade during a time of organisational change is further testament to the commitment to health and safety of CitiPower and Powercor.



Days Lost

- ✓ CitiPower and Powercor both maintained a zero fatalities rate in 2003.
- ✓ CitiPower and Powercor recorded improvements in the number of days lost. CitiPower had no days lost while Powercor reported 11 days lost in 2003.
- ✓ Powercor completed 99% of the audits scheduled as part of its safety review and observation program, an improvement from the 97% reported in 2002.
- ✗ The average number of days CitiPower and Powercor employees were absent due to sickness was 4.6 days for the reporting period. This is an increase from the 4.4 days reported for Powercor in 2002.

Going Forward

MTIs and LTIs – Medical treatment and lost time injuries will continue to be a focus. Health and safety training and the raising of awareness will continue to ensure that our employees understand that 'we will never compromise safety to get a job done', and assist us in becoming an injury-free workplace.



Goal 3: To report on labour practices, employee profile and diversity

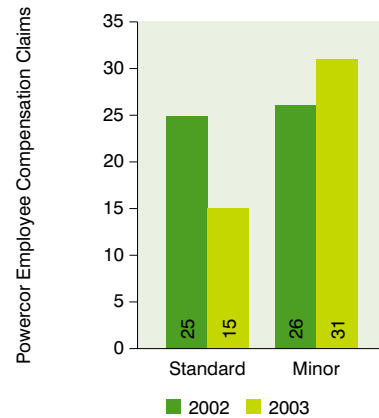
Employee Covered by Award

CitiPower and Powercor commenced the process of negotiating a new Enterprise Bargaining Agreement in 2003.

60% of our employees were covered by an Award in 2003, a 5% decrease from the 65% reported in 2002.

Employee Claims

- CitiPower reported one standard and three minor compensation claims from its employees in 2003. No data from 2002 was available for comparison.
- Powercor reported 15 standard and 31 minor employee compensation claims in 2003.

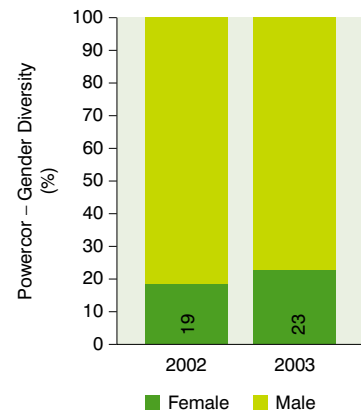
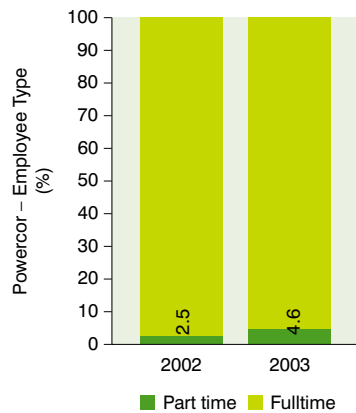
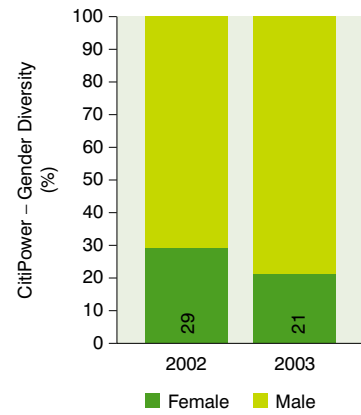
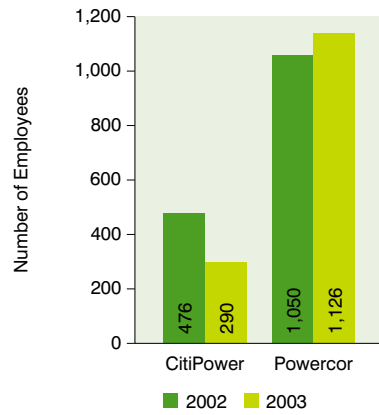


Employment Profile

- There were 290 CitiPower employees and 1,126 Powercor employees in 2003
- 1% of employees at CitiPower were part time
- Nearly 5% of employees at Powercor were part time
- Approximately 20% of employees at CitiPower and Powercor were female.

Going Forward

We will continue to review our labour practice and diversity indicators and address the gaps in our data collection methods in this area. We will then report additional information that will enable our stakeholders to gain a more complete picture of our performance, and also enable us to improve our internal performance against set benchmarks.



Goal 4: To be a leading distributor in the provision of customer service



Customer Service

We are committed to providing quality service to our 870,000 customers. We monitor the grade of service* at our call centre and track customer complaints and information to assist us in improving customer satisfaction.

What we have achieved

- ✓ 90% of customer calls to CitiPower were answered within 30 seconds.
- ✓ CitiPower met our customer complaint target of 0.42 complaints per 1,000 distribution customers.
- ✓ Powercor met our customer complaint target of 0.27 complaints per 1,000 distribution customers.
- ✓ We expanded our call centre operations in Bendigo and Melbourne with increased staffing and technology upgrades.

Where more work is needed

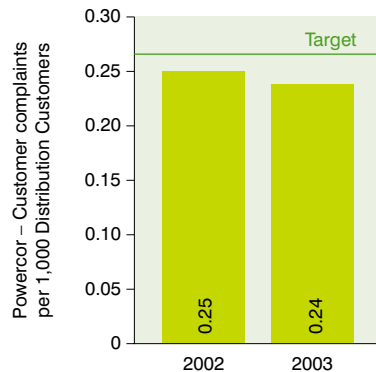
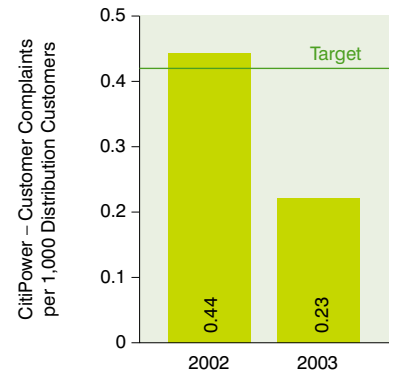
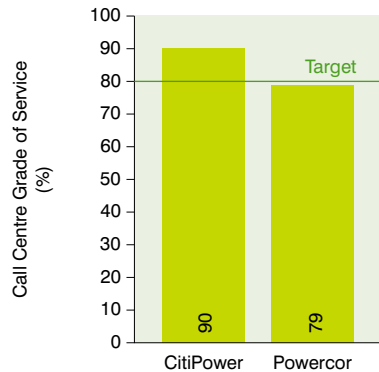
- ✗ Powercor did not meet its target of having 80% of customer calls answered within 30 seconds.

Stakeholder Engagement

CitiPower and Powercor maintained communication with stakeholders through our Customer Consultative Committee and Business and Customer Relationship Management programs.

The Customer Consultative Committee, led by our CEO and comprising representatives from CitiPower and Powercor management and key customer stakeholder groups, meets four times a year to review and discuss issues relating to our performance and policy positions.

At an operational level, the Customer Relationship Management Program provides a forum for open communication with our customers and gives us the opportunity to obtain stakeholder feedback.



Going Forward

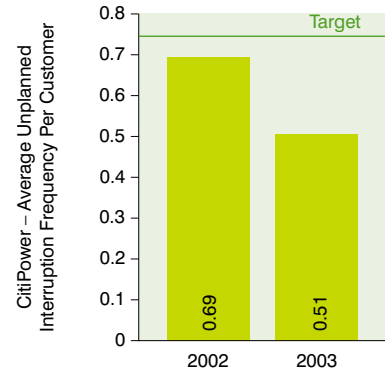
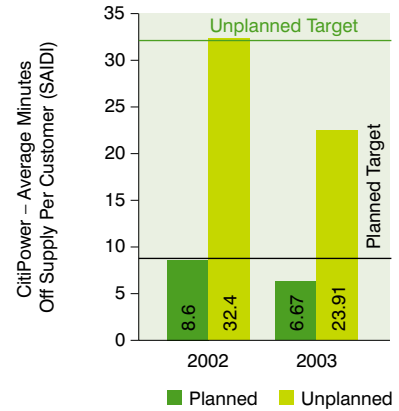
Customer Response and Satisfaction – CitiPower and Powercor will continue to assess the staffing and technology requirements within its call centre. CitiPower and Powercor will also continue to identify areas for improvement in order to increase our customer satisfaction rating.

* Call Centre Grade of Service is a key performance measure based on the percentage of customer calls answered within 30 seconds.

Goal 5: To provide sustained improvement in reliability of supply

CitiPower Network Performance

- ✓ The planned average number of minutes CitiPower customers were off supply (SAIDI) improved by approximately 22%.
- ✓ Our unplanned SAIDI also improved by 26%.
- ✓ Service interruptions, due to weather and wildlife, were reduced by the introduction of environmentally friendly covered cable technology in heavily vegetated suburbs.
- ✓ We reduced the frequency of our service interruption due to wildlife by nearly 81%, compared with 1997. The number of customers impacted also decreased in the same period from 50,000 to 10,000.

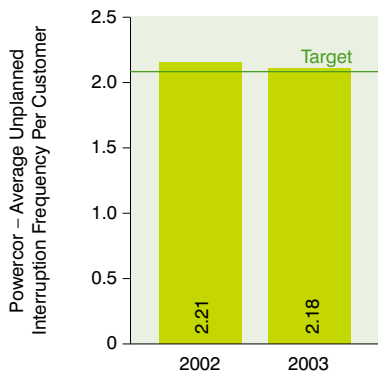
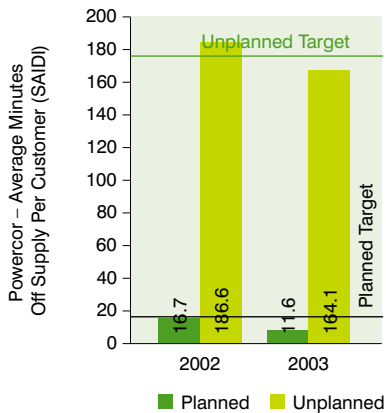


Powercor Network Performance

Our total SAIDI for 2003 was 205.2 minutes. This was reduced to 175.7 minutes after receiving an exemption from the Essential Services Commission (ESC), which agreed that extreme weather conditions encountered during the year resulted in pole fire related interruptions beyond our control.

- ✓ Our planned SAIDI improved by nearly 31% compared with 2002.
- ✓ Our unplanned SAIDI improved by 12.5% after exemptions from the ESC.
- ✓ We undertook significant measures to improve performance including a review of zone substations, a program to improve data gathering and data management, a process to fast track outstanding fault investigations, and we increased our capacity to remotely operate zone substations.

We introduced customised mobile generators and cable by-pass vehicles to reduce the time customers were off supply during planned and unplanned works.



Case Study

In May 2003, Powercor received two prestigious awards for excellence in maintenance engineering.

At the International Conference of Maintenance Societies (ICOMS) in Perth, Powercor won the esteemed Australian Maintenance Engineering Excellence Award and the Maintenance Engineering Society of Australia's (MESA) Management Award, while Asset Maintenance Manager Kieran Skelton was named runner-up in MESA's Leadership Awards.

The Australian Maintenance Engineering Excellence Award recognises the ability of a company's asset management and maintenance practices to address seven key areas: maintenance and leadership, asset management and maintenance culture, asset acquisition, maintenance plan development, maintenance actions, performance evaluation and analysis and improvement.

Going Forward

We will endeavour to maintain and improve on our network reliability performance through employee training and the upgrading and maintenance of our infrastructure. We recognise our obligation to our customers and strive to respond to network interruptions in a timely and efficient manner, ensuring we minimise any inconvenience caused.

Goal 6: To establish CitiPower and Powercor as a responsible corporate citizen with respect to the environment, public safety, and the economic and social well-being of the community

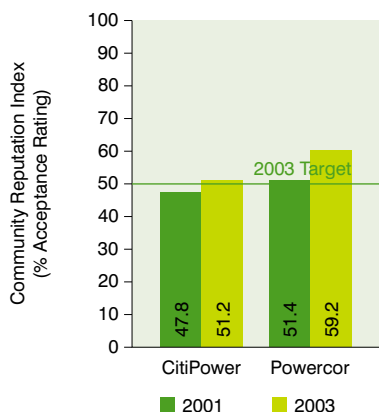
Community Reputation Index

To ascertain our reputation in the community we survey our customers on their perception of the level of community involvement by CitiPower and Powercor.

The Community Reputation Index ('the Index') is one of the key measures of the survey, and compares the reputation of six distribution companies in Victoria and South Australia. The Index is calculated based on customer ratings for a list of community involvement attributes, that include:

- Visible presence in the community
- Consultation with the community
- Commitment to the environment.

CitiPower and Powercor not only achieved our target Index of greater than 50% for the reporting period, but also bettered our performance when compared with the previous survey conducted in 2001.



Public Safety

We have a responsibility to minimise the dangers to the public from our activities and also to educate them via awareness raising.

Our efforts toward promoting public safety in 2003 included:

- ✓ The Powercor LifeFlight community rescue helicopter service, which participated in the bushfire rescue works in Canberra, amongst its other missions.
- ✓ Completion of more than \$3 million worth of capital works to raise the height of service lines in response to newly introduced safety regulations.
- ✓ Community education on the dangers of overhead powerlines through public demonstrations and media campaigns.

Apprenticeships

We employed 14 new apprentices in 2003 in the following areas:

- Line workers
- Power systems electricians
- Electrical testers.

In 2003 we had a total of 46 apprentices at CitiPower and Powercor.

We are committed to a long term program through apprenticeship and graduate schemes to ensure our future skill base.



Economic and Social Well-Being

We continued to support the broader community in the form of financial and in-kind contributions in 2003.

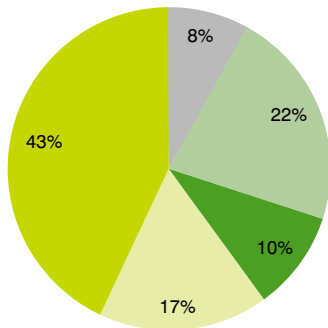
Arts and Cultural Support

Communities in rural Victoria enjoyed the musical performances of the Melbourne Symphony Orchestra through our support of its regional touring program.

We also supported several music and cultural festivals at numerous locations in regional Victoria.

Business Support and Business Awards

Our support of regional business awards and forums has provided members of the community with opportunities to network and exchange experiences and expertise.



- Arts/Cultural
- Business Support and Business Awards
- Community
- Environment
- LifeFlight Helicopter

Community Support

Our community support initiatives include:

- Young Achievement Australia
- United Way Ballarat and Geelong
- Neighbourhood Watch Junior Citizens
- Various rural fire brigades and the CFA
- SPC Share-A-Can 2003
- SES
- Lions Clubs and Rotary Clubs
- Promoting Arbor Week (PAW)
- Surf Coast Shire – Groundswell
- Moyneyana Festival
- Road Safe Colac
- Bendigo New Years Eve Carnival
- Casterton District Tourist Association.

Donations

Recipients of donations in 2003 via the Spirit of Excellence Awards, which recognise employees who have made outstanding contributions, include:

- The Cancer Council Victoria
- Ballarat Health Services
- Fred Hollows Foundation
- Heart Foundation
- The MS Society of Victoria
- The Cancer Council Australia
- Open Family
- Share Community Appeal
- Epilepsy Foundation of Victoria
- Wimmera Against Cancer in Kids (WACK)
- CFA – Melton.



A Vision for Becoming a Sustainable Business



In line with our corporate commitment to becoming a sustainability leader, we have assessed our progress along the road to becoming an organisation that operates in a sustainable manner.

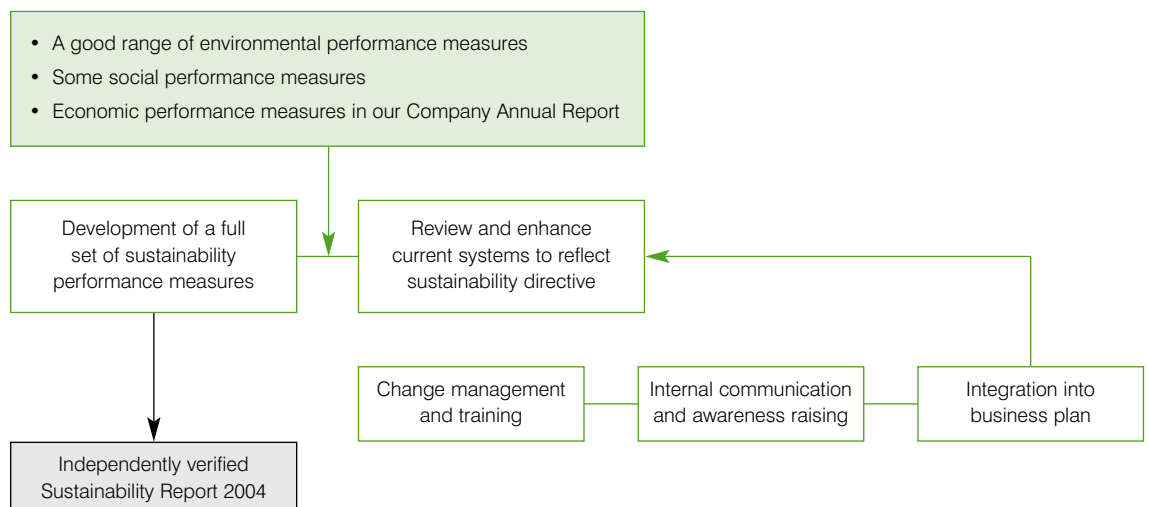
The quality and quantity of data for each area of our triple bottom line is as follows:

- A good range of environmental performance measures
- Some social performance measures
- Economic performance measures as contained in our company annual report.

We recognise the need to develop a set of sustainability performance measures based on local and international best practice, with consideration for the Global Reporting Initiative and guidelines from the energy supply association of australia. Part of this process will involve a review and enhancement of our current systems so that they reflect the selected set of sustainability performance measures, and to ensure they are aligned with our sustainability direction.

We are committed to ensuring that the information reported is both accurate and comprehensive. This will ensure our stakeholders are able to make an informed assessment of our sustainability performance. Verification of the reported information is one way in which this can be achieved. While the information contained in this current 'Towards Sustainability' report has not been independently verified, it is envisaged that this process will be undertaken for the next reporting period.

A Vision for Becoming a Sustainable Business





Global Reporting Initiative

The GRI Sustainability Reporting Guidelines have been referenced in the preparation of this report and the following index shows the relationship between our reported indicators, elements and indicators within the GRI Guidelines, and the indicators specified by the electricity supply association of australia limited (esaa) in the Triple Bottom Line Reporting Guidelines for the Australian Electricity Industry. As economic information is not presented in this report, this index does not include GRI Economic Indicators (EC1 to EC13).

Global Reporting Initiative		esaa	Our Report
1. Vision and Strategy			
1.1	Vision Statement		Y
1.2	CEO Statement		Y
2. Profile			
2.1	Organisation name		Y
2.2	Products and services		Y
2.3	Operational structure		Y
2.4	Company structure (Divisions, subsidiaries and joint ventures)		Y
2.5	Operational location(s)		Y
2.6	Nature of ownership		Y
2.7	Nature of markets		Y
2.8	Scale of organisation		P
2.9	List of stakeholders		Y
2.10	Contact person		Y
2.11	Reporting period		Y
2.12	Date of previous report		NA
2.13	Report boundaries		Y
2.14	Significant organisational changes since previous report		NA
2.15	Reporting methodology for outsourcing and other organisational changes		NA
2.16	Nature of any restatements of information from previous reports and why		NA
2.17	Decisions not to apply GRI		-
2.18	Accounting criteria for economic, environmental and social elements		-
2.19	Changes in measurement methods for economic, environmental and social elements		NA
2.20	Policies and practices to enhance and provide assurance to report		-
2.21	Policy and practices with regard to independent assurance		-
2.22	Sources of additional information and supplementary publications		Y
3. Governance Structure and Management Systems			
3.1	Governance structure including Board committees		Y
3.2	Percentage of independent, non-executive directors		AR
3.3	Process for determination of Board expertise		AR
3.4	Board-level processes for identification of risks and opportunities		AR
3.5	Linkage of executive compensation with achievement of TBL goals		-
3.6	Organisational structure and key individuals responsible for oversight, implementation and audit		P
3.7	Mission, values statement, codes of conduct and policies relevant to TBL and status of implementation		P
3.8	Mechanisms for shareholders to provide feedback to the Board		-
Stakeholder Engagement			
3.9	Basis for identification and selection of major stakeholders	Y	-
3.10	Approaches to stakeholder consultation	Y	Y
3.11	Type of information generated by stakeholder consultations	Y	-
3.12	Use of information resulting from stakeholder engagements	Y	-
	Mechanisms for balancing shareholder and stakeholder interests	Y	P

Overarching Policies and Management Systems

3.13	Explanation of whether and how the precautionary principle is addressed by the organisation	-
3.14	Externally developed, voluntary principles or initiatives to which the organisation subscribes	Y
3.15	Principle memberships in industry and business associations, national or international advocacy organisations	P
3.16	Policies and systems for managing upstream and downstream impacts	-
3.17	Approach to managing indirect economic, environmental and social impacts resulting from activities	Y -
3.18	Major decisions during the reporting period regarding location of, or changes in operations	NA
3.19	Programs and procedures pertaining to economic, environmental and social performance, including discussion of:	
	• priority and target setting	P
	• major programs to improve performance	P
	• internal communication and training	P
	• performance monitoring	P
	• internal and external auditing	P
	• senior management review	-
3.20	Status of certification pertaining to economic, environmental and social management systems	Y Y

4. GRI Content Index

4.1	A table identifying the location of each element of the GRI Report Content, by section and indicator	Y
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5. Performance Indicators

	Core Indicator	Additional Indicator		esaa	Our Report
Environmental Performance Indicators					
Materials					
EN1	x		Total material use other than water, by type		Y
EN2	x		Percentage of materials used that are wastes (processed or unprocessed) from external sources		NA
Energy					
EN3	x		Direct energy use segmented by primary source	Y	P
EN4	x		Indirect energy use		-
EN17		x	Initiatives to use renewable energy sources and to increase energy efficiency		P
EN18		x	Energy consumption footprint of major products in joules		-
EN19		x	Other indirect energy use and implications		-
Water					
EN5	x		Total water use		Y
EN20		x	Water sources and related ecosystems/habitats significantly affected by use of water		-
EN21		x	Annual withdrawals of ground and surface water as % of annual renewable quantity of water available from the sources		-
EN22		x	Total recycling and reuse of water		Y
Biodiversity					
EN6	x		Location and size of land owned, leased or managed in biodiversity rich habitats	Y	-
EN7	x		Description of major impacts on biodiversity associated with activities		-
EN23		x	Total amount of land owned, leased or managed for production activities or extractive use		NA
EN24		x	Amount of impermeable surface as a % of land purchased or leased		-
EN25		x	Impacts of activities and operations on protected and sensitive areas		-
EN26		x	Changes to natural habitats resulting from activities and operations and % of habitat affected and its status		-
EN27		x	Objectives, programs and targets for protecting and restoring native ecosystems and species in degraded areas		-
EN28		x	Number of IUCN Red List species with habitats in areas affected by operations		NA
EN29		x	Business Units currently operating or planning operations in or around protected or sensitive areas		-
			Area of land occupied by networks (including easements)	Y	-
			Ratio of land rehabilitated to land used	Y	-
Emissions, Effluents and Waste					
EN8	x		Greenhouse gas emissions	Y	Y
EN9	x		Use and emissions of ozone-depleting substances		-
EN10	x		NOx, SOx and other significant air emissions by type		-
EN11	x		Total amount of waste by type and destination	Y	Y
EN12	x		Significant discharges to water by type		-
EN13	x		Significant spills of chemicals, oils and fuels in terms of number and total volume		P
EN30		x	Other relevant indirect greenhouse gas emissions		-

EN31	x	All production, transport, import, or export of any waste deemed 'hazardous' under the terms of the Basel Convention		-
EN32	x	Water sources and related ecosystems/habitats significantly affected by discharges of water and runoff		-
		Transmission and distribution losses	Y	Y
		PCBs (scheduled and non-scheduled) released to the environment, removed, captured and destroyed	Y	Y
		Oil in storage, in equipment and spilled	Y	Y
		Pesticide consumption	Y	-
Suppliers				
EN33	x	Performance of suppliers relative to environmental components of programs and procedures described in Section 3.16		-
Products and Services				
EN14	x	Significant environmental impacts of principal products and services		Y
EN15	x	Percentage of weight of products sold that is reclaimable at the end of the product's useful life and % that is actually reclaimed		-
Compliance				
EN16	x	Incidence of and fines for non-compliance with all applicable international declarations/conventions/treaties, and national, sub-national, regional, and local regulations associated with environmental issues	Y	Y
Transport				
	x	Significant environmental impacts of transportation used for logistical purposes		-
Overall				
	x	Total environmental expenditure by type	Y	-
		Number of complaints/inquiries received and resolved	Y	Y
		Demand management initiatives implemented and resulting savings	Y	-
		Number of sites assessed for contamination	Y	-
		Number of contaminated and remediated sites (as a % of known contaminated sites)	Y	-
		Location, size and % of land owned, leased or managed in visually sensitive areas	Y	-
		Cables underground	Y	Y
		Bushfires caused by assets/activities	Y	P
		Customer satisfaction with vegetation management	Y	Y
Social Performance Indicators: Labour Practices and Decent Work				
Employment				
LA1	x	Breakdown of workforce, where possible, by region/country, status, employment type and employment contract	Y	Y
LA2	x	Net employment creation and average turnover segmented by region/country	Y	P
LA12	x	Employee benefits beyond those legally mandated		P
		Ratio of lowest wage to national minimum and cost of living	Y	-
		Flexible working practices/arrangements (e.g. 'family friendly' policies and promotion of balanced lifestyles)	Y	Y
Labour/Management Relations				
LA3	x	Percentage of employees represented by independent trade union organisations or other bona fide employee representatives broken down geographically OR percentage of employees covered by collective bargaining agreements broken down by region/country	Y	Y
LA4	x	Policy and procedures involving information, consultation and negotiation with employees over changes in operations	Y	-
		Results of employee satisfaction surveys	Y	Y
		Employee involvement in decision making, including innovation programs	Y	-
Health and Safety				
LA5	x	Practices on recording and notification of any occupational accidents and diseases and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases		P
LA6	x	Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by such committees		Y
LA7	x	Standard injury, lost day and absentee rates and number of work-related fatalities (including subcontractors)	Y	P
LA8	x	Description of policies or programs for HIV/AIDS		-
LA14	x	Evidence of substantial compliance with the ILO Guidelines for Occupational Health Management Systems		P
LA15	x	Description of formal agreements with trade unions or other bona fide employee representatives covering health and safety at work and proportion of the workforce covered by any such agreements		-

		Health programs for employees	Y	-
		Health and pension benefits provided to employees	Y	-
Training and Education				
LA9	x	Average hours of training per year per employee by category of employee	Y	-
LA16		x	Description of programs to support the continued employability of employees and to manage career endings	-
LA17		x	Specific policies and programs for skills management or for lifelong learning	P
Diversity and Opportunity				
LA10	x	Description of equal opportunity policies or programs, as well as monitoring systems to ensure compliance and monitoring results	Y	-
LA11	x	Composition of senior management and corporate governance bodies, including male/female ratios and other indicators of diversity as culturally appropriate	Y	P
Social Performance Indicators: Human Rights				
Strategy and Management				
HR1	x	Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results	Y	-
HR2	x	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors	Y	-
HR3	x	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring	Y	-
HR8		x	Employee training on policies and practices concerning all aspects of human rights relevant to operations	Y
Non-discrimination				
HR4	x	Description of global policy and procedures/programs preventing all forms of discrimination in operations, including monitoring systems and results of monitoring	Y	-
Freedom of Association and Collective Bargaining				
HR5	x	Descriptions of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programs to address this issue	Y	P
Child Labour				
HR6	x	Description of policy excluding child labour as defined by ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring	Y	NA
Forced and Compulsory Labour				
HR7	x	Description of policy to prevent forced and compulsory labour	Y	NA
Disciplinary Practices				
HR9	x	Description of appeal practices, including, but not limited to human rights issues		-
HR10	x	Description of non-retaliation policy and effective, confidential employee grievance system		-
Security Practices				
HR11		x	Human rights training for security personnel	NA
Indigenous Rights				
HR12		x	Description of policies, guidelines, and procedures to address the needs of indigenous people	-
HR13		x	Description of jointly managed community grievance mechanism/authority	-
HR14		x	Share of operating revenues from the area of operations that are redistributed to local communities	-
Social Performance Indicators: Society				
Community				
SO1	x	Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring	Y	-
SO4		x	Awards received relevant to social, ethical and environmental performance	Y
			Rebates and payment plans offered to customers	Y
			Philanthropy/charitable donations/sponsorships	Y
			Apprenticeships/cadetships offered	Y
			Work experience programs	Y
			Public perception	Y
Bribery and Corruption				
SO2	x	Description of the policy, procedures/management systems, and compliance mechanisms for addressing bribery and corruption	Y	-

Political Contributions

SO3	x	Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions	-
SO5	x	Amount of money paid to political parties and institutions whose primary function is to fund political parties and their candidates	-

Competition and Pricing

SO6	x	Court decisions regarding cases pertaining to anti-trust and monopoly regulations	-
SO7	x	Description of policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behaviour	Y -

Social Performance Indicators: Product Responsibility

Customer Health and Safety

PR1	x	Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring	Y -
PR4	x	Number and type of instances of non-compliance with regulations concerning customer health and safety, including the penalties and fines assessed for these breaches	-
PR5	x	Number of complaints upheld by regulatory or similar official bodies to oversee or regulate the health and safety of products and services	-
PR6	x	Voluntary code compliance, product labels or awards with respect to social or environmental responsibility we are qualified to use or have received	Y

Products and Services

PR2	x	Description of policy, procedures/management systems, and compliance mechanisms related to product information and labelling	Y NA
PR7	x	Number and type of instances of non-compliance with regulations concerning product information and labelling, including any penalties or fines assessed for these breaches	NA
PR8	x	Description of policy, procedures/management systems, and compliance mechanisms relating to customer satisfaction, including results of surveys measuring customer satisfaction	Y P

Advertising

PR9	x	Description of policies, procedures/management systems, and compliance mechanisms for adherence to standards and voluntary codes related to advertising	NA
PR10	x	Number and types of breaches of advertising and marketing regulations	NA

Respect for Privacy

PR3	x	Description of policy, procedures/management systems, and compliance mechanisms for consumer privacy	Y -
PR11	x	Number of substantiated complaints regarding breaches of consumer privacy	-

Y Issue addressed in report

P Issue partly addressed in report

NA Not applicable to CitiPower/Powercor

AR Issue addressed in CitiPower/Powercor Annual Report 2003

- Issue not addressed

x Indicates whether core or additional indicator under GRI

Note: This index does not include Economic Indicators (EC1 to EC13)



Supplementary Publications and Additional Sources of Information

For more information on this report, please contact:

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Tel: 03 9683 4889

Email: kfranklin@powercor.com.au

You may also wish to visit our websites at www.citipower.com.au

and www.powercor.com.au where you can find a range of

supplementary publications which may be of interest. Our Annual

Report 2003 provides complementary information to that which we

have presented in this report and the two publications should be

read in conjunction for a more complete understanding of our

sustainability performance.



We would like to receive your feedback on our 2003 Towards Sustainability Report

1. I am interested in CitiPower and Powercor's sustainability performance as a/an:

Employee

Customer

Regulator

Non Government Organisation

Community Group

Industry Association

Other, please specify: _____

3. On a scale of 1 to 5 (1 being very poor and 5 being very good), how did CitiPower and Powercor's report score in the following areas?

1 2 3 4 5 Open and honest

1 2 3 4 5 Completeness of issues covered

1 2 3 4 5 Amount of information provided

1 2 3 4 5 Ease of navigation

1 2 3 4 5 Layout and design

1 2 3 4 5 Overall rating

2. Which section(s) of the report did you find most useful?

4. Additional comments:

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