

SUSTAINABILITY

Our aim is to build strong relationships through transparent communication with the communities in which we intend to locate our assets

Our Generation, Your Future

We strive to be the leading provider of renewable energy that attracts people who are passionate about creating a sustainable future – that is, they want to make a difference. However, the inherent sustainable nature of our business does not stop with supplying renewable energy to our customers.

Infigen's Sustainability Framework is focussed on delivering outcomes in the following key focus areas:

1. Maximise benefits for our customers, our investors, our people and the communities that we are part of:
 - Socially
 - Economically
 - Environmentally
2. Enhance the quality of life and wellbeing of individuals and communities touched by Infigen's activities through:
 - Community engagement
 - Community partnerships
 - Employee engagement
 - Employee led sustainability initiatives
 - Community and employee health and safety
3. Efficient generation of electricity from renewable sources through:
 - Efficient use of resources
 - Waste and pollution reduction
 - Ecosystem protection
 - Land productivity enhancement

Focus on safety

The Infigen team consists of approximately 220 people managing 24 wind farms in the US and Australia. Infigen is committed to providing a safe and healthy workplace for all employees, contractors, subcontractors, visitors and all others whose health or safety could be affected by our activities. Infigen recognises that we have a primary duty of care to ensure that the health and safety of persons is not put at risk from our work activities.

Total Recordable Incident Rate and Lost Time Injury Frequency Rate

| | TRIR 1 | LTIFR 1 |
|------|--------|---------|
| FY11 | 25.9 | 3.4 |
| FY12 | 11.8 | 1.0 |

1 – (per 1,000,000 working hours)

From 1 July 2011 to 30 June 2012, Infigen improved both its rolling 12 month lost time injury frequency rate (LTIFR) and total recordable incident rate (TRIR), from 3.4 and 25.9 to 1.0 and 11.8 respectively.

Committed to Making a Difference

Infigen is deeply committed to making a positive contribution in each of the communities in which we operate, are part of and live. By fostering lasting relationships with non-profit organisations, funding local initiatives, providing community support and participating in community events, Infigen is able to champion important causes while promoting a strong culture of caring for our future.

Direct financial contributions to community activities totalled over \$500,000 in the 2012 financial year, while many of our employees also willingly gave their time to participate in community events. This benefitted local communities in the areas of education, fire and police departments, social welfare, country shows, indigenous groups, sports clubs, art festivals and youth programs, including the US youth development organisation 4-H.

Supporting victims of disasters

By committing time and resources, Infigen and its employees have provided valuable support to organisations in need, and created opportunities for employees to meet their personal goals of committing time for a worthy cause. This includes helping people affected by the Central Texas wildfires and the North Texas tornado by donating goods.



Fundraising for Charity

An Infigen team participated in the 'Bike MS 150' charity ride in Texas. Nine employees, with support from colleagues and family, rode 152 miles to raise awareness and funding for the fight against multiple sclerosis. Infigen matched the funds raised by employees.

Infigen donated to the Australian Cancer Council through sponsoring the 'Vestas Vikings' in the 'Relay For Life' run.

Infigen employees also raised money for Make-A-Wish Australia foundation and the Australian Cranio-Maxillo Facial foundation.

Power to the people in developing countries

Infigen co-sponsored the Imaki Village Electrification through a project led by the University of New South Wales (UNSW) students. While still students at the UNSW, Chris McGrath and Eden Tehan developed a micro-hydro system that brings sustainable, affordable and reliable natural-power to a remote village on one of Vanuatu's 83 islands. This project now provides power to the community's health clinic, two schools, church and shop, and has given the community the opportunity to improve their quality of life.

Connecting the Young Social Entrepreneurs

Infigen is proud to sponsor the cause of social entrepreneurship through connecting individuals, who recognise a social problem and use entrepreneurial principles to organise, create and manage a venture to achieve social change. In February 2012, at the first networking event bringing together young entrepreneurs and businesses, attendees heard inspiring stories from social entrepreneurs who have implemented socially sustainable ideas into remote communities.

One of these was a story about a project led by Infigen staff member James Hazelton, who founded and co-funded a community led microfinance project in eastern Nepal. The project was created to help local farmers improve profitability and farming methods, while strengthening the community by using the profits to improve village living conditions.

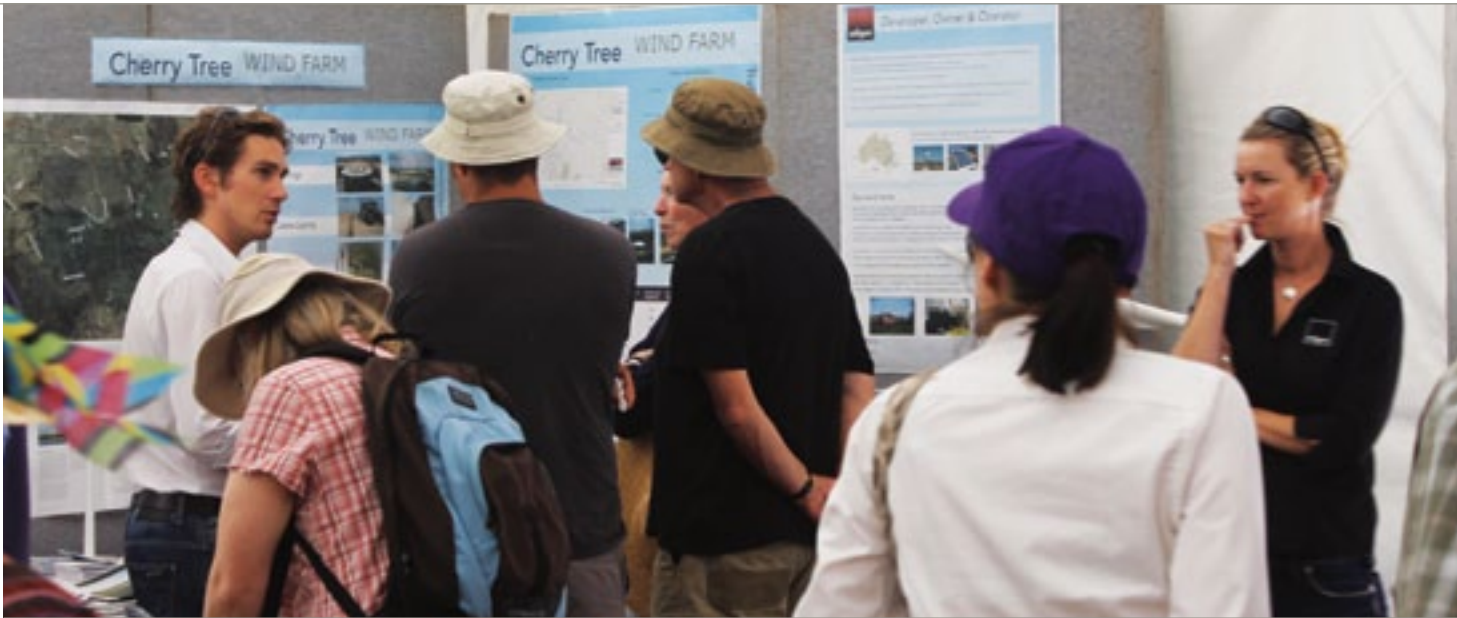


CHRIS MCGRATH

Development Manager

The idea of sustainable energy solutions is simply about a better way to do things.

I have a Bachelor of Science Engineering, Renewable Energy degree from University of New South Wales. I have been working on Infigen's Australian solar PV projects.



Keeping an Open Dialogue with Our Communities

Effectively engaging with stakeholders and talking through people's concerns is a priority for Infigen. We strive to improve how we do this and continue to learn.

Prior to construction all wind and PV solar farm projects go through a development application process in consultation with specialist engineers, planning authorities and the local community. The areas of engagement vary state by state, but broadly cover:

- environmental noise
- flora and fauna
- landscape and visual impact
- cultural heritage
- traffic and transport
- shadow flicker
- electromagnetic interference

Infigen holds open information days within each community in which a project is planned. Infigen actively invites everyone who is interested to come and talk about the project, provide feedback and identify opportunities for co-operation.

Debunking the myths about wind energy

Infigen welcomes interest in issues surrounding the generation of electricity from renewable sources like the wind and sun. Our aim is to build strong relationships through transparent communication with the communities in which we intend to locate our assets. Establishing these relationships is critical because Infigen intends to be a member of these communities for at least 20 to 25 years, throughout the construction and operation of wind farms.

In 2011 and 2012 Infigen organised initiatives to provide opportunities for communities to obtain information and discuss renewable energy and our business during country shows in Bathurst, Blayney, Carcoar and Seymour in Australia. We also met with activist groups, organised trips to wind farms and facilitated meetings between residents from proposed project areas and residents from nearby areas of Infigen's wind farms.

ALMA CORREA HOLMES

Business Services Manager

Working in the wind energy industry makes me proud to be part of something tremendously important. While global energy problems will not disappear tomorrow, we are definitely making an impact in my children's lives. I am thrilled to be a part of the solution!

I graduated from the University of Texas and hold an Associate of Arts, an Associate of Science in Business, a Bachelor's degree in Business Administration (cum laude), and a Master's degree in Business Administration.





At the proposed Cherry Tree wind farm project site in Victoria, Australia, residents in the area were interested about infrasound and audible sound levels from wind farms. It was important for Infigen that these people could access information from an independent, knowledgeable source, which was made available.

Infigen invited an independent acoustic expert to an information session at Cherry Tree to answer questions about the various sounds generated by wind farms. The acoustic expert explained in simple terms the concept of infrasound and independent noise compliance testing procedures undertaken at wind farms.

Helping to raise awareness about renewable energy

Infigen welcomes opportunities to promote renewable energy, and supports staff participation in school and university activities as well as numerous conferences.

For the second year running in Australia, Infigen promoted Global Wind Day by hosting an open day at one of its wind farms. Infigen's Operations Control Centre operators, wind farm developers and construction project managers were wind farm tour guides and explained to visitors how the wind farm is managed and operated, the composition of turbines and how wind power is turned into electricity.

In the US, Infigen continues to support an annual drawing contest which commenced in 2007. The purpose of the contest is to introduce children to renewable energy at an early age. The contest involves 3rd to 5th grade students in elementary schools surrounding Infigen's wind farms.

Sharing the Economic Benefits

To date, the total cumulative capital investment in wind farms in Australia is estimated at just over \$7 billion according to a Sinclair Knight Merz study commissioned by the Clean Energy Council. Of this some \$4.25 billion is estimated to have been spent in Australia on Australian goods and services.

Each year Infigen distributes more than \$260 million of economic value between suppliers, employees, capital providers, governments and communities in which Infigen operates. In the US and Australia this is achieved through sourcing supplies from local businesses, payments to land owners, local authority taxes and charges, community investments and local employee wages. This figure is significantly higher during the construction activity on each project.

Making efforts to source locally

Infigen seeks to source materials and services from local suppliers to bolster the local economy, enhance community engagement, and reduce the impact on the environment from transportation.

'Reality check' with our communities surrounding Capital wind farm, Australia

Infigen commissioned an independent research company to better understand perceptions of the benefits from Infigen's Capital wind farm near Bungendore, in Australia, where Infigen began working in 2004. The survey captured insights from 234 respondents including 89 business operators. The survey explored perceived benefits from the wind farm and opinions on its effects on local businesses and property values.

The results showed that the majority of nearby residents perceived and welcomed the positive impacts the Capital wind farm has had.

Climate Change

Climate change and pollution affect us all. We are faced with the consequences of damaged ecosystems, inhabitable and unusable land, contaminated air, rising sea levels, extreme temperatures and weather events.

Participation in Carbon Disclosure Project

As part of Infigen's commitment to addressing the damaging effects of climate change, Infigen reports assessment of climate change risks under the Carbon Disclosure Project – the world's largest independent global system through which thousands of companies report their greenhouse gas emissions.

The most significant physical risks are the increases in the occurrence of extreme weather events and changes in physical climate parameters. Infigen's business continuity planning considers such events and mitigation is provided by the insurance program. Regulatory uncertainty in conjunction with climate change is also a risk. To mitigate this, Infigen proactively engages with government regulators to promote renewable energy industry and encourage supportive legislations.

Infigen is strategically positioned to capture opportunities associated with climate change responses by its focus on the ownership and operation of renewable electricity generation facilities.

DURING THE 2011 AND 2012 FINANCIAL YEARS INFIGEN'S ENERGY CONSUMPTION WAS LESS THAN 1% OF ITS GENERATION

Developing an understanding of our electricity consumption and carbon emissions

To develop, construct and operate its generation facilities, Infigen consumes energy directly and indirectly. The level of energy consumption is very low relative to the electrical energy generated. However, it is important to monitor these consumption levels, both to meet regulatory reporting requirements (in Australia Infigen has obligations under the National Greenhouse and Energy Reporting Act), and for greater understanding of its energy and emissions profile.

In the 2012 financial year Infigen commenced monitoring its energy usage and emissions across all operations in Australia, and the US for the first time.

During the 2011 and 2012 financial years Infigen's energy consumption was less than 1% of its generation.

Infigen's Emissions – Australian Business Unit

| Scope 1&2 Emissions | FY11 | FY12 | Change |
|---|---------|---------|--------|
| Total greenhouse gas emission in tonnes of CO ₂ equivalent | 3,744.6 | 3,212.5 | -14.2% |
| Tonnes CO ₂ equivalent per MWh net generation | 0.0028 | 0.0023 | -18.4% |

Scope 1 and 2 emissions in the US in the financial year 2011 were 16,327 tonnes of CO₂ equivalent. This is comparable to emitting 0.0049 tonnes or 4.9 kilograms of greenhouse gases per megawatt hour. The data certainty level of these reported figures is 50%. Emissions reporting for the financial year 2012 will be available in the sustainability section on Infigen's website: www.infigenenergy.com

Enhancing Quality of Life and the Environment

Infigen takes steps to protect ecosystems through its environmental management plans, which reflect the requirements of local, state and national regulations. At each of its operating wind farms, Infigen continues to develop its environmental plans, manuals and procedures in line with Infigen's Environment & Community Policy to enable a strategic approach to biodiversity risk management, target setting and establishment of monitoring processes.

Responsibility for preserving bird and bat habitat

All Infigen's activities take into account assessment of impacts on co-existing flora and fauna.

Infigen values the collaboration with planning authorities to put in place adaptive management programs, which are facilitated by independent ecologist experts. This helps Infigen to learn about the behaviour of birds and bats co-existing with wind and solar farms, and implement programs to reduce the impact on bird and bat habitat.

At our most recent projects at Capital and Woodlawn in Australia, independent ecologist experts carry out carcass searches on a monthly basis, and bird and bat utilisation surveys reported on an annual basis to make recommendations for protecting the environment.

Reducing risk of fire

Infigen implements mitigation strategies to limit potential of ignition of bushfires, and carries out regular fire prevention inspections. Wind farm site teams liaise with emergency services, organise familiarisation tours and maintain ongoing programs for maximum prevention of fire risks.

Keeping the land available for livestock and farming

Wind turbines occupy no more than 1-2% of the entire wind farm area. Wind farms are compatible with other land uses by land owners. Farmers can grow their crops, and livestock can feed on the land throughout the construction and operation of a wind farm.

Creating a Better Workplace for Infigen Employees

Infigen strives to create a workplace where people aspire to work for Infigen and dedicate themselves to our success. Providing team members with an opportunity to influence the strategic direction, workplace culture and organisational reputation is a key part of delivering our strategy. Inclusion and consultation is an important factor for motivating and retaining our team and it is important that team members feel they are a part of Infigen and can contribute to building its success.

Combining innovative minds and inspired people

Infigen seeks to create a better workplace by conducting employee engagement surveys. The most recent survey established that Infigen's workforce is highly motivated with high levels of job satisfaction, commitment and empowerment. Action plans were put in place to address key areas of improvement, including:

- Establish a leadership development program for current and future leaders
- Increase the workforce participation of females and persons from minority backgrounds
- Require all external recruitment processes to shortlist at least one female or minority candidate
- Engage tertiary institutions to help promote female careers in the renewable energy industry

Changes to the recruitment processes set out under these targets have already made a difference to the diversity at Infigen. At the end of 2012, there were 38% more women working at Infigen than 2011. Total workforce increases were predominantly a result of moving contractors into full time positions in the US.

Maintaining a capable, agile and motivated team

Developing critical leadership capabilities will improve engagement and retention, which enables future growth for Infigen. To achieve this, Infigen's Group Executive Management started working with the Australian Graduate School of Management to co-create a program for the leadership team, middle managers and high potentials at Infigen.

Traineeship and education

With Lawrence Livermore National Laboratory in California, Infigen collaborated to promote renewable energy engineering degrees through a tutoring program and studying materials on wind monitoring.

For the second year, Infigen sponsored the University of New South Wales Co-Op Scholarship Program in Australia. Participation in this program provides engineering students with practice and hands-on experience throughout their studies. In 2011, we sponsored two Bachelor of Engineering – Photovoltaics and Solar Energy degree students. The students worked over the summer at Infigen to complete their placements. In 2012, Infigen is sponsoring three students from the 1st, 2nd and 3rd year of that degree.

Infigen Innovation Challenge – Australia

At the end of the 2012 financial year, the Australian business unit launched an innovation challenge aimed at improving processes and working life at Infigen and reducing business costs. This initiative seeks to draw on the enormous knowledge and creativity that exists, with the employees. Implementation of selected ideas is planned through 2012 and early 2013. We look forward to reporting initial successes in next year's annual report!

Share of Females in Senior Positions

| | |
|--|-----|
| Board | 20% |
| Group Executive Committee | 0% |
| Senior Management | 24% |
| Middle management | 14% |
| Professional Engineers / Accountants etc | 43% |

FEMALE WORKFORCE (%)

