Annual Report 2024

agl Join the change

Acknowledgement of Country

AGL recognises the First Nations people as the Traditional Custodians of the lands on which we work, and acknowledges those communities' continuing connections to their lands, waters and cultures. We pay our respects to their Elders, past and present.

Hallett Wind Farm, SA.

Report structure

This report is designed to be read in its entirety. The required elements of the Directors' Report, including the Operating and Financial Review (OFR) as required by ASIC Regulatory Guide 247, are covered on pages 10-113. Pages 61-78 (Climate Related Disclosures), are excluded from the Directors' Report. Commentary on AGL's financial performance specifically is contained on pages 14-60 and references information reported in the Financial Report (pages 114-202). The Financial Report includes AGL Energy Limited (the Company or Parent Entity) and the entities it controlled at the end of, or during, the year ended 30 June 2024. Throughout the report, the consolidated entity is referred to as AGL or the Group. The Directors' Declaration forms part of the Financial Report under the *Corporations Act 2001 (Cth)* (Corporations Act).

Voluntary reporting frameworks

This report has been prepared with consideration to the International Integrated Reporting Council's (IIRC) International Integrated Reporting Framework. This framework provides a useful basis for disclosing how sustainable value is created for our shareholders and other stakeholders over time. We have used the framework to demonstrate how consideration of risks and opportunities (both those arising from our business and those that exist in a broader operational context), our purpose and our values drive our strategy. We have also considered how the execution of our strategy creates value, applying a lens that is broader than financial performance alone.

AGL follows the guidance provided by the Financial Stability Board's Task Force on Climate-Related Financial Disclosures voluntary disclosure framework (TCFD Framework). Our disclosures related to the TCFD Framework are now included in this report under Climate Related Disclosures (pages 61-78) rather than in a stand-alone report, as was our previous approach. This change is in preparation for the introduction of proposed mandatory climate-related disclosures under the Australian Sustainability Reporting Standards (ASRS).

The disclosures in this report and the ESG Data Centre are made with consideration of the Sustainability Accounting Standards Board (SASB) standards for 'Electrical Utilities and Power Generators' and 'Gas Utilities and Distributors' version 2023-12.

Our SASB index is included in the ESG Data Centre, which identifies the extent to which each SASB disclosure requirement has been applied.

Assurance

The Remuneration Report (pages 90-111) and the Financial Report (pages 114-202) have been independently audited by Deloitte in accordance with Australian Auditing Standards. Deloitte was also engaged to provide limited assurance over selected key performance indicators included in the Business Value Driver scorecards (page 26) and AGL's progress against selected quantified targets from our 2022 Climate Transition Action Plan (CTAP) and other selected climate-related metrics (page 61-78) in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*. The key performance indicators are to be read in conjunction with the definitions in the Glossary (page 206). Full details of the assurance scope, process and outcomes are included in the assurance statement on page 200.

Forward looking statements

This report includes information about AGL's performance for the period 1 July 2023 to 30 June 2024. Any forward-looking statements are based on AGL's current expectations, best estimates and assumptions as at the date of preparation, many of which are beyond AGL's control. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, which may cause actual results to differ materially from those expressed in the report.

Cover image:
Eildon Power Station, VIC.

Contents

Business Value Drivers

We are focused on creating sustainable, long-term value for our shareholders and other stakeholders through the delivery of our strategy in a manner that is consistent with our values and delivers on our purpose of 'Powering Australian life'. As well as financial value, we consider value through six additional lenses as outlined in our ESG framework below.

Customers

Connecting our customers to a sustainable future

How we are creating value:

- Solutions to meet customer needs
- Energy affordability and support for customers experiencing vulnerability
- Decarbonised energy supply

+ Read more on pages 26-28

Assets

Responsible management of and investment in the assets of today and tomorrow

How we are creating value:

- Transitioning our energy portfolio
- Reliable and efficient plant operations
- Repurposed infrastructure (energy hubs)

+ Read more on pages 28-31

People

Investing in and protecting our people, delivering optimal outcomes by living our values

How we are creating value:

- Safe and healthy workforce
- Future fit people and culture
- Workforce transition

+ Read more on pages 31-33

Relationships

Supporting communities and maintaining strong partnerships

How we are creating value:

- Engaged and supported communities
- Collaboration for Australia's energy future
- Strong business relationships

+ Read more on pages 33-35

Environment

Minimising impact, preserving nature and ensuring resource efficiency

How we are creating value:

- Future low-carbon world
- Environmental stewardship
- Responsible rehabilitation

+ Read more on pages 35-38

Business Intelligence

Unlocking growth through technology and insights

How we are creating value:

- Enhancing customer experience
- Trading, operation and risk management capabilities
- Secure assets and data

+ Read more on pages 38-39

Underpinned by effective governance and ethical behaviour
+ Read more on pages 79-82

$ **Driving financial value**
+ Read more on pages 22-25

Chair and MD & CEO's Message

Dear Shareholders

We are pleased to provide you with AGL's Annual Report for FY24.

FY24 was a year of significant achievements for AGL. We continued to make strong progress delivering on our strategy - to connect our customers to a sustainable future and to transition our energy portfolio - while navigating an increasingly complex and challenging external environment.

Transitioning our energy portfolio

The transition of our energy portfolio has been a key focus during FY24 and we're pleased to report that our development pipeline – which includes wind, solar and firming assets such as gas peakers, batteries and pumped hydro – has almost doubled to 6.2 GW.[1]

As Australia's largest corporate emitter of greenhouse gases, we take our environmental responsibilities seriously and are cognisant of the material impact AGL's emissions profile has on Australia's decarbonisation journey. We exceeded our target to reduce our annual operated Scope 1 and Scope 2 greenhouse gas emissions target by 17% this year, against a FY19 baseline, achieving a 23.3% reduction.

> We have an ambition to build and operate a leading battery portfolio in the National Energy Market, and we made strong progress during FY24 with 800 MW of new grid-scale batteries in operation, in testing or under construction.

> The 250 MW Torrens Island Battery and 50 MW Broken Hill Battery recently became operational, and construction is underway for the 500 MW Liddell Battery at our Hunter Energy Hub in New South Wales.

We also announced a Joint Venture with Someva Renewables to develop the Pottinger Energy Park in New South Wales – a multi asset precinct that is expected to consist of a 1.2 GW wind farm, 300 MW solar farm and 500 MW, 4-hour duration grid-scale battery.

In April 2024, Gippsland Skies Offshore Wind, a consortium in which AGL has a 20 percent interest, was awarded a feasibility licence for a fixed bottom 2.5 GW offshore wind project off the Gippsland region of Victoria.

In New South Wales, we're developing (together with our JV partner, Idemitsu) the 400 MW, 8-hour storage, Muswellbrook Pumped Hydro project, which is planned to provide essential long-duration storage for the National Electricity Market. In July 2024, the project received Critical State Significant Infrastructure (CSSI) status by the NSW Minister for Planning and Public Spaces, qualifying the project for rapid development assessment. First power generation is targeted for 2029, subject to advanced development studies being successful, final investment decision and government approvals.

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1. AGL's development pipeline was disclosed as 3.2 GW in its inaugural Climate Transition Action Plan (CTAP), released in September 2022

Integral to the delivery of our transition strategy is the transformation of our existing thermal sites into Integrated Energy Hubs. This strategy is progressing well, with ten Memoranda of Understanding signed with various parties across our three major sites. In particular, during FY24 we signed three Memoranda of Understanding for the Hunter Energy Hub: the first with Renewable Metals to develop a pre-feasibility study into establishing a lithium battery recycling facility; the second with SunDrive to explore the development of a solar photovoltaic (PV) manufacturing facility, and thirdly, with Elecsome to develop a feasibility study for the establishment of a solar panel recycling plant and solar cable manufacturing plant.

We also continue to invest in the flexibility of our thermal assets to minimise risk and capture value. We have undertaken significant upgrade works at our Bayswater Power Station in New South Wales and at Loy Yang A Power Station in Victoria, and these plants can now be flexed down approximately 60-70 percent of their full operating capacity.

Connecting our customers to a sustainable future

We remain acutely aware of the ongoing cost-of-living pressures affecting our customers and our commitment to easing these pressures continues through our two-year Customer Support Package, which we have increased by a further $20 million to $90 million. To date, we've delivered more than $63 million to assist customers who need it most.

> Our strategy is to connect our customers to a sustainable future, which involves supporting our customers to decarbonise the way they live, move and work and advancing their electrification journey.

During FY24, we made significant investments to transform our customer operations to enhance customer and agent experience, reduce future operating costs and improve speed to market as part of our Retail Transformation Program.

This includes our strategic partnership with Kaluza, including a proposed 20 percent equity investment. Kaluza is a scalable, flexible and proven technology platform that digitises and simplifies energy billing, reduces cost-to-serve and enables faster product innovation to facilitate the energy transition. We will deploy Kaluza into AGL's consumer customer base over the next three years, transferring our 4 million consumer electricity and gas customer services onto the Kaluza platform.

We're excited about this program for AGL and our customers.

> The Kaluza platform will allow us to develop a future suite of simplified products that will seamlessly integrate and improve customer experience.

This will be complemented by a streamlined operating model to help us deliver superior speed to market and a reduction in costs.

During FY24 we expanded the Electrify Now platform to Australians across the National Electricity Market. Electrify Now helps customers to understand their potential energy bill and carbon savings if their home switched to solar, battery, heat pump hot water, an electric vehicle (EV) and/or induction cooktop, with users able to choose which upgrades suit their budget and lifestyle. We are proud to be the first Australian energy retailer to offer this solution.

> We continue to grow our customer base, which increased to 4.5 million customer services during FY24, while at the same time driving value and an improved customer experience.

During FY24 we entered into exclusive partnerships with Netflix and Virgin Australia's Velocity Frequent Flyer program to provide additional benefits for our customers. These new partnerships complement our existing energy and telecommunications offerings that are already delivering improved customer retention results.

Our focus on customer retention, new partnerships, exclusive products and integrated propositions resulted in strong growth in overall customer services across both energy and telecommunications. We've also maintained strong customer advocacy throughout the year with a positive strategic Net Promoter Score of +4.

During FY24, we also partnered with our Commercial and Industrial Customers on innovative solutions to support their decarbonisation goals. The completion of a microgrid at the Cadell Almond Farm in New South Wales, consisting of a solar farm and battery system, and our partnership with Australian Farming Services on three bespoke renewable energy projects for their farming enterprises in New South Wales, are examples of how we're working with our large customers.

Financial Performance

During FY24, AGL delivered strong financial results, in line with our FY24 earnings guidance:

- Statutory Profit after tax was $711 million. This included a pre-tax negative movement in the fair value of financial instruments of $(53) million and significant items of $(103) million.
- Underlying Net Profit after tax, which excludes the movements in the fair value of financial instruments and Significant Items, was $812 million, up 189% from FY23.
- Underlying EBITDA was $2,216 million, up 63% on FY23.

The Board has declared a final FY24 dividend of 35 cents per share (unfranked), resulting in a total dividend for FY24 of 61 cents per share (unfranked).

Our results reflect significantly improved fleet availability and portfolio flexibility, including a solid earnings contribution from the Torrens Island Battery in its first nine months of operation, as well as continued strong performance from our retail business.

These results, and the core fundamentals of our business, provide a strong foundation for our ongoing investment in the energy transition, while maintaining a healthy balance sheet and providing appropriate shareholder returns.

Within our Customer Markets business, our Retail Transformation Program aims to deliver a reduction in operating costs and capital expenditure, with net benefits expected to commence in FY28 and expected pre-cash savings of approximately $70-90 million annually from FY29. Estimated implementation costs for the residential and small business customer solution component of the Program will be approximately $300 million over four financial years, beginning in FY24. This includes costs associated with program and change management, customer migration, systems integration and change within supporting platforms.

Safety and People

The safety and wellbeing of our people is our utmost priority. An area of concern for the Board is our Total Injury Frequency rate, which remains elevated at 3.5 per million hours worked, up from 2.8 in FY23, and is largely attributable to low-impact injuries. We continue to undertake measures to improve this metric and prevent injuries from occurring including increased focus on health and safety leadership training as well as site specific safety awareness programs.

An engaged workforce is fundamental to the successful delivery of our strategy, and pleasingly, our employee listening survey results demonstrate the increased employee confidence in AGL's strategy, leadership and our commitment to employee development.

> This year, our employee engagement score increased by five percentage-points to 72%, continuing the positive trend since FY22.

Our inclusion index score also increased to 75%, surpassing the target we set for FY24 in our Diversity & Inclusion strategy (70% in 2023).

In recognition of our strong workplace culture, we were acknowledged by the Australian Financial Review (AFR) Boss Magazine Best Places to Work for 2024, and received Platinum Employer status at the Australian Workplace Equality Index's (AWEI) LGBTQ+ Inclusion Awards.

Embracing ESG in everything we do

We are focused on embedding ESG considerations into the work we do and the decisions we make. During FY24, the Board approved six focus areas to drive ESG performance, comprising:

- decarbonisation and portfolio transition;
- affordability;
- safety;
- gender equality and representation;
- community acceptance and social value; and
- reconciliation (procurement and recruitment).

For further information on our initiatives, see pages 12-13.

Our commitment to strong corporate governance was also recognised by the Australian Shareholders Association this year, with AGL receiving the 2024 Enhanced Company Governance Award.

Chair succession

A message from Chair, Patricia McKenzie

"It has been an honour to lead AGL, as Chair, during the last two years and to serve on the Board during the last five years. When I became Chair, at a challenging period in AGL's history, my objective was to stabilise the company and set it on a path to take a leading role in the transition of the energy industry towards a more sustainable future.

Since this time, a renewed Board and management team was put in place, including the appointment of Damien Nicks as Managing Director & CEO in January 2023. Under my leadership, AGL announced a refreshed strategy and released its inaugural CTAP with strong support from our shareholders. In line with this strategy, AGL moved forward the targeted closure date of the Loy Yang A power station by up to 10 years than previously announced, the Liddell Power Station closed in April 2023, and we set an ambition to deliver 12 GW of renewable and firming capacity by the end of 2035. AGL has made significant progress in delivering this strategy over the last two years, with the development pipeline almost doubling to 6.2 GW since the release of the CTAP. AGL has significantly improved its financial and operational performance over this period and demonstrated substantial progress towards the energy transition and AGL's retail transformation program.

Given this solid foundation, I will retire from the AGL Board following the release of AGL's FY25 half-year results in February 2025. Miles George has been appointed Chair-elect and will succeed me as Chair in February.

I remain committed to chairing AGL until February and will continue to support the management team and ensure an orderly handover to Miles. I am confident that AGL will continue on this successful trajectory."

Looking forward to FY25

Staying ahead of Australia's changing energy market and anticipating our customers' needs is critical to our continued success.

We've made significant progress on our strategy over the last 12 months while navigating an increasingly complex regulatory and policy environment.

We have a clear strategy, and the achievement of our goals and ambition relies on policy certainty and a stable and efficient regulatory environment. We will continue to work with industry and government to advocate for the coordinated decarbonisation of Australia's energy sector in a way that balances energy reliability and affordability.

Following the significant delivery of our strategy in FY24, we are looking forward to FY25 with excitement about the momentum we have built and the opportunities ahead.

Thank you for your continued support.

P. McKenzie

Patricia McKenzie
Chair

Damien Nicks
Managing Director & CEO

Five Year Summary

Key financial metrics

		FY24	FY23	FY22	FY21	FY20
Income						
Revenue	$m	**13,583**	14,157	13,221	10,942	12,160
Underlying EBITDA	$m	**2,216**	1,361	1,218	1,666	2,026
Underlying EBIT	$m	**1,469**	633	501	959	1,306
Statutory Profit/(Loss) after tax	$m	**711**	(1,264)	860	(2,058)	1,007
Underlying Profit after tax	$m	**812**	281	225	537	808
Financial position						
Total assets	$m	**15,661**	15,238	19,270	15,450	14,607
Net debt	$m	**1,769**	2,711	2,662	2,997	2,723
Gearing (net debt/net debt + equity)	%	**24.7**	34.9	29.2	35.1	25.3
Cash flow						
Sustaining capital expenditure	$m	**588**	508	460	534	507
Growth capital expenditure	$m	**259**	121	186	173	178
Operating cash flow before significant items, interest and tax	$m	**2,429**	1,013	1,498	1,606	2,476
Operating free cash flow	$m	**1,736**	504	763	855	1,141
Cash conversion excluding margin calls and rehabilitation	%	**115**	86	112	100	100
Shareholder value						
Statutory earnings per share	cents	**105.7**	(187.9)	131.6	(330.3)	157.2
Underlying earnings per share	cents	**120.7**	41.8	34.4	86.2	126.1
Dividends declared	cents	**61.0**	31.0	26.0	75.0	98.0
Payout ratio	%	**50.5**	75.0	75.0	87.0	75.0
Return on capital invested	%	**13.5**	5.7	4.8	7.6	8.6
Return on equity	%	**14.9**	4.9	3.7	8.1	10.0

Key operating metrics

		FY24	FY23	FY22	FY21	FY20
Total services to customers	million	**4.482**[1]	4.271	4.215	4.208	3.954
Customer churn	%	**15.8**	14.2	15.6	14.3	14.3
Pool generation volume	TWh	**34.1**	36.9	40.8	41.1	43.8
Customer demand: Electricity	TWh	**36.3**	38.2	39.0	40.6	40.3
Customer demand: Gas	PJ	**101.8**	131.4	153.1	158.4	155.5
Wholesale electricity prices (realised spot generation)[2]	$/MWh	**94.0**	134.0	115.0	58.0	75.2
Fuel costs[3]	$/MWh	**(21.3)**	(23.3)	(20.2)	(20.8)	(23.1)
Operating costs and capital expenditure	$m	**(2,634)**	(2,233)	(2,142)	(2,326)	(2,336)

1. Includes Netflix Services
2. Refer to Operating & Financial Review - Section 6.2 Electricity Portfolio - Net Portfolio Management for further information.
3. Refer to Operating & Financial Review - Section 3.1.5 Fuel costs for further information.

Business Value Driver key performance indicators

For more information about each key performance indicator, refer to the scorecards in Section 3.2. The key performance indicators should be read in conjunction with the Glossary to the Business Value Drivers on page 206.

		FY24	FY23	FY22	FY21	FY20
Customers						
Strategic Net Promoter Score (NPS)		**+4**	+5	+6	+5	+2
Ombudsman complaints		**8,111**	5,012	4,873	5,973	7,731
Number of customers on Staying Connected		**27,471**	18,889	15,964	26,263	28,051
Average level of debt of customers on Staying Connected	$	**2,025**	2,578	2,973	2,768	2,293
Total average debt across mass market customer portfolio	$	**414**	386	241	292	319
Green revenue as a % of total revenue	%	**19.3**	17.5	15.3	13.4	11.5
Increase in green revenue from FY19	%	**83**	73	41	NR	NR
Decentralised assets under orchestration (including smelters)	MW	**1,249**	1,139	NR	NR	NR
Assets						
New renewable and firming capacity	MW	**978**	478	NA	NA	NA
Operated and contracted renewable generation and storage capacity[1]	%	**32.8**	30.5	NR	NR	NR
Grid-scale batteries installed and managed	MW	**380**	130	30	30	30
Total grid-scale batteries operated, contracted or in delivery	MW	**1,000**	430	NR	NR	NR
Equivalent Availability Factor - all fleet	%	**85.8**	76.8	74.5	73.7	76.9
Equivalent Availability Factor - thermal and gas generation fleet	%	**86.6**	74.6	NR	NR	NR
People						
TIFR employees		**2.7**	2.4	1.5	1.7	2.6
TIFR (employees + contractors)		**3.5**	2.8	2.1	2.3	3.3
Fatalities (employees + contractors)		**0**	0	0	0	0
Employee engagement	%	**72**	67	57	62	73
Attrition (total workforce)	%	**11**	13	20	10	9
Key talent retention	%	**92**	83	76	95	98
Gender mix in senior leadership pipeline	% female	**36**	33	35	36	38
Material breaches of Code of Conduct		**0**	0	0	0	0
Relationships						
Community contribution	$m	**6.0**	4.8	3.8	5.2	4.3
RepTrak score		**66.9**	65.6	65.8	66.7	68.3
Underlying effective tax rate	%	**30.5**	26.7	23.2	27.0	28.3
Environment						
Operated Scope 1 & 2 emissions	MtCO$_2$e	**33.2**[2]	35.2	40.1	40.8	42.7
Reduction in operated Scope 1 & 2 emissions compared to FY19 baseline	%	**23.3**[2]	18.5	NR	NR	NR
Operated and contracted generation intensity[3]	tCO$_2$e/MWh	**0.936**[2]	0.916	NR	NR	NR
Emissions intensity of total revenue	ktCO$_2$e/$m	**2.4**[2]	2.5	3.0	3.7	3.5
Emissions intensity of electricity supplied[4]	tCO$_2$e/MWh	**0.841**	0.879	NR	NR	NR
Environmental Regulatory Reportable incidents		**17**	30	13	11	9
Environment SIF Actual		**1**	2	NR	NR	NR
Business Intelligence						
Speed to market[5]	%	**+30**	NA	NA	NA	NA
Digital only customers	%	**55.8**	52.7	NR	NR	NR
Major IT incidents		**44**	34	50	52	33
Reportable privacy incidents		**5**	3	1	0	1

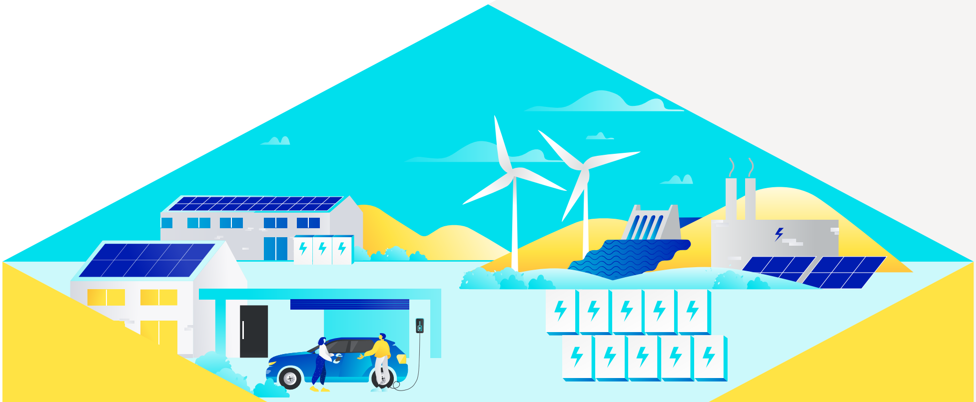
1. This metric replaces the previously reported 'controlled renewable and battery capacity' metric. The boundary has been adjusted to better reflect delivery of our target to add 5 GW of new renewable generation and firming capacity by 2030. FY23 data has been restated.
2. Data is based on material emission sources and estimates for non-material sources; this will be updated later in the year and may change.
3. This metric replaces the previously reported 'controlled generation intensity metric'. The boundary has been adjusted to better reflect delivery of our target to add 5 GW of new renewable generation and firming capacity by 2030. FY23 data has been restated.
4. FY23 data has been restated in line with the updated calculation method.
5. Improvement compared to May 2023 baseline.

Strategy and Performance

AGL is driving Australia's decarbonisation journey by connecting our customers to a sustainable future and transitioning our energy portfolio.

Our purpose
Why we exist

Powering Australian Life



Our strategic focus
What we're focusing on for success

Connecting our customers to a sustainable future

Helping our customers decarbonise the way they live, move and work

Transitioning our energy portfolio

Ambition to add 12 GW of new renewable generation and firming by the end of 2035, and seek options to accelerate where possible

We will enable this transformation by ensuring a strong foundation:

Our foundation
Underpins everything we do

Embracing ESG

We factor ESG considerations into the work we do and the decisions we make

Future-fit, people and culture

Our people are empowered as the driving force of a safe, future focused, purpose driven business

Technology at the core

Growth and CX unlocked through technology, digitisation and AI

Delivering for Shareholders

Shareholder Value

Providing financial stewardship, effective capital allocation, and strong returns to shareholders

We are making strong progress towards achieving our FY27 strategic targets

Customer NPS leadership

FY27:
+20

FY24: +4
FY23: +5

(Strategic NPS)

Digital only customers

FY27:
60%

FY24: 55.8%
FY23: 52.7%

Speed to market improvement

FY27:
By 80%[1]

FY24: +30%
FY23: NA

Green revenue expanded

FY27:
85%

FY24: 83%
FY23: 73%

Increase in green revenue from FY19[2]

Cumulative customer assets installed

FY27:
300 MW[3]

FY24: 63 MW
FY23: NA

Behind the meter

Operational performance

FY27:
88%

FY24: 86.6%
FY23: 74.6%

Equivalent Availability Factor (EAF)[4]

New renewable and firming capacity development contracted or in delivery

FY27:
2.1 GW[5]

FY24: 978 GW
FY23: 478 MW

Total grid-scale batteries operated, contracted or in delivery

FY27:
1.5 GW

FY24: 1.0 GW[6]
FY23: 430 MW

Decentralised assets under orchestration

FY27:
1.6 GW[7]

FY24: 1.25 GW
FY23: 1.14 GW

Energy hubs established

FY27:
6 - 8

FY24: 4 in negotiation
FY23: NA

Major industrial clients located on or connected to a hub

1. Improvement compared to May 2023 baseline.
2. Increase in AGL's revenue from green energy and carbon neutral products and services from FY19 baseline.
3. Installations completed from FY24 – FY27 inclusive.
4. Comprises Liddell, Bayswater, and Loy Yang A coal-fired power stations, and Torrens Island B, Somerton, Barker Inlet and Kwinana Swift gas-fired power stations.
5. Measured as new firming and renewable capacity in construction, delivery or contracted from FY23 onwards. Excludes projects that were already operational during FY23.
6. Comprises 380 MW of operational batteries (Dalrymple 30 MW; Wandoan 100 MW; Torrens Island 250 MW) as well as Broken Hill Battery (50 MW) and Liddell Battery (500 MW).
7. Includes smelters.

Embracing ESG

Embracing ESG means thinking about the responsibilities we have to our people, customers, investors, communities and the environment in which we operate.

Decarbonisation and portfolio transition

Focus

Progressing our renewable and firming pipeline and connecting our customers to a sustainable future to drive the energy transition, including by supporting our customers to decarbonise through business and home electrification products and services.

Progress

- We **exceeded our CTAP target to reduce our annual operated Scope 1 and 2 greenhouse gas emissions** by 17% by FY24 against a FY19 baseline, achieving a 23.3% reduction.
- We've **expanded our development pipeline** of renewable and firming assets to 6.2 GW[1].
- We completed the 250 MW Torrens Island Battery and the 50 MW Broken Hill Battery[2], and commenced mobilisation for construction of the 500 MW Liddell Battery.
- We expanded **Electrify Now** to customers across the NEM, helping Australians to better understand the potential benefits of electrifying and decarbonising their homes.
- We continue to **deliver decarbonisation solutions** for our commercial and industrial customers, including installing a microgrid at Cadell Almond Orchard with a 4.9 MW five-hectare solar farm and a 4.17 MWh battery system.
- Decentralised assets under **orchestration** increased to 1.25 GW.

Safety

Focus

Driving an uplift in our safety performance and culture.

Progress

- We have continued our **focus on preventing significant injury or fatality (SIF) events**, and delivered SIF awareness training to our people.
- We invested in **operational engineered solutions** and **asset integrity**.
- Although no SIF events occurred, disappointingly, the number of recordable injuries increased, and our total injury frequency rate for employees and contractors increased to 3.5.
- To promote a **targeted refocus on safety**, we delivered a "Stand Together for Safety" event during SafeWork Month in October.
- We are building an understanding of potential psychosocial hazards by delivering a **psychosocial awareness program** throughout the organisation.
- We are supporting our people to stay healthy through targeted campaigns such as 'May Health Month', which included offering **free health checks** and webinars.

Gender equality and representation

Focus

Working to accelerate gender equality across AGL's business, including working alongside our industry peers through the Champions of Change Coalition, to deliver our 40:40:20 vision for gender equality by 2030.

Progress

- The proportion of women in our Senior Leadership Pipeline has risen to 36%, **exceeding our FY24 target of 35%**.
- The median **gender pay gap** for total remuneration reduced by 3.9 percentage points from 2023 to 29.3%.
- We have delivered **Respect@AGL training** to over 3,000 employees, and continued to invest in our Women Rising and Male Allies **leadership programs**.

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1. As of August 2024.
2. Commercial operations of the Broken Hill Battery commenced in August 2024.

Reconciliation (procurement and recruitment)

Focus

Creating employment and supplier opportunities for First Nations people to meet our First Nations suppliers target and advance our First Nations recruitment strategy.

Progress

- We **launched our second Innovate Reconciliation Action Plan** (RAP) and have made strong progress against the plan over FY24.
- We purchased **$5.96 million of goods and services from First Nations owned businesses** in FY24, exceeding our target of spending $5.7 million over two years.
- We launched our **Employee Value Proposition** for First Nations employees, and provided formal and informal **cultural learning experiences** for all our employees.
- The number of self-identifying **First Nations employees increased** from 19 to 39.

Community acceptance and social value

Focus

Maximising the social impact of our community investment with clear site-specific community investment plans to better align to our social licence priorities, and developing regional strategic partnerships to improve community acceptance of our projects, reputation and social licence.

Progress

- We **invested $6.0 million** in the communities in which we operate through a structured program of community investment.
- We are implementing our **Social Impact Framework** to consolidate our community investment to support four key areas (community resilience, climate action, cost-of-living, and First Nations empowerment).
- With increased cost-of-living pressures in the community, we have focused our community investments to **support organisations that deliver help** to those in need such as The Salvation Army, OzHarvest, Singleton Neighbourhood Centre and the Upper Hunter Homeless Support.
- We funded the installation of more than 63 kW **solar generation capacity** for Hunter Valley Aboriginal Corporation and Aussie Ark, and supported the delivery of a network of **community-owned EV charging infrastructure** through our ongoing partnership with Gippsland Climate Change Network.

Affordability

Focus

Improving the way we identify and support customers experiencing vulnerability, including delivering on our commitments made through the Customer Support Program to help our customers who need it most.

Progress

- We are **proactively engaging customers** showing early signs of hardship, and delivered specialised empathy training for frontline customer support agents.
- We **strongly advocated** for the continuation of the National Energy Bill Relief Fund to provide ongoing targeted support for customers feeling cost-of-living pressures.
- We have delivered over $56 million in **payment matching and debt relief**, including $20 million in proactive bill credits for Centrepay customers and $36 million in debt relief for customers under our hardship program and those affected by family and domestic violence.
- We have supported around 17,000 customers to move off our Staying Connected hardship program.
- We are undertaking a proactive outreach program to **deploy solar for low-income households**, achieving 100 solar installations.

Operating & Financial Review

For the year ended 30 June 2024

1. About AGL

Proudly Australian for over 186 years, AGL supplies energy and other essential services to residential, small and large businesses and wholesale customers. AGL is committed to providing our customers simple, fair and accessible essential services as they decarbonise and electrify the way they live, move and work.

AGL operates the largest electricity generation portfolio within the National Electricity Market (NEM) of any ASX-listed company. Our portfolio comprises coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, batteries and other firming technology, and gas production and storage assets. We are building on our history as one of Australia's leading private investors in the construction of renewable energy projects and owner of the largest privately owned fleet of hydro assets in Australia, to now be a leader in the business of transition to a lower emissions, affordable and smart energy future in line with the goals of our Climate Transition Action Plan.

Our purpose and values

The world is changing and at AGL we're looking to the future. AGL's purpose, **Powering Australian life**, and company values (**Bring on tomorrow**; **Can do. Will do**; and **Be safe. Be supportive**) reflect our commitment to provide reliable, sustainable and affordable energy solutions for millions of homes and businesses as we play our role in Australia's energy transition. At an enterprise level, AGL's purpose provides our company, our Directors and our employees and contractors with the foundations for actions and, together with our values, guides our thinking and decision-making so that we continue to perform and deliver for our customers, communities and other stakeholders.

Principal activities

The principal activities of AGL as of the reporting date comprised the operation of energy businesses and investments, including electricity generation and storage, gas storage, the sale of electricity and gas to residential, business and wholesale customers, and the retailing of broadband and mobile services.

Operating segments

AGL manages its business in three key operating segments:

- **Customer Markets** comprises the Consumer and Large Business customer portfolios responsible for the retailing of electricity, gas, broadband/mobile/voice, solar and energy efficiency products and services to residential, small and large business customers. Customer Markets sources its energy from Integrated Energy at transfer prices that reflect wholesale energy costs in each state, along with energy provided by rooftop solar. Customer Markets also includes sales, marketing, brand, AGL's customer contact and call centre operations, and AGL's electrification and innovation growth areas.
- **Integrated Energy** operates AGL's power generation portfolio and other key assets, including coal, gas, wind and hydro generation facilities, grid-scale batteries, natural gas storage and production facilities, and development projects. Integrated Energy runs a large trading operation that manages price risk associated with procuring electricity and gas for AGL's customers, manages AGL's obligations in relation to renewable energy schemes, and controls the dispatch of AGL's owned and contracted generation assets, gas offtake agreements and associated portfolio of energy hedging products.
- **Investments** comprises AGL's interests in the ActewAGL Retail Partnership, Tilt Renewables, Ovo Energy Australia[1] and other investments.

Refer to Section 5 for further details and financial performance information for each operating segment, and for centrally managed expenses.

Our Purpose is centred on

Powering Australian Life

**At AGL, we believe energy makes life better.
That's why we're passionate about powering the way Australians live, move and work.**

Bring on tomorrow.

Seize the opportunity. The work we do today impacts the Australia we leave for future generations. We don't have all the answers. But through continuous improvement and working together, we'll uncover opportunities that make history. For all of us. Bring it on.

Can do. Will do.

Make things happen. We show up with a positive attitude. We're resilient, confident, and flexible in the way we work. Combine this with our expertise and insight, we always deliver. For ourselves, each other, and our customers.

Be safe. Be supportive.

Be a good human. Upholding a safe environment at work is on all of us. So we back ourselves and we back each other. Creating a culture where everyone feels included, heard and safe, every day.

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[1] AGL has 100% ownership of Ovo Energy Australia since 3 April 2024.

Operating & Financial Review

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1.1 Our operations

The map below shows the energy assets which we operate or invest in as of 30 June 2024.

AGL recognises First Nations people as the Traditional Custodians of the lands on which we work, and acknowledges those communities' continuing connections to their lands, waters and cultures. We acknowledge the Traditional Custodians who have cared for Country for thousands of years, and we are committed to continuing to learn what we can achieve together to build a better future for Australia. The Traditional Custodians of the lands on which we work are identified on the map in our Reconciliation Action Plan, available on our website.

Δ Assets owned by Tilt Renewables.
* Projects funded / owned by other parties. Sunraysia Solar Plant 50% contracted generation to AGL.
Map reflects assets as at 14 August 2024. Generation assets operated or contracted by AGL which have an installed capacity of less than 50 MW are not shown on this map.

2. Strategy

AGL recognises that the way in which energy is supplied and used is evolving at pace, with the momentum behind the move to more sustainable energy sources and the evolution of new customer-centric technology triggering a structural and economic shift in the way that energy markets operate.

Our strong execution of our strategy in FY24 reflects not only our success in responding to these challenges but maximises our opportunities to create value for our shareholders and other stakeholders, including, critically, our customers. The dual arms of our strategy - *connecting our customers to a sustainable future* and *transitioning our energy portfolio* - recognise that we need to balance energy affordability, reliability and security for our customers, evolving both the way we supply energy and the way we meet the changing needs of our customers and the community. Our performance made against our FY27 strategic targets is shown on page 11.

We have made significant progress with the delivery of our strategy to transition our energy portfolio. We continue to progress our renewable and firming development pipeline, which has grown from 3.2 GW to 6.2 GW[1] since our Climate Transition Action Plan (CTAP) was released in September 2022, in pursuit of our ambition to deliver 12 GW of new renewable and firming capacity by the end of 2035, with an interim target of 5 GW by 2030. As we build our pipeline, and deliver against our targets, we continue to review market dynamics, customer demand and our development pipeline options, and seek to accelerate our decarbonisation pathway where possible . We are also making significant investments in flexibility, including investing in grid-scale batteries, growing distributed energy and orchestration assets, and increasing thermal unit flexibility.

Transforming our existing thermal sites into integrated energy hubs is also an important part of our strategy to support regional diversification, providing new jobs and skills development opportunities for communities where we operate. It recognises that our move away from thermal generation needs to be responsibly and respectfully managed to ensure that affected communities are supported and encouraged to grow through the changes. We are making good progress with transforming our three thermal generation sites into energy hubs. Refer to the Assets scorecard for details of AGL's asset transition plans, development pipeline, how we have invested in flexibility, and our energy hub progress over FY24.

This year, we also achieved a significant milestone in our transformation journey to connect our customers to a sustainable future, with our strategic partnership and equity investment in Kaluza as part of our Retail Transformation program. The innovative technology and a new operating model brings opportunities to uplift product innovation and provide effortless digital experiences for our people and customers. Over FY24, we have seen considerable growth in our core retail business, as well as growth in the delivery of decarbonisation at scale for our commercial and industrial customers. Refer to the Customer scorecard for details of how over the course of FY24 we have been helping our customers decarbonise the way they live, move and work, while also actively balancing the need to support our customers facing cost-of-living pressures.

We are also focused on embedding ESG considerations into the work we do and the decisions we make. Over FY24, we have been driving performance improvements in six key areas, as set out on pages 12-13. The Business Value Driver scorecards on pages 26-39 provide further detail on how we have been creating sustainable, long-term value for our shareholders and other stakeholders through the lens of our six business value drivers identified in our ESG framework.

This is an important time in both Australia's and AGL's transition journeys. The energy transition is opening up new value creation opportunities, shaped by decarbonisation, decentralisation and digitisation, which AGL is well positioned to capitalise on. Achieving the necessary rate and scale of transition will need a coordinated approach among federal, state, and local governments, market bodies, industry, and consumers, as well as a stable investment environment. We are committed to working with stakeholders across the energy sector and the community to achieve innovative solutions to the challenges that the energy transition brings, in order to create a sustainable energy future.

2.1 Operating environment

Australia's energy and climate policy landscape remains highly dynamic. Over the coming decades, substantial amounts of large-scale renewables and distributed solar generation are forecast to be added to the system. Ageing thermal generation plant will be replaced by a range of storage and flexible generation technologies with lower emissions intensities to drive the decarbonisation of Australia's energy sector.

To deliver this transition, a major infrastructure and asset replacement program is needed, requiring substantial investment in new generation, transmission, distributed energy, and low-emissions appliances.

In the last year, state and federal governments have announced a range of additional commitments to accelerate the transition of the energy sector, most notably the Australian Government's Capacity Investment Scheme, which seeks to support the renewable energy and emissions reduction targets set by the federal government and all NEM states.

States have also announced new climate and energy policies to support a faster uptake of renewables and transmission infrastructure, and to support the development of emerging industries such as energy storage, hydrogen, offshore wind, electric vehicles, and consumer energy resources. At the same time, state governments have entered into agreements with the operators of some thermal assets to provide certainty around closure dates, and put forward regulatory mechanisms to extend the life of thermal generation assets, if required, to maintain system reliability and security.

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[1] As of August 2024.

While growth in uptake of consumer energy resources like rooftop solar and electric vehicles remains strong, increased costs, supply chain constraints, and planning and connection delays pose challenges to the delivery of generation and transmission projects needed to support the energy transition. Electrification of other sectors is set to play a critical role in economy-wide decarbonisation, and unlocking barriers to the energy transition will be critical for enabling this.

Despite these challenges, conditions in energy markets have generally improved. This follows a period of significant disruption and government price intervention in wholesale markets in response to record-high prices for coal and gas in 2022. Wholesale energy prices have eased from recent highs, and grid reliability targets are being met. However, broader macroeconomic conditions have caused inflationary pressures and increased input costs, leading to significant household cost-of-living pressures and challenges for businesses from supply chain disruptions and material increases in energy input costs. Collaborative action, policy reform and a stable investment environment will be key to delivering new infrastructure in a timely manner and managing higher penetrations of variable renewable energy in the national electricity grid.

Household living and business expenses, including the cost of energy, will therefore remain significant ongoing concerns. As further steps are taken to accelerate the energy transition and meet government targets, long-term benefits and costs to customers and the broader economy will remain a critical consideration.

2.2 Capital allocation framework

Our capital allocation framework is designed to drive disciplined allocation of capital to transition our customer and generation portfolios, to deliver on our strategy, while maintaining financial strength and flexibility to maximise future returns for our shareholders. Our principles are:

1. **Maintain strong credit profile:** Baa2 investment grade credit rating.
2. **Ongoing investment:** Continue to invest to strengthen and drive value from our core business to realise opportunities through the energy transition.
3. **Sustainable dividends:** Dividend payout ratio of 50-75% of Underlying Profit after tax, franked to the extent possible.
4. **Capital Management:** Consider when appropriate, with all investments tested against additional returns to shareholders.

Investment proposition

AGL is well-positioned to be a leader in the energy transition and generate strong returns for our shareholders. Our investment proposition summarises our core strengths as an integrated business and how we intend to leverage these to deliver future value:

Strong positive momentum in earnings and cashflow outlook underscored by our low-cost baseload generation position, flexible portfolio and development pipeline.

Leading energy retailer, large quality customer base to underpin investment in transition and capture new value from electrification.

Disciplined capital allocation framework to deliver on the transition while maximising value and shareholder returns.

Opportunity to invest in the Australian energy transition with a clear strategic plan strongly supported by financial markets.

2.3 Enterprise and strategic risk management

AGL faces a wide variety of risks due to the nature of its operations. In order to effectively manage these risks, AGL has an enterprise-wide risk management framework that is designed to ensure risk management practices are embedded into all business processes, strategy setting and operational activity, driving consistent, effective and accountable action, decision making and management practices. AGL's risk management framework is aligned with the principles and requirements of the International standard for risk management (ISO 31000 – Risk Management).

AGL's risk management framework is overseen by the Board, supported by the Audit & Risk Management Committee. On an annual basis, the Board and the Audit & Risk Management Committee review AGL's Risk Management Framework and its consistent operation across the organisation. Both the Board and the Audit & Risk Management Committee also regularly review AGL's strategic risks, and at least annually review and approve AGL's Statement of Risk Appetite, which was most recently reviewed in June 2024. Additionally, the Board has adopted an enterprise-wide Risk Management Policy that sets out AGL's objectives for risk management and clearly articulates the responsibilities of all AGL's people in relation to the management of risks.

Through this risk management framework, AGL undertakes a comprehensive process throughout the year to identify, monitor, assess and report on the key risks to achieving our strategic priorities over the medium to long term. We define these as Tier 1 Strategic Risks. Risk mitigation strategies are in place for each of these risks, which are overseen by AGL's Audit & Risk Management Committee. Further detail on AGL's risk management framework is detailed in our 2024 Corporate Governance Statement.

2.3.1 FY24 Tier 1 Strategic Risks

As an owner and operator of critical energy infrastructure, as well as being one of Australia's largest providers of essential services, AGL is subject to a broad range of risks. Various aspects of the Australian energy system, and consequently AGL's business operations, have material strategic and operational risks, with the energy industry continuing to face significant challenges over the past 12 months.

During FY24, key risks to AGL's operational and financial performance included the pace of the energy transition and the associated policy environment, as well as ongoing geopolitical risks, inflationary pressures affecting affordability for our customers, and an increasingly heightened cyber security threat landscape. AGL continues to prioritise the ongoing response to and management of these risks, both to ensure AGL's ongoing financial performance and future prospects, and, more broadly, to support the NEM in continuing to provide reliable and affordable energy during Australia's energy transition. As a result of the complex environment in which AGL operates, the majority of our strategic risks remain elevated. AGL's Tier 1 Strategic Risks for FY24 are summarised below.

Tier 1 Strategic Risk	Mitigation approach	Business Value Driver
Climate change response: *AGL is unable to meet expectations and/or deliver on its strategy and commitments to be a leader in the energy transition to a low carbon future within targeted timeframes.*		
• AGL supports our majority of stakeholders' focus on decarbonisation, as evidenced through our Climate Transition Action Plan commitments. • However, expectations relating to emissions reduction continue to accelerate, and factors including social licence, accessing skills to build new renewable and firming generation, and supply chain challenges, are increasing the complexity of the transition. • AGL's climate ambitions are reliant on a stable policy environment and effective project development and management.	• AGL's strategy is focused on the accelerated closure of our thermal plants, and the continuing development of a technologically and geographically diverse pipeline of investment options for new renewable and firming generation (as outlined in the Assets scorecard). • We continue to expand product offerings to help our customers decarbonise the way they live, move and work (as outlined in the Customers scorecard). • We proactively engage with stakeholders on key matters related to the energy transition, including the development of new assets and integrated energy hubs, and the closure and rehabilitation of existing thermal assets sites.	👤 🌬 $ 🌱 🤝
Wholesale market pricing and earnings volatility: *AGL is unable to effectively manage the impact of wholesale electricity price change, and resulting impacts on earnings or cashflow volatility.*		
• AGL's earnings are materially exposed to wholesale electricity pricing. The electricity market is highly volatile, with pricing influenced by factors including local weather, availability of large, ageing generation assets and related infrastructure, global commodity pricing and changes to government policies and regulation. • AGL's ability to effectively manage price volatility risk is key to delivering stable earnings and predicting and managing cashflows required for operations and financing activities.	• AGL proactively manages earnings volatility, particularly relating to our wholesale electricity exposure, predominantly through financial hedging contracts (derivatives) and longer-term offtake arrangements. Our hedging strategy considers our generation portfolio mix, and factors such as technological and geographic diversity, plant outages and anticipated market shifts. • AGL has a robust risk management program to manage and monitor exposures to volatility in wholesale electricity pricing and commodity markets, and counterparty credit risk. AGL's Board-approved Trading Risk policy includes financial exposure limits to manage the financial exposure AGL is prepared to take. • We have a comprehensive market monitoring program, including stress testing against adverse scenarios, which informs our portfolio hedging and treasury strategies. • We actively manage our liquidity position through a Treasury Committee that is governed by a Board-approved Treasury Policy, including maintaining a minimum liquidity level limit.	👤 🌬 $ ⚙ 🤝

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Tier 1 Strategic Risk	Mitigation approach	Business Value Driver
Unfavourable government intervention: *AGL is not able to effectively anticipate, plan or respond to increasing uncertainty regarding government policy.*		
• The energy market has been subject to significant interventions in recent periods, as governments seek to address a broad range of energy-related challenges. • Given the complexity of Australia's energy transition and ongoing affordability challenges for consumers, it is likely that governments will be required to intervene in energy markets and related activities into the future.	• AGL actively engages with government and regulatory bodies to advocate for balanced policy outcomes that consider the interests of our stakeholders, and support AGL and the broader electricity market to provide reliable and affordable energy during Australia's energy transition, as outlined in the Relationship scorecard). • We engage with stakeholders that may be involved in the development of government policy to understand likely future policy direction and ensure that AGL is able to respond to changing policy and regulatory requirements effectively.	👤 ✢ $ 🌿 🤝
Regulatory intervention: *AGL is not able to effectively anticipate or plan for regulatory intervention, or added restrictions and diversion of resources put wider business objectives at risk.*		
• AGL operates in markets that are highly regulated and subject to significant scrutiny from regulators. • Challenges, such as accelerating Australia's energy transition, reducing emissions, and customer affordability concerns, are likely to be addressed by regulators in the future.	• We engage with a range of stakeholders that are involved in the development of legislation and regulation that applies to our business to understand and inform current and anticipated regulatory changes, and to ensure that AGL is able to respond to changing regulatory requirements quickly and effectively. • We actively participate in industry consultations to contribute to the direction of future regulatory reforms.	👤 ✢ $ 🌿 🤝
Cyber security and resilience: *AGL's critical systems, platforms, technology infrastructure and core business and operational processes are compromised or unacceptably disrupted by a cyber, vendor or internal event.*		
• The cyber security threat landscape remains heightened, in part due to the acceleration of generative AI and ongoing geopolitical issues. • A successful cyber-attack or information security breach (targeting AGL or third-party providers) has the potential for broad and material impacts on AGL, including damage to generation assets, material disruption to business, loss of customers or significant reputational and financial loss.	• AGL has an enterprise cyber security strategy in place, which includes robust processes for monitoring and defence, network security, identity, and access management, cyber security culture, training, and engagement. We proactively manage cyber risk through preparation and rapid response capabilities to limit the likelihood of inappropriate access to our systems and data, and the impact of cyber security incidents. • Our IT environments are regularly reviewed and subjected to a program of testing, business continuity exercises, crisis management simulations and disaster recovery tests. • AGL also proactively engages with government stakeholders on cyber security, to effectively identify potential threats.	👤 ✢ 👥 $ 🤝 ⚙
Safety, culture and capability: *AGL is unable to foster a health and safety focused, resilient, responsive, future-oriented and purpose-driven organisation that is built on strong and ethical behaviours, a talented diverse and inclusive workforce, and a customer-centric mindset.*		
• AGL's people conduct activities that, if not properly controlled, could result in harm to our people and contractors, other stakeholders, our assets or the environment. • Our people are fundamental to the success of our strategy. Our ability to identify and meet our capability needs is critical to the effective delivery of our strategy. • The demand for energy-related skills is expected to remain high over the long term due to the large scale of the energy transition.	• AGL is committed to conducting our business in a way that causes no harm to our people and contractors. We have a robust Health, Safety, and Environment (HSE) framework, which includes policies, procedures and systems to monitor and manage our HSE risks, that is complemented by regular onsite oversight and monitoring of controls. • We have frameworks in place to attract, retain and develop our people, including targeted leadership and skill development programs and operational workforce transition initiatives. • Recognising that our strategy will require both new capabilities and additional resourcing in key areas, we have assessed our future capability needs, and prioritised the development of the key capabilities that we will require.	👤 👥 🤝 ⚙ ✢

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Tier 1 Strategic Risk	Mitigation approach	Business Value Driver
Resilience of generation and critical infrastructure: *AGL is unable to generate and maintain a resilient and flexible energy supply from generation assets and related critical infrastructure.*		
• As our ageing thermal fleet approaches end of life, unplanned outages are possible. Should these occur during periods of very high wholesale electricity pricing; the financial impact could be material. • AGL is also similarly exposed to the availability and resilience of related infrastructure, such as transmission and distribution assets.	• AGL continues to invest in and focus on the safety, reliability and flexibility of our existing power stations, to support plant capability and efficiency that will allow us to capture value from the changing energy market. • As part of our strategy, we are continuing to develop a technologically and geographically diverse pipeline of investment options for new renewable and firming generation.	👤 🌬 🤲 ⚙ $ 🌱
Investment planning and execution: *AGL's major investments do not deliver on their intended benefits, announced timeframes or outcomes for shareholders, customers and the community.*		
• AGL's ambition to add 12 GW of new renewable generation and firming by the end of 2035 is reliant on elements including continued stakeholder support, access to sufficient capital, a stable government policy environment and effective project development and management.	• AGL has in place a disciplined capital management process, as well as a robust investment governance framework. • Across FY24, AGL materially increased its debt tenor, improved its liquidity position, and maintained a Baa2 "stable" investment grade Moody's rating. As a result, we are well placed as we plan to deploy $3-4 billion of balance sheet capital by FY30 towards our generation portfolio's transition, supported by strong operating cash flow generation and a larger and more diversified pool of capital. • We engage with key stakeholders, including the community, on relevant development opportunities to understand expectations and key risks, and to develop our social licence.	👤 🌬 👥 $ 🤲 🌱
Retail market disruption: *AGL does not adequately or appropriately identify and respond to changing customer or operating environment needs and expectations; or does not effectively harness new technologies, products or services that support these changing needs and expectations.*		
• As an essential service provider, AGL plays an important role in keeping the lights on for customers. • The Australian retail energy market is highly competitive for traditional energy customers, as well as in adjacent markets such as solar, batteries and electric vehicles. • Failing to respond to this environment could result in the loss of some customers or compression of our customer margin.	• We continue to support our customers, including through the delivery of our Customer Support Package (see Customer scorecard). • AGL actively monitors new technologies, products and business models with a view to meeting future customer demand and evolving customer expectations. • In response to a rapidly accelerating pace of technology and digital disruption, AGL is investing in its Retail Transformation Program, including our recently announced strategic partnership and equity investment in Kaluza.	👤 🌬 $ 🤲
Energy sector transition: *AGL is unable to deliver on its strategic objectives due to challenges relating to the broader transition of the energy sector.*		
• The energy transition is fast-moving, highly complex, and facing increased competition for specialist renewables-related materials and resourcing. • Within Australia, as thermal assets continue to age and approach end of life, reliability issues are expected to increase. • The energy transition also requires a significant build out of transmission to support a decentralised, decarbonised generation fleet across the NEM, and a higher volume of renewables projects and related approvals.	• In addition to the continued development of our technologically and geographically diverse pipeline of investment options for new renewable and firming generation, we continue to make significant investments in our existing assets and infrastructure. • AGL actively engages with government and regulatory bodies to advocate for balanced policy outcomes within the broader NEM to provide reliable and affordable energy during Australia's energy transition, particularly related to transmission access and project approvals.	👤 🌬 👥 $ 🤲 ⚙ 🌱

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Tier 1 Strategic Risk	Mitigation approach	Business Value Driver
Compliance: *AGL fails to comply with laws, regulations or other commitments made.*		
• AGL operates in markets that are highly regulated and subject to significant scrutiny from regulators. • Failure to comply with regulations can result in fines, reputation damage or adverse impacts on our customers and broader stakeholders.	• AGL's Values and Code of Conduct guides the conduct that we expect from our people, and how we expect decisions to be made. • AGL is committed to complying with all applicable laws and regulations, and we have in place a robust enterprise-wide compliance framework, including a Board-approved Compliance Management Policy. • We have implemented a mandatory annual enterprise-wide compliance training program, which addresses AGL's compliance management processes and systems and key compliance requirements for all of our people.	👤 ✣ 👥 $ ⚙ 🍃 🤝
Access to gas: *AGL is unable to source sufficient quantities of gas to meet its future demand.*		
• AGL requires access to sufficient wholesale gas to meet the needs of our customers, and supply our gas-fired generation plants, which are expected to continue to play an important role in the NEM after coal-fired plants retire. • AEMO forecasts[1] a risk that Australia will experience gas shortfalls on extreme peak days from 2025, and annual supply gaps that will require new sources of supply from 2028. In this environment, it may be more challenging for AGL to secure the competitive gas supplies required.	• AGL proactively contracts competitive gas supplies to firm up our short, medium and longer term gas position to meet gas supply demands. AGL has secured most of its gas requirements for its customer portfolio and gas generation until FY27.	👤 ✣ $ 🤝 🍃
Stakeholder trust: *AGL is unable to maintain (or build) the trust required from its stakeholders in order to deliver on its strategy.*		
• AGL plays an important role in keeping the lights on for households, and supporting Australia's energy transition. • We are committed to meeting and exceeding the community's expectations of us.	• AGL proactively engages with stakeholder groups, including customers, shareholders, investors, governments and regulatory bodies, and the communities in which we operate. We seek to understand the key social licence risks and opportunities, and where focus is required to meet and exceed rising community expectations. • We engage with key stakeholders prior to seeking relevant approvals for development and operational activities. This engagement continues through the life of the project and during operations.	👤 ✣ 👥 🍃 🤝 ⚙

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[1] Refer to the AEMO 2024 Gas Statement of Opportunities for further details.

Further information in relation to AGL's climate-related risks is available in the Climate Related Disclosures section of this report, including transition risks (arising from the changes to systems and business functions which are necessary to address climate change) and physical risks.

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3. Key Operating Metrics and Business Value Drivers

The following sections summarise the performance of AGL's business during FY24. Performance is considered through two dimensions:

- **Key Operating Metrics** – These performance measures have a direct influence on AGL's FY24 financial performance. The six key operating metrics comprise:
  - Customer numbers and churn;
  - Customer energy demand;
  - Wholesale electricity prices;
  - Generation volumes;
  - Fuel costs; and
  - Operating costs and capital expenditure.
- **Business Value Drivers** – These performance measures are critical to long-term value creation, however may have a less direct relationship to annual performance, and/or may influence financial performance over the longer term. The performance measures are divided into scorecards for each of AGL's identified Business Value Drivers (as shown on page 4).

3.1 Key Operating Metrics performance

3.1.1 Customer numbers and churn

Total services to customers increased 4.9% to 4.482 million, from 4.271 million as at 30 June 2023. This increase of 211,000 included the addition of 94,000 Ovo Energy Australia (OEA) electricity services post 3 April 2024 acquisition of 100% ownership in OEA and introduction of 44,000 Netflix services. Underlying AGL growth of 73,000 was driven by continued strong telecommunication growth of 52,000 and underlying AGL energy services growth of 21,000.

Consumer Electricity services decreased by 5,000 due to highly competitive market conditions resulting in increased churn with New South Wales, South Australia and Queensland decreasing by 26,000, partly offset by growth of 21,000 services in Victoria. Consumer Gas services increased by 27,000, with growth of 19,000 services in Victoria, 8,000 services in Western Australia and 4,000 services in South Australia whilst New South Wales decreased by 3,000 services and Queensland remained relatively flat.

Total Telecommunication services increased 17.8% to 344,000, from 292,000 as at 30 June 2023. The increase of 52,000 was driven by continued growth in internet and mobile plans.

Services to customers	FY24 ('000)	FY23 ('000)
Consumer Electricity	**2,434**	2,439
New South Wales	**880**	890
Victoria	**779**	758
South Australia	**353**	356
Queensland	**422**	435
Consumer Gas	**1,551**	1,524
New South Wales	**603**	606
Victoria	**611**	592
South Australia	**143**	139
Queensland	**87**	88
Western Australia	**107**	99
Total Consumer energy services	**3,985**	3,963
Dual fuel services	**2,345**	2,314
Average consumer energy services	**3,955**	3,979
Total Large Business energy services	**15**	16
Ovo Energy Australia energy services	**94**	-
Total energy services	**4,094**	3,979
Total Telecommunication services	**344**	292
Total Other services[1]	**44**	-
Total services to customers[2]	**4,482**	4,271

1. Other services relates to Netflix services
2. Excluding approximately 312,000 services to ActewAGL customers.

Market churn rose sharply in the first quarter due to the impact of price changes and a highly competitive market, before stabilising across the remainder of the year. AGL churn remains lower than Rest of Market due to a strong focus on customer retention, improved customer experience and impact of bundled telecommunications offerings. AGL churn was 15.8% (an increase of 1.6 ppts from 14.2% at 30 June 2023), and Rest of Market churn was 20.9% (an increase of 2.2 ppts from 18.7% at 30 June 2023). The gap between AGL and Rest of Market was 5.1 ppts, an improvement from 4.5 ppts at 30 June 2023.

3.1.2 Customer energy demand

Total electricity customer sales volumes were 36,300 GWh, down 1,850 GWh or 4.8%.

- Consumer customer electricity sales volumes were 13,838 GWh, down 699 GWh or 4.8%, due to lower average demand as a result of milder weather and increased rooftop solar generation from customers.
- Large Business customer electricity sales volumes were 9,431 GWh, down 875 GWh or 8.5%, primarily driven by competitive market conditions in New South Wales and Victoria.
- Wholesale customer electricity sales volumes were 13,031 GWh, down 276 GWh or 2.1%, driven by lower consumption from AGL's wholesale customer base.

Customer electricity demand	**FY24 GWh**	**FY23 GWh**
Consumer customers electricity sales	**13,838**	14,537
Large Business customers electricity sales	**9,431**	10,306
Wholesale customers electricity sales	**13,031**	13,307
Total customer electricity sales volume	**36,300**	38,150

Total gas customer sales volumes were 101.8 PJ, down 29.6 PJ or 22.5%.

- Consumer customer gas sales volumes were 46.2 PJ, down 8.3 PJ or 15.2%, driven by lower average demand due to milder winter weather in 2023.
- Large Business customer gas sales volumes were 15.0 PJ, down 1.4 PJ or 8.5% primarily driven by competitive market conditions, and one-off volumes in the prior year relating to the Weston Energy RoLR (Retailer of Last Resort) event. This was partly offset by wholesale customer growth in Western Australia.
- Wholesale customer gas sales and internal gas volumes for power generation were 40.6 PJ, down 19.9 PJ or 32.9%, primarily driven by the roll-off of wholesale customer volumes and lower internal consumption of gas volumes used for power generation.

Customer gas demand	**FY24 PJ**	**FY23 PJ**
Consumer customers gas sales	**46.2**	54.5
Large Business customers gas sales	**15.0**	16.4
Wholesale customers gas sales and generation	**40.6**	60.5
Total customer gas sales volume	**101.8**	131.4

3.1.3 Wholesale electricity prices

Wholesale electricity prices were lower across all states compared to the prior year due to the comparative lack of volatility following the market suspension event resulting in high prices which extended into July 2022, and increased availability of generation units. Wholesale electricity prices were further influenced by coal and gas cap price schemes introduced in 2022, with pool price declining towards December 2022.

Wholesale electricity prices were impacted from July 2023 to October 2023 due to seasonal mild weather, a lack of volatility, increased asset availability and increasingly higher solar penetration in the National Electricity Market (NEM). In August 2023, South Australia experienced volatility due to interconnector issues and low wind generation. December 2023 saw mild spikes in Queensland due to abnormal weather caused by floods and high temperatures which caused disruption to the energy grid.

In January 2024, Queensland experienced a significant uplift in average prices compared to the prior year due to record demand and weather-related events. In February 2024, New South Wales, Queensland, and Victoria experienced an uplift in wholesale electricity prices compared to the prior year due to periods of extreme volatility, including Victorian transmission lines being damaged by significant storm activity during the month. In May 2024, New South Wales experienced significant prices volatility due to outages at non AGL operated power stations. Prices remained high across the NEM in June 2024 due to high demand and a wind drought.

Refer to Section 6.2 for details of the Electricity Portfolio Margin, including commentary on customer network and generation running costs.

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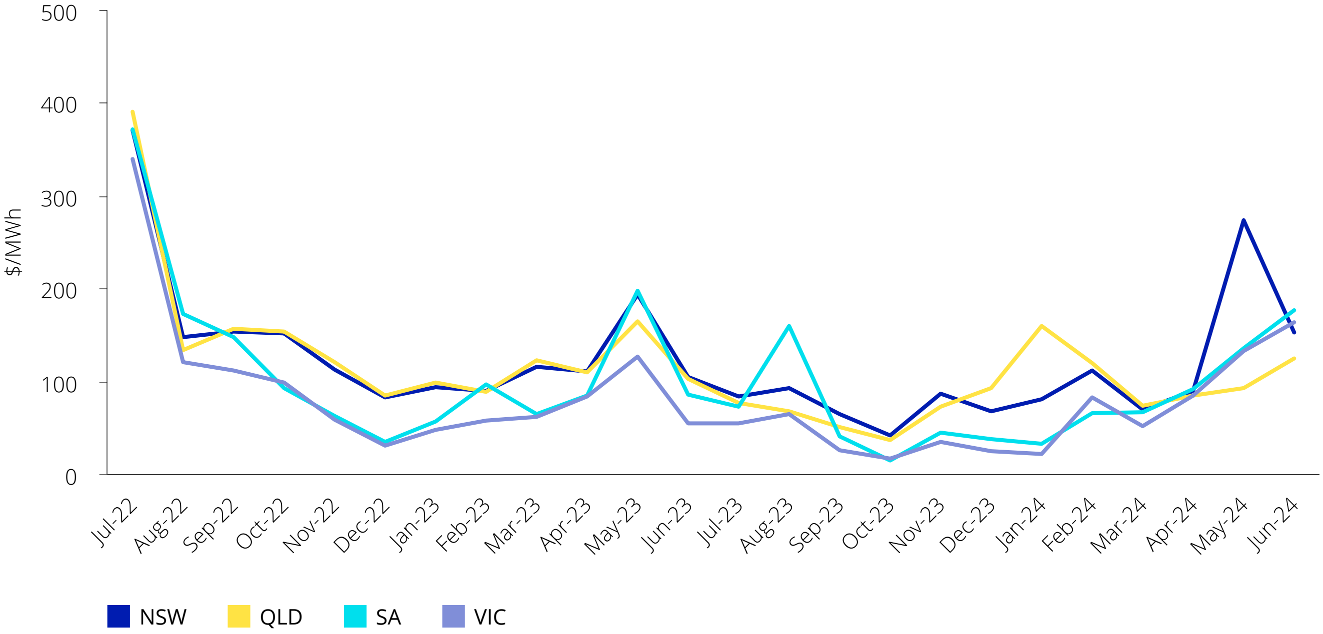
Wholesale electricity prices (AEMO spot prices)



3.1.4 Generation volumes

Generation sold to the pool decreased by 7.7%, driven by the closure of Liddell Power Station in April 2023, lower Gas generation driven by lower wholesale electricity prices in South Australia compared to the prior year, and lower Renewable generation as a result of planned outages at the Victorian hydroelectric power stations, and lower wind generation in South Australia particularly in the last quarter of the year. This was partly offset by an increase in generation at AGL Loy Yang and Bayswater power stations driven by higher availability and less outages compared to the prior year, particularly in the second half of the year.

Pool generation volumes	FY24 GWh	FY23 GWh
Bayswater Power Station	**14,334**	12,916
AGL Loy Yang Power Station	**14,063**	12,418
Liddell Power Station	**–**	5,020
Gas generation	**982**	1,217
Renewable generation	**4,707**	5,366
Total pool generation volumes	**34,086**	36,937

3.1.5 Fuel costs

Total fuel costs for the electricity generation portfolio were $(726) million, down 15.7%.

- Coal costs were $(596) million, down 14.0%, driven by the closure of Liddell Power Station. On a per MWh basis, costs decreased by $1.8 per MWh or 7.9%, driven by higher generation at AGL Loy Yang on a relatively lower fixed cost base and the closure of Liddell on a higher variable costs.
- Gas fuel costs were $(130) million, down 22.6%, driven by lower generation volumes in response to lower pool prices in South Australia, mainly due to milder weather and increased rooftop solar penetration. On a per MWh basis, costs have decreased 4.1% due to lower gas prices compared to the prior year, particularly in Victoria. Higher costs in the prior year were driven by increased gas generation, largely in the first quarter of the year, in response to higher pool price as well as managing AGL's position as part of the major outage of Unit 2 at AGL Loy Yang.

Generation fuel costs	FY24 $m	FY23 $m	FY24 $/MWh	FY23 $/MWh
Coal	**(596)**	(693)	**(21.0)**	(22.8)
Gas	**(130)**	(168)	**(132.4)**	(138.0)
Total generation fuel costs	**(726)**	(861)	**(21.3)**	(23.3)

Total wholesale gas costs were $(1,106) million, down 19.7%.

- Gas purchases costs were $(762) million, down 27.5% driven by lower customer demand due to milder weather. On a per GJ basis, costs decreased by $0.5 per GJ or 6.3%, driven by a net sell market position as a result of lower demand.
- Haulage, storage and other costs were $(344) million, up 5.5% driven by haulage contracts rate escalation. On a per GJ basis, costs increased by $0.9 per GJ or 36.0%, due to fixed costs spread across a lower customer base.

Total wholesale gas costs	FY24 $m	FY23 $m	FY24 $/GJ	FY23 $/GJ
Gas purchases	**(762)**	(1,051)	**(7.5)**	(8.0)
Haulage, storage and other	**(344)**	(326)	**(3.4)**	(2.5)
Total wholesale gas costs	**(1,106)**	(1,377)	**(10.9)**	(10.5)

3.1.6 Operating costs and capital expenditure

Total operating costs (excluding depreciation and amortisation) were $(1,787) million, up 11.4%, driven by inflationary pressures, increased net bad debt expense as a result of higher revenue, increased campaigns and advertising activity due to increased competitive market conditions, increased costs to maintain and improve plant availability across thermal generation assets, and increased growth costs associated with the Retail Transformation Program and integrated energy hub feasibility projects. This was partly offset by the impact of the closure of Liddell Power Station and Camden Gas Plant, and the divestment of the Moranbah Gas Project.

Operating costs	FY24 $m	FY23 $m
Customer Markets	**(651)**	(536)
Integrated Energy	**(790)**	(762)
Investments[1]	**(26)**	(20)
Centrally Managed Expenses	**(320)**	(286)
Total operating costs (excluding depreciation and amortisation)	**(1,787)**	(1,604)

1. Includes $(9) million (FY23: $(8) million) attributable to the 49% non-controlling interest in Ovo Energy Australia prior to the acquisition. AGL has 100% ownership of Ovo Energy Australia since 3 April 2024 and continues to be reported within Investments as at 30 June 2024.

Total capital expenditure was $847 million, an increase of $218 million:

- Sustaining capital expenditure was $588 million, an increase of $80 million. This included $394 million of expenditure on AGL's thermal power stations, up $48 million, due primarily to the completion of a planned major outage at Bayswater Power Station and upgrade of the ash landfill to meet enhanced regulatory requirements at AGL Loy Yang. Other sustaining capital expenditure increased through the Retail Transformation Program, and hydro assets including the modernisation of Clover Power Station and investment in Bogong Power Station.
- Growth capital expenditure was $259 million, an increase of $138 million, due mainly to the commencement of construction of the Liddell Battery, increased spend on Energy as a Service projects with large business customers, and other customer growth initiatives. This was partly offset by the completion of Torrens Island Battery.

Capital expenditure	FY24 $m	FY23 $m
Customer Markets	**138**	105
Integrated Energy	**675**	498
Centrally Managed Expenses	**34**	26
Total capital expenditure	**847**	629
Sustaining	**588**	508
Growth	**259**	121
Total capital expenditure	**847**	629

3.2 Business Value Driver performance

A summary of our performance in relation to each of AGL's Business Value Drivers is provided in the following sections. Time series data for the Business Value Driver key performance indicators as well as performance data for an extended range of non-financial metrics is available in the ESG Data Centre. The key performance indicators included in each scorecard should be read in conjunction with the Glossary on page 206.

Key performance indicators that are linked to the FY24 remuneration outcomes for the CEO and key management personnel are also identified as outlined in the legend below.

Key	🛢	KPI linked to remuneration outcomes for MD and CEO and key management personnel

Customers

We are committed to partnering with our customers in connecting them to a sustainable future through a range of innovative initiatives which deliver value and benefits for both our customers and AGL. AGL supports 4.5 million customer services across energy and telecommunications translating to approximately 25% of households in the National Electricity Market (NEM).

As we navigate the multi-decade journey of the energy transition, we are actively balancing the need to support our customers facing cost-of-living pressures, including rising energy price rises, and the investment required to support our customers to transition to a net zero future.

Solutions to meet customer needs

AGL recognises the importance of maintaining strong customer relationships and meeting customer needs, especially with cost-of-living pressures. AGL has maintained a positive Net Promoter Score of +4 for FY24, despite a highly competitive market and cost-of-living pressures faced by customers. Further, we have maintained strong relationships with our customers, evident in our energy consumer churn which is 5.1 percentage points lower than the rest of market at 15.8%, driven in part by our multi-service offerings and partnerships that benefit our customers, as outlined below. (Refer also to Section 3.1.1).

Ombudsman complaint volume increased to 8,111 complaints in FY24, compared to 5,012 in FY23. We received, as anticipated, higher Ombudsman complaint volumes due in part to higher energy prices and cost-of-living pressures that customers are experiencing. From March onwards volumes stabilised and have been trending downwards. To make it easier for customers to get in contact with us, we increased staffing in our contact centres, utilised AI for proactive communications and focused our efforts on ensuring that customer requests were addressed proactively and positively.

The AGL App continues to be the highest rated utility app in Australia. This year, we have added new capabilities to our App, including usage insights for solar customers, direct debit enhancements and accessibility improvements.

We continued to invest in and optimise our digital channels to create a smoother overall customer experience across both sales and servicing journeys. We have also introduced partnerships and plans to benefit our customers such as the NBN movers' journey, Velocity Frequent Flyer offer, Netflix proposition, and EV night saver plan.

We have expanded the capabilities of AGL's virtual assistant to handle more transactions, enabling customers to view concessions and update their mailing address. We have also added new digital features to MyAccount, including providing bill breakdowns, Netflix activation and a new on-boarding experience.

As outlined in the Business Intelligence scorecard, we have announced a significant step in our Retail Transformation Program through an agreement with Kaluza. The Program will focus on enhancing the customer and agent experience, significantly reducing operating costs, improving speed to market, and is a key step to accelerating our ambition to connect our customers to a sustainable future through electrification.

	Target		FY24	FY23
Strategic Net Promoter Score (NPS)	FY27: +20	🛢	**+4**	+5
Ombudsman complaints	-		**8,111**	5,012

Energy affordability and support for customers experiencing vulnerability

At AGL, we are acutely aware of the ongoing cost-of-living pressures households are experiencing. We are doing our part to proactively engage with customers experiencing hardship, providing customers with payment support and government grant assistance, and continuing to deploy free solar for low-income households. We strongly advocated for the continuation of the Australian Government's National Energy Bill Relief Fund to provide ongoing targeted support for customers feeling cost-of-living pressures, and the harmonisation of state concession schemes. Through this fund we delivered $466 million in bill relief to eligible AGL customers across FY24.

AGL continues to ramp up the predictive solutions to support customers, utilising data and AI-driven insights to proactively outreach when customers are showing warning signs of needing assistance. As part of this work, AGL has proactively engaged with more than 245,000 customers to offer affordability support.

In May 2023, AGL committed to a $70 million Customer Support Package (spread across FY24 and FY25) to assist customers with cost-of-living pressures. After a successful first year, we have increased the Customer Support Package to $90 million. This year, we have delivered more than $63 million[1] in customer support through:

- Payment matching and debt relief, including $20 million proactive bill credits for Centrepay customers and $36 million in debt relief for customers under our hardship program and those affected by family and domestic violence;
- Proactive outreach to deploy solar for low-income households to help reduce their energy consumption, with 100 solar systems installed as of 30 June 2024;
- Specialised empathy training for front-line agents focused on supporting customers experiencing vulnerability; and
- Assisted over 9,000 government grant applications for customers.

The net number of customers on the Staying Connected program significantly increased by 45% in FY24. While there has been an increase in customers entering hardship, they are engaging with AGL sooner, providing a greater opportunity for us to support customers to reduce their costs and provide information on energy literacy.

Throughout FY24, AGL continued to support Staying Connected customers and other customers experiencing vulnerability with the delivery of $56 million of debt relief. This support allows customers to focus on paying towards their ongoing energy costs rather than the arrears. Pleasingly, we have supported approximately 17,000 customers to move off Staying Connected during FY24. The average debt per Staying Connected customer reduced by 21% in FY24 to $2,025 due to direct financial support provided to Staying Connected customers through debt relief and payment matching.

The total average debt across the mass market customer portfolio increased by 7%, with cost-of-living pressures leading to an increase in the number of customers who are unable to pay their energy bills by the due date.

	FY24	FY23
Number of customers on Staying Connected	**27,471**	18,889
Average level of debt of customers on Staying Connected	**$2,025**	$2,578
Total average debt across mass market customer portfolio	**$414**	$386

Decarbonised energy supply

AGL is committed to being the partner of choice in helping our customers decarbonise the way they live, move and work. During FY24, we expanded our capabilities in our home and business electrification and decarbonisation solution portfolios and increased customer awareness across the electrification value chain. Through these initiatives, AGL continues to prioritise facilitating an energy transition that is simple, affordable, and beneficial for our customers.

- **Electrify Now:** We expanded Electrify Now to customers across the NEM, helping them embark on their electrification journey by providing personalised information on potential carbon emissions and bill savings when switching to five home electrification assets (solar, battery, heat pump hot water, EV and/or induction cooktops). Our recommendations are based on advanced algorithms leveraging smart meter data through the Consumer Data Right (CDR), which is a first for Australian energy retailers. Further, we have expanded our install capability through offering more products across solar, battery, EV charging and hot water. We have had over 25,000 visitors to Electrify Now during FY24.
- **Electric vehicles:** We have made significant progress in the e-mobility space, with our EV plans attracting over 22,000 customers in FY24, and our EV subscriptions enabling businesses to electrify their fleet and offer salary-sacrifice options to their employees. We have also seen a surge in EV charger sales and installations, which quadrupled between FY23 and FY24.
- **Flexibility services:** AGL is making a significant investment in flexibility, and has been making strong progress against our grid-scale battery and distributed energy resources (DER) targets as shown on page 11. As outlined in the Assets scorecard, we have increased thermal unit flexibility to almost 3,000 MW. Customer load flexibility is a significant opportunity that makes use of existing assets in homes and businesses. Electric hot water system orchestration (shifting customers' hot water load to the middle of the day to coincide with abundant solar generation) represents a significant flexible load throughout the NEM. We have expanded our reach beyond the PLUS ES South Australia Demand Flexibility Trial through new partnerships with distribution network service providers in New South Wales and other leading metering providers, representing a growth of 127% compared to FY23. For business customers, AGL offers demand response products and is helping customers with flexible load response as part of the ARENA Load Flex trial.
- **Climate Active certified products:** AGL provides 510,074 carbon neutral services across a suite of Climate Active certified products (up from 444,969 in FY23), including more than 165,000 carbon-neutral gas and electricity services.
- **Supporting business decarbonisation:** Our ambition to be the decarbonisation partner of choice for our commercial and industrial customers has also seen strong progress in FY24. We have continued efforts to scale our Energy as a Service (EaaS) proposition, providing integrated offerings across energy solutions, asset management, orchestration and asset financing, and have launched a Net Zero advisory model with independent environmental and electrification consultants to help customers

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[1] Includes $57 million in direct financial support (including the delivery of 100 solar systems), $3 million in proactive engagement and $3 million in energy literacy and training. Customer Support package will be delivered over a 2-year period.

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progress their decarbonisation journeys. We continued our growth in commercial microgrids in FY24, with the announcement of our partnership with Australian Farming Services on three bespoke renewable energy projects for their farming enterprises in Riverina, New South Wales. We continue to be the largest commercial solar installer in the country[1], increasing our installed commercial solar capacity over calendar 2023. During FY24 we have signed three long-term renewable energy Power Purchase Agreements expected to deliver around 251 GWh/year with our commercial and industrial customers, representing a contracted volume growth of 90% year-on-year.

- **Net Zero podcast:** To help business customers progress their decarbonisation journeys, we teamed up with The Peers Project, an award-winning branded podcast agency, to create a new six-part podcast series – The Net Zero Path For Business. The podcast is a resource for those seeking expert guidance on how to decarbonise; all episodes are accessible for audiences with hearing impairment and available as transcripts.

	Target	FY24	FY23
Green revenue as a % of total revenue[1]		**19.3%**	17.5%
Increase in green revenue from FY19[2]	FY27: +85%	**83%**	73%
Decentralised assets under orchestration (including smelters)	FY27: 1.6 GW	**1.25 GW**	1.14 GW
Cumulative customer assets installed (behind the meter)	FY27: 300 MW[3]	**62.6 MW**	Not applicable

1. The percentage of AGL's total revenue derived from green energy and carbon neutral products and services.
2. Increase in revenue from green energy and carbon neutral products and services compared to FY19 baseline.
3. Installations completed from FY24 – FY27 inclusive.

Assets

AGL operates the largest electricity generation portfolio within the National Electricity Market (NEM) of any ASX-listed company, with 7,982 MW operated generation capacity[2] as at 30 June 2024. During FY24, our operated assets exported 35 GWh to the grid[3], and accounted for nearly 20% of total generation within the NEM in FY24.

Delivering one of Australia's most significant decarbonisation initiatives means leading a safe and responsible transition for our employees, customers and the communities in which we operate. We have brought forward our coal closures by up to ten years with an ambition to build 12 GW of new renewable and firming capacity by the end of 2035, with an interim target of 5 GW by 2030. As we build our pipeline, we will periodically review market dynamics, customer demand and development pipeline options and seek to accelerate options and the decarbonisation pathway where possible.

Our first key milestone was achieved in late April 2023 with the safe and respectful closure of Liddell Power Station after more than 50 years of operation. Bayswater Power Station will close between 2030-2033 (no later than 2033), and Loy Yang A Power Station is targeted to close by the end of FY35. AGL also ceased production at the Camden Gas Project in August 2023.

We recognise that the flexibility, availability and reliability of our current generation fleet will be crucial as we look to leverage strong operating cash flows from our low-cost generation position, to help fund the transition of our business.

Transitioning our energy portfolio

As we transition our energy portfolio, we are sourcing the required energy and firming to supply our customer energy demand through a combination of self-development and external project options via partnerships and third-party offtakes. Our development pipeline has grown from 5.3 GW at the beginning of FY24 to 6.2 GW at August 2024, and we plan to continue to build this pipeline to enable options to be exercised as needed depending on the policy environment, economic environment, and portfolio and customer needs. We will seek to accelerate options and the decarbonisation pathway where possible, and are advocating for streamlining the approval and connection process for grid-scale assets to accelerate the transition.

During FY24 we continued our strong track record of developing renewable generation and energy storage projects:

- **Projects commencing commercial operations in FY24:** AGL's first owned and fully operational grid-scale battery – the Torrens Island Battery (250 MW) commenced operations in August 2023.
- **Projects under commissioning:** As of 30 June 2024, the Broken Hill Battery (50 MW) was in the final stages of testing with AEMO. Commercial operation commenced in August 2024.
- **Projects under construction:** A final investment decision for the 500 MW Liddell Battery was announced in December 2023. Construction work for the battery is expected to begin in Q1 FY25, with the commencement of operations targeted for mid-2026. We also continued the Clover Power Station upgrade project to increase the output capacity of the Kiewa Hydro Scheme by 14 MW. This is expected to be completed in FY26.

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1. By market share, SunWiz Executive Insights Report: Jan 2024 - Top 20 Commercial Retailers (15–100kW and 100kW-5MW, 2023)
2. FY24 installed capacity is the AEMO registered capacity, also taking into account the three 25 MW upgrades to Bayswater Power Station Units 4, 2 and 3 in FY20, FY22 and FY23 respectively. Earlier in FY24, AGL and Tilt Renewables agreed to terminate agreements pursuant to which AGL provided asset management and agency and dispatch services in respect of certain assets owned by Tilt Renewables, namely the Nyngan Solar Plant, Broken Hill Solar Plant, Coopers Gap Wind Farm and Silverton Wind Farm. As a result, from June 2024 (for Nyngan Solar Plant, Coopers Gap Wind Farm and Silverton Wind Farm) and July 2024 (for Broken Hill Solar Plant), Tilt Renewables is responsible for operations and maintenance for each facility, while AGL continues to have offtake agreements in respect of these assets. This is to be considered when making prior-year comparisons against AGL's FY24 performance.
3. Gross sent-out generation does not take account of losses or electricity imported from the grid at generation facilities.

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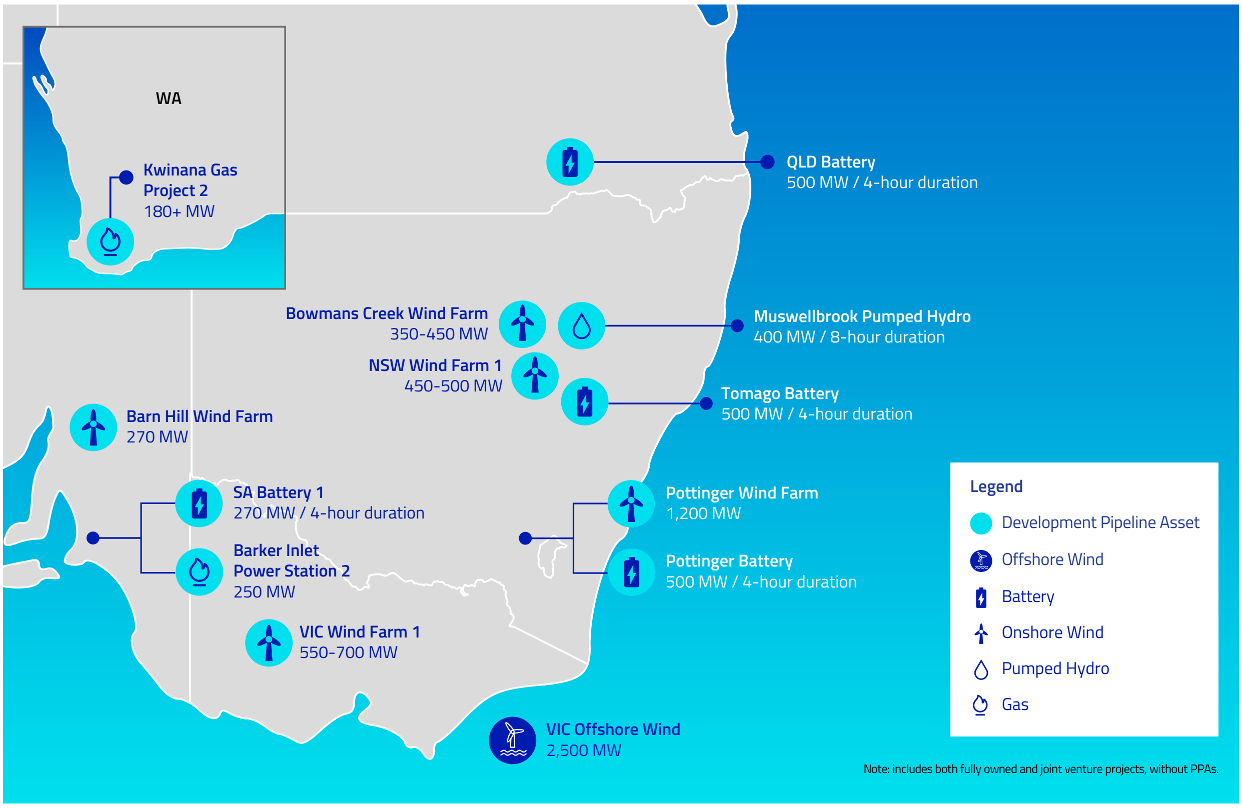
- **Onshore development pipeline:** During FY24 we have added ~1 GW renewable and firming assets to our pipeline, complementing existing projects including the Liddell and Broken Hill batteries. We have also delivered against our pipeline, with ~1 GW projects already in operation, testing, construction or contracted. In March 2024 we announced a Joint Venture with Someva Renewables for the development of the Pottinger Energy Park in New South Wales – which is expected to consist of both wind and grid-scale battery technologies. The project is in the early stages of development with preliminary community engagement and planning application underway.
- **Offshore wind:** In May 2024, Gippsland Skies Offshore Wind[4] was granted a feasibility licence for a fixed-bottom offshore wind project off the coast of the Gippsland region in Victoria of up to 2.5 GW. If approved, the first phase of the project is anticipated to be operational in 2032.

The following map summarises our development pipeline, including both fully owned and joint venture projects.



Note: includes both fully owned and joint venture projects, without PPAs.

Further information in relation to FY24 and expected future capital allocation to renewable and firming capacity is available the Climate Related Disclosures section.

	Target	FY24	FY23
Operated and contracted renewable generation and storage capacity[1]	FY24: 34%	**32.8%**	30.5%
New renewable and firming capacity[2]	FY27: + 2.1 GW 2030: + 5 GW	**978 MW[3]**	478 MW
Grid-scale batteries installed and managed		**380 MW[4]**	130 MW
Total grid-scale batteries operated, contracted or in delivery	FY27: 1.5 GW contracted and in delivery	**1,000 MW[5]**	430 MW

1. This metric replaces the previously reported controlled renewable and battery capacity metric. The boundary has been adjusted to better reflect delivery of our target to add 5 GW of new renewable generation and firming capacity by 2030. FY23 data has been restated.
2. Measured as new renewable and firming capacity in construction, delivery or contracted from FY23 onwards. Excludes projects that were already operational during FY23.
3. Comprises Liddell Battery (500 MW) and Broken Hill Battery (50 MW), under construction and commissioning (respectively) during the period, Torrens Island Battery (250 MW) and Rye Park Wind Farm PPA (178 MW). Does not include the 14 MW upgrade currently underway at Clover Power Station (hydro).
4. Comprises Dalrymple Battery (30 MW), Wandoan Battery (100 MW), and Torrens Island Battery (250 MW).
5. Comprises 380 MW of operational batteries (Dalrymple Battery (30 MW), Wandoan Battery (100 MW), and Torrens Island Battery (250 MW)), as well as Broken Hill Battery (50 MW), Liddell Battery (500 MW) and Neoen Virtual Battery Contract (70 MW) which were under construction during the period.

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[4] Gippsland Skies Offshore Wind is owned by a consortium comprised of Mainstream Renewable Power, Reventus Power, AGL and DIRECT Infrastructure, in which AGL has a 20% interest.

Reliable and efficient plant operations

In FY24, AGL's overall fleet availability or Equivalent Availability Factor (EAF), was 85.8%. This is an improvement on FY23 performance of 79.5% (excluding Liddell), primarily driven by higher than planned performance at both Bayswater and Loy Yang A power stations, (namely a reduction in unplanned boiler tube leak outages across all eight units, noting no major outage for Loy Yang A due to a change in major outage cycle). Both Bayswater and Loy Yang A power stations have delivered record availability performance for the full year in FY24 compared to the previous 5 years. The performance of AGL's wind assets also continues to improve as we transition from an outsourced contracting model to internal delivery.

With the changing nature of electricity demand across Australia, there is an increasing need for more flexible generation, as well as generation from a diverse range of sources and in a range of locations. Firming assets, such as battery storage and pumped hydro, as well as gas peaking generation, can start at short notice and ramp up and down quickly, making it an excellent complement to higher levels of variable renewable generation such as wind and solar. While it may only be required for brief periods, flexible generation will be critical to maintain system reliability and security. As the market operator has noted, renewable energy connected with transmission and distribution, firmed with storage, and backed up by gas-fired generation is the lowest-cost way to supply electricity to homes and businesses through Australia's transition to a net zero economy.

Our ability to flex our thermal fleet enables us to manage the impacts of lower customer demand, or negative pool pricing, during periods of daytime periods of peak solar generation. This year AGL's flexible operations program has been successful in further lowering of the minimum generation at both Bayswater and Loy Yang A power stations. Through an extensive testing and analysis program these assets are now well positioned to provide a greater level of flexibility. Further development and refinement of additional modes of operation are underway, which are focused on delivering maximum performance and flexibility to adapt to changing market conditions.

The investment in operational flexibility upgrades of Bayswater Power Station over the previous FY23 period enabled the avoidance of approximately 180,000 tCO_2e of greenhouse gas emissions from the power station in FY24[1], in addition to improved commercial outcomes.

The enhanced flexibility of our thermal assets along with our portfolio of firming assets, gas turbines, engines, hydro and batteries means we will have a flexible dispatchable capacity of 7.4 GW to better meet our customers' and market needs.

	Target	FY24	FY23
Equivalent Availability Factor (EAF) - all fleet		**85.8%**	76.8%
Equivalent Availability Factor (EAF) - thermal and gas generation fleet	FY27: 88%	**86.6%**	74.6%

Repurposed infrastructure (energy hubs)

Transforming our existing thermal sites in the Latrobe Valley, Hunter Valley and Torrens Island into integrated energy hubs is an important part of our strategy to support regional diversification, providing new jobs and skills development opportunities for communities where we operate. These energy hubs will leverage the unique infrastructure, land, transport access, and grid connectivity at our sites to integrate renewable energy, grid-scale batteries, and green industrial precincts, and are planned with circular economy principles at the forefront.

We are making significant progress with transforming our three thermal generation sites into integrated energy hubs. Following the closure of the Liddell Power Station in April 2023, development activities for the Hunter Hub are well underway, including:

- Final investment decision reached on a 500 MW grid-scale battery, supported by a $35 million grant awarded by ARENA and a Long Term Energy Service Agreement (LTESA), arranged by AEMO Services and funded by the New South Wales Government;
- Formal applications submitted to New South Wales local and state planning authorities to enable a broader range of permitted uses on limited areas of the site;
- Feasibility assessments are underway with SunDrive, Renewable Metals, NuRock Building Products and Elecsome exploring the potential development of renewable manufacturing facilities;
- Feasibility assessment underway for the 400 MW Muswellbrook Pumped Hydro project, AGL's joint venture with Idemitsu Australia, supported by funding from the New South Wales Government. In June 2024, the project was given Critical State Significant Infrastructure (CSSI) status by the New South Wales Government, in recognition of it being a high priority infrastructure project that is essential to New South Wales for economic, social or environmental reasons; and
- Continued our support and work with the Wonnarua Nation Aboriginal Corporation to establish a Manuka Tree Plantation, which will produce medicinal Manuka honey. Planting commenced during the year and is due to completed by the end of 2024. Decommissioning and rehabilitation of the Liddell Power Station is progressing alongside these planning activities. Refer to the Environment scorecard for further information.

The green hydrogen project with Fortescue Future Industries (FFI) has been deprioritised by FFI and feasibility studies will not progress at this time. AGL remains committed to exploring options to produce green hydrogen and future fuels at the Hunter site in the future if economically feasible.

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[1] Based on comparison of estimated greenhouse gas emissions from running the units at Bayswater Power Station at the previous minimum level (330 MW) and estimated emissions from operations of units at reduced minimum generation levels during FY24.

The transition of our Torrens Island Power Station into the Torrens Island Hub continued in FY24. The 250 MW Torrens Island Battery was completed in August 2023. Activities in FY24 included:

- Progressing pre-feasibility assessments for a renewable hydrogen facility, including a study into opportunities for hydrogen blending at the Barker Inlet Power Station;
- Undertaking development activities for AGL's Barker Inlet Power Station 2 next to the existing Barker Inlet Power Station; and
- Initiating a memorandum of understanding (MOU) with global energy technology company SLB to pilot a nickel hydrogen battery – expected to be the first of its kind in Australia.

Given the planned closure of Loy Yang A Power Station by the end of FY35, AGL continues to explore redevelopment activities in the Latrobe Valley. Activities in FY24 included:

- Successfully completing a hydrogen supply chain pilot led by a consortium of Japanese partners, demonstrating the production, storage and transport of liquid hydrogen to Japan, as well as commencing feasibility and pre-FEED activities for the potential commercial-scale development;
- Initiating a feasibility assessment with Solar Recovery Corporation to develop a solar panel materials recovery facility; and
- Exploring recycling waste coal ash into products such as building materials and agricultural inputs, in an industry-research collaboration. Further, in partnership with RMIT and the Ash Development Association of Australia, AGL is exploring the development of low carbon concrete, replacing 80% of cement with coal ash.

	Targets	FY24	FY23
Major industrial clients located on or connected to a hub[1]	FY27: 6 - 8	**0[2]**	Not reported

1. From FY23.
2. Four under negotiation.

People

The energy transition is an industry-wide transformation that will involve significant changes to the way in which AGL operates, and labour and skills required to operate our generation assets will change over time. At AGL, we recognise the importance of attracting, developing and retaining the right people to enable us to deliver value to our customers and stakeholders. We will seek to achieve this by building a safe, performance-driven and values-led culture that is reflective of the communities in which we operate. As we progress through the energy transition, our approach is to treat people fairly and with respect, and to work constructively and openly with our people to keep them informed and engaged.

Safe and healthy workforce

Underpinned by our value of 'Be Safe. Be Supportive', AGL continues to implement and refine our safety strategies to protect our workforce and maintain high standards of workplace safety. This year, AGL's approach to health, safety and environmental (HSE) risk management included health and safety leadership capability education programs, specific operational engineered solutions and controls for our key operational risks, and psycho-social safety awareness programs across the enterprise to manage this emerging risk. Investments in asset integrity, lifting equipment and digital tools have been made to understand and minimise risk, with ongoing efforts to review and operationalise risk assessments.

AGL has embedded assurance processes such as Critical Control Checks, HSE conversations, HSE interactions and hazard reporting to support our proactive approach to safety. We continue to provide effective HSE systems and support for our people, developing improved app-based digital systems to put HSE in the hands of all our people when they are out in the field.

Risk assessments play a crucial role in our HSE strategy, ensuring that a robust set of controls is available to workers across various hazard areas. This year, we have continued in the improvement of our Health, Safety, and Environment Management System (HSEMS) with the development of new elements to formalise the management of psychological risks.

There were no health and safety Significant Impact or Fatality (SIF) events recorded in FY24. Our focus on SIF prevention has been reinforced through the development and release of a comprehensive SIF awareness training program. The SIF prevention program this year targeted the trending risks associated with falling and dropped objects and contact with electricity.

There was an increase in the number of recordable injuries in FY24 and an associated increase in our Total Injury Frequency Rate (TIFR). These injuries were largely of low to moderate impact, with no significant long-term injuries affecting our employees or contractors. We are refocusing on safety and hazard awareness across our workforce, highlighted by the Enterprise-wide "Stand Together for Safety" event during SafeWork Month in October 2023. This event emphasised increased health and safety interactions across all assets, hazard identification and reporting, and the importance of being fit for work.

A key focus in FY24 has been on ensuring our contractors are engaged and aligned with AGL's values, policies, and standards. A cornerstone of our contractor engagement approach has been promoting safety leadership through dedicated safety forums to reinforce our expectations and commitment to health safety and the environment.

	FY24	FY23
TIFR employees	**2.7**	2.4
TIFR (employees + contractors)	**3.5**	2.8
Fatalities (employees + contractors)	**0**	0

Future fit people and culture

As reflected in our overarching strategy, our people are the foundation to our success. In FY24 we have sharpened our focus on building a future-fit workforce and culture. AGL's employee engagement score improved for the second year running, increasing by 5 percentage points to 72%. This outcome reflects increased employee confidence in AGL's strategy, leadership, and our commitment to employee development.

The demand for talent to support the energy transition means that continuous employee development and growth are essential to our success. Over FY24, several in-depth capability assessments were conducted to understand the skills our people will need to drive our strategy, and from this we identified key skill areas in need of resourcing. As a result, we established targeted recruitment, talent movements and development plans. Throughout the year over 800 employees participated in face-to-face leadership development programs, and talent and succession reviews were conducted for over 200 people and roles.

We are investing in the digital engagement platform that will support our focus on skills and capability, and in FY24 we commenced an innovative program of work to uplift our people processes and systems to ensure that our people are connected with information and opportunities to navigate their careers, and our leaders have access to insights to enable fast and effective workforce decisions.

We know that harnessing a broad talent pool will be key to unlocking future success and therefore accelerating progress on gender equality, building an inclusive and respectful culture, and playing our role in building an inclusive energy future have been key focus areas of our diversity and inclusion strategy. Over FY24, female representation increased across AGL's Senior Leadership Pipeline and the overall workforce. This increase in representation has contributed to a reduction in the overall median gender pay gap for total remuneration from 33.2% in March 2023 to 29.3% in March 2024.

We continue to invest in building inclusive practices, including offering employees flexibility to take the January 26 public holiday on a different day, introducing superannuation payments for people on unpaid parental leave, and strengthening expectations on people leaders to create positive, consistent, and inclusive leadership practices. During FY24 we maintained our Platinum Employer status for LGBTQ+ inclusion through the Australian Workplace Equality Index (AWEI), our Family Inclusive Workplace certification through Family Friendly Workplaces and our Breastfeeding Friendly Workplace accreditation through the Australian Breastfeeding Association. We were also recognised by Australian Financial Review (AFR) Boss Magazine as one of Australia and New Zealand's 'Best Places to Work' for 2024, and ranked in the top ten performers in Australia's Disability Network (ADN) Access and Inclusion Index Report 2023.

As part of our Reconciliation Action Plan (RAP) commitments (refer also to the Relationships scorecard), AGL is committed to increasing First Nations representation in our workforce. During FY24 we worked with our existing First Nations employees to establish our First Nations Employee Network and to create a dedicated Employee Value Proposition (EVP) to help drive the recruitment and retention of First Nations people at AGL. At our operational sites, we supported employment opportunities for First Nations employees. At AGL Loy Yang, we established a new 2-year traineeship program with two First Nations warehouse trainees appointed this year, and at Bayswater Power Station, we earmarked one position in the annual intake of Bayswater's apprenticeship program for a local First Nations candidate. The number of self-identifying First Nation employees increased from 19 (0.6%) in FY23 to 39 (0.9%) in FY24.

The impact of our focus on future-fit people and culture over FY24 is evident in reduced attrition (down from 13% in FY23 to 11% in FY24), and improved retention of key talent (up from 83% in F23 to 92% in FY24).

	Targets	FY24	FY23
Employee engagement		**72%**	67%
Attrition (total workforce)		**11%**	13%
Key talent retention		**92%**	83%
Gender mix in SLP (% female)	FY24: 35% FY25: 40% FY26: ≥40%	**36%**	33%
Material breaches of Code of Conduct		**0**	0

Workforce transition

Our commitment to a respectful and responsible workforce transition is critical to build a secure foundation for the future of our workforce, and communities impacted by assets in transition and the repurposing of our sites. Respectful and inclusive engagement with impacted employees and communities is the cornerstone of this commitment.

Our approach to workforce transition is informed by comprehensive workforce analysis to identify available career pathways for our people while ensuring we have the skills and capability to continue to operate our assets safely and reliably.

Building on the successful closure of Liddell Power Station in 2023, we reviewed and refined our people transition blueprint with a view to continuing to deliver a respectful and responsible transition throughout future asset closures. This approach was implemented at our Rosalind Park Gas Plant in Camden, New South Wales, where the 'last gas' production was on 30 August 2023. Our workforce was supported with individual transition plans, mental health support, career outplacement services, financial counselling, superannuation talks, and information on retirement.

We also commenced our transition journey at the Torrens Island Power Station in South Australia, which is scheduled to close in June 2026. All impacted employees have an individual transition plan outlining the training and support they can access to achieve their future goals. A 'Future U Hub', modelled on the Hub used at Liddell, will open at Torrens Island in 2025 as a dedicated on-site career transition centre, providing a place for employees to access a range of support services.

We continue to work with leaders across our assets in transition to ensure they are equipped and supported to lead their people through change. As our assets transition, our workforce is well placed with the necessary skills to ensure they are future-ready.

Relationships

As a key player in Australia's interconnected energy industry, it is vital that AGL has open and respectful relationships with our stakeholders, especially during this period of significant transformation for the industry. A wide variety of people and groups are interested in, or affected by, the decisions that AGL makes, or have a role in influencing the frameworks through which AGL makes decisions. These include local communities and Traditional Custodians, governments, regulators, the energy industry and industry associations, non-government organisations and advocacy groups, suppliers, project partners, and lenders and investors.

AGL strives to make a net positive social, economic and environmental contribution to the communities in which we operate. We proactively engage with our stakeholders on relevant issues in ways that are most appropriate to each group. It is important to AGL that we build trust in our stakeholders by engaging openly with them, and by having them recognise that we consider their views in our decision-making.

Engaged and supported communities

AGL invests in the communities in which we operate through a structured program of community investment. In FY24, total community contributions increased by over 25%, with increased focus on energy literacy and affordability; and supporting our partners who provide financial assistance to those in need in communities where we operate.

In FY24, we continued consolidating our community investment to support four key areas that contribute to building and maintaining our social licence: building resilience in communities where we operate, supporting climate action, addressing energy affordability, and empowering First Nations communities through education and employment opportunities. In FY25, we plan to further expand the programs within these four focus areas to maximise the social impact of our investment and provide our community partners funding security over a longer timeframe, to enable them to grow and improve their services.

Through AGL's Powering our Community program we provide funding to our community partners to help them to decarbonise. During FY24 we funded the installation of more than 63 kW solar generation capacity for our community partners OzHarvest, Hunter Valley Aboriginal Corporation and Aussie Ark. Through our ongoing partnership with Gippsland Climate Change Network (GCCN), since 2022 we have been supporting the delivery of a network of community-owned EV charging infrastructure and the provision of community education regarding electrification. At the end of FY24, the installation of four community EV charging units was completed with another two units nearing completion, which will provide a total of 13 charging points.

We have ongoing engagement with the communities where we operate through well-established forums such as Community Consultative Committees (CCCs) and Community Dialogue Groups (CDGs). For proposed new projects, we develop a tailored and comprehensive community engagement strategy to deliver meaningful and continual engagement with local community stakeholders and Traditional Custodians in the proposed project location.

In FY24, we launched our second 'Innovate' Reconciliation Action Plan (RAP) and have made strong progress against the targets and ambitions contained in it. Our first RAP enabled a deeper understanding of the need for tangible action and forged genuine commitment across all levels of the organisation, creating the momentum to accelerate delivery of our second RAP. Details of our progress against our First Nations procurement target and workforce representation ambition are outlined on pages 35 and 31, respectively.

Cultivating respectful, trusted and meaningful connections with the Traditional Custodian of the lands on which we operate is critical to our success, and we are focused on improving both the way we work with Traditional Custodians and how we protect and enhance the cultural heritage values of these lands. During FY24 we continued implementing AGL's Cultural Engagement Guidelines (which were developed in partnership with First Nations advisors at PwC Indigenous Consulting) to create consistency across the organisation when working with Traditional Custodians in the communities where we are operating and for new projects. Across our businesses we are working to build cultural safety, including access to formal and informal cultural learning experiences for all our employees. In FY24 we also continued supporting First Nations education programs including Clontarf Foundation, Stars Foundation, Waiwa Mudena and the Jungarra Wannik tertiary education scholarships.

We conduct periodic community sentiment surveys to understand the perceptions, concerns and needs of the communities where we have significant operational presence as well as how they view AGL and our engagement with the community.
We also undertake quarterly monitoring of our reputation via RepTrak. AGL's RepTrak score improved by 1.3 points to 66.9.

This improvement coincided with increased activity in market from AGL, including the launch of new value based propositions and significant efforts to help customers experiencing cost-of-living pressures (as outlined in the Customer scorecard).

We are committed to meeting all our tax compliance obligations, and to providing our stakeholders with information about the taxes we pay. In this regard we have adopted the Board of Taxation's voluntary Tax Transparency Code. Our effective tax rate on Underlying Profit for FY24 is broadly in line with the Australian corporate tax rate of 30% before prior year adjustments and the research and development concession.

	FY24	FY23
Community contribution	**$6.0 m**	$4.8 m
RepTrak score	**66.9**	65.6
Underlying effective tax rate	**30.5%**	26.7%

Collaboration for Australia's energy future

Active engagement and collaboration between industry, government and the community is critical for achieving a successful transition to a lower carbon future. AGL recognises the importance of positive and transparent relationships with all our stakeholders, and in creating opportunities to work together to achieve innovative solutions to challenges.

As owners of critical infrastructure and providers of essential services, we regularly communicate with government authorities to ensure that our services are delivered effectively and in accordance with government expectations. We proactively engage with all levels of government and relevant statutory authorities such as planning and environmental bodies, as it is crucial that governments and the private sector have a common understanding of how best to achieve governments' renewable energy and emissions targets, while also seeking to keep energy prices affordable and energy markets operating effectively over the long term. In accordance with AGL's Political Donations Policy, we have not made any political donations (monetary or in-kind) in FY24.

We also engage with energy market bodies to support market reforms that will best meet the needs of the energy system and our customers, and participate in regulatory consultation processes regarding proposed changes to energy market policies. Our submissions are available on AGL's website.

As we progress our energy transition plans, we proactively engage with public interest groups that represent diverse stakeholder views on important issues including climate and the environment, to ensure there is open communication through which we are kept aware of key issues for communities, and can share the opportunities and challenges presented by the transition to a lower carbon future.

AGL is acutely aware of the challenges facing energy customers, particularly rising cost-of-living pressures. We have strong relationships with diverse customer representatives through the AGL Customer Council, which has been operating since 1998. We also engage regularly with governments and regulators, financial counsellors, customer advocates, and consumer groups, to provide guidance on how best to implement energy bill relief programs and deliver customer support and assistance.

AGL is a member of several industry associations that provide access to industry information and an opportunity to engage on issues and shared opportunities facing the energy sector. We also participate in several community associations, with a particular focus on communities we operate in. In accordance with our Industry Association Membership Policy, we review memberships annually to ensure that the values and aims of the associations are consistent with those of AGL. A summary of the FY24 review is included in the ESG Data Centre. Where there is misalignment, we take steps to advocate for changes in policy positioning within that organisation or consider the merit of ongoing membership with the association where the misalignment is significant and unable to be resolved.

Strong business relationships

Our relationships with suppliers, project partners and financial institutions remains foundational to our ability to deliver on Australia's energy transition.

With over 4,100 suppliers, our Supplier Code of Conduct governs our procurement practices with a key focus on engaging with suppliers that share similar values and commitments as AGL, while also supporting our suppliers to manage the ESG impact of the goods and services they supply to us. In FY24 AGL has developed improved processes with regards to our supplier selection and assessment criteria to ensure we continue to increase our rigour in relation to ESG impacts at all stages of the procurement process. These improvements have focused on modern slavery, physical and cyber security of our assets and customer data, and other elements of our procurement procedures and processes.

Payment of small business suppliers has continued to be a strong focus in FY24, improving our performance in the Australian Government's Small Business Payment Times Reporting Scheme targets by 15%. This has a significant impact in supporting small businesses with their cashflow.

AGL's commitment to First Nations owned businesses continues to grow, and during FY24 we purchased $5.96 million of goods and services from First Nations owned businesses[1]. This represents a significant milestone, which has seen us exceed our two-year Reconciliation Action Plan target of $5.7 million in our first year, and work with 54 First Nations suppliers.

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[1] Includes both direct and indirect spend.

AGL's revised Procurement Policy has an underlying principle of responsible procurement which is aimed at strengthening our engagement with diverse suppliers including First Nations owned businesses, small and local businesses, and social enterprises within the communities in which we operate. AGL has entered into partnership with multiple social industry organisations to further our engagement in these sectors.

As outlined in AGL's Human Rights Policy, AGL is committed to upholding and respecting the human rights of our employees, customers and the communities in which we operate and that are affected by our operations. As part of delivering on this commitment, AGL on an annual basis assesses the modern slavery risks across our operations and supply chain to inform the steps that need to be taken to manage the risk. The steps taken to manage the risk throughout FY24 will be summarised in our fifth Modern Slavery Statement which will be available on our website in early 2025.

Developing and maintaining strong relationships with lending banks and debt capital markets investors is a crucial element of securing the capital needed to invest in renewable energy projects and execute on AGL's strategy and decarbonisation targets. AGL has been focused on ensuring that lenders and investors that want to deploy capital to support the energy transition understand both AGL's strategy and the nuances of the Australian electricity market, particularly given that the carbon intensity of AGL's generation portfolio will remain much higher than the industry average while the Loy Yang A Power Station is required for the stable, efficient, and cost-effective operation of the National Electricity Market.

During FY23, AGL established a Green Finance Framework[2] which sets out the process by which we have issued debt on an ongoing basis to fund capital expenditure for new firming capacity and renewable energy assets. In FY24 we continued to use this framework to support the delivery of AGL's CTAP, driving more efficient access to capital for 'green' projects that meet the eligibility criteria specified in the Framework, which is guided by best practice principles and guidelines.

In FY24, AGL secured $510 million in Asian Term Loan Facilities and issued $468 million in long-term notes in the US private placement market. Building on the $1.6 billion refinanced in FY23, this highlights AGL's robust lender and investor support, reflecting market confidence in its strategic direction and climate transition plan.

Environment

AGL takes our environmental responsibilities seriously, and recognises the high expectations of our stakeholders in relation to how we operate our assets as well as the role we play in Australia's decarbonisation journey. We recognise that our stakeholders expect AGL to have strong and responsible transition plans that will lead AGL towards a net zero future, accompanied by measurable targets and transparent reporting. As we contribute to Australia's decarbonisation through the responsible closure of our coal-fired power stations over time, we face significant rehabilitation obligations, which we undertake through various transition activities with careful monitoring and transparency.

Future low-carbon world

As Australia's largest corporate emitter of greenhouse gases, actions taken by AGL to reduce emissions will have a material impact on Australia's emissions profile, and in FY24 our operated Scope 1 and 2 emissions accounted for approximately 8% of Australia's total emissions.

This year, we exceeded our target of achieving a 17% reduction in operated Scope 1 and 2 emissions against a FY19 baseline, achieving a 23.3% reduction. In FY24, over 95% of our operated Scope 1 and 2 emissions and approximately 55% of our estimated total Scope 1, 2 and 3 emissions arose from the combustion of black and brown coal in our power stations to generate electricity both for our customers and other customers in the National Electricity Market.

The transition of AGL's energy portfolio from one dominated by baseload thermal generation to a portfolio of renewable generation and firming represents a substantial contribution to the decarbonisation of Australia's economy.

In September 2022, AGL published our inaugural Climate Transition Action Plan (CTAP), which documents AGL's climate commitments, targets and ambitions, and recognises the need to balance responsible transition and rapid decarbonisation to keep Australia's electricity supply secure, reliable, and affordable. Our CTAP commitments included accelerated coal closure timeframes and emissions reduction targets and ambitious renewable and firming portfolio targets. Further information on our 2022 CTAP, including a summary of the progress made against our CTAP commitments, is provided in Section 7.2.1.

The Climate Related Disclosures section also provides further details on how we consider governance, risk management, strategy, and metrics and targets in relation to climate change.

Further information on how we are transitioning our energy portfolio, including our development pipeline of renewable and firming projects and our integrated energy hubs developments is available in the Assets scorecard**,** while information about how we are working with our customers, our people and our communities as we decarbonise is available in our Customer scorecard, People scorecard and Relationships scorecard respectively.

AGL's operated Scope 1 and 2 emissions decreased in FY24, being AGL's first full reporting year since the closure of the Liddell Power Station in April 2023. This reduction was partially offset by increased emissions from the Bayswater and Loy Yang A power stations due to their increased availability. The emissions intensity of operated and contracted generation increased in FY24 due

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2. The Framework is consistent with the Green Loan Principles (GLP) as issued by the Asia-Pacific Loan Market Association (APLMA), the Green Bond Principles (GBP) and Climate Transition Finance Handbook (CTFH) as issued by the International Capital Market Association (ICMA) and the Climate Bonds Standard & Certification Scheme (CBS) where applicable

to the larger relative contribution of generation from Loy Yang A Power Station (which has a high emissions intensity) compared to FY23.

	Target	FY24	FY23
Operated Scope 1 & 2 emissions (MtCO$_2$e)		**33.2**[1]	35.2
Reduction in operated Scope 1 & 2 emissions compared to FY19 baseline	FY24: 17% FY35: 52%	**23.3%**[1]	18.5%
Operated and contracted generation intensity (tCO$_2$e/MWh)[2]	FY24: 0.845	**0.936**[1]	0.916
Emissions intensity of total revenue (ktCO$_2$e/\$m)		**2.4**[1]	2.49
Emissions intensity of electricity supplied (tCO$_2$e/MWh)[3]	FY28: from 0.827 to 0.814[4]	**0.841**	0.879

1. Data for FY24 is estimated and based on material emission sources and estimates for non-material sources; this will be updated later in the year and may change.
2. This metric replaces the previously reported controlled generation intensity metric. The boundary has been adjusted to better reflect delivery of our target to add 5 GW of new renewable generation and firming capacity by 2030. FY23 data has been restated.
3. FY23 data has been restated in line with the updated calculation method.
4. Represents the vesting range. For further details refer to the Remuneration Report.

Green revenue and portfolio transition targets and performance are included in the Customer scorecard and Assets scorecard respectively.

Environmental stewardship

AGL has a genuine commitment to operate in a responsible manner and has plans that are designed to reduce our environmental impact. We are committed to continuously improving our environmental management practices and performance.

In FY24 AGL continued to deliver improvement programs to protect and conserve biodiversity, reduce air emissions and improve cultural heritage practices:

- **Biodiversity:** AGL is committed to the protection and conservation of biodiversity in the areas where we operate. During FY24, we published a new Biodiversity Policy, which sets out our vision to minimise direct impacts on biodiversity in the areas where we operate, and to promote sustainable practices that protect and enhance the diversity of plant and animal species, as well as their habitats. We also established a geographic information system (GIS) database as a central repository for biodiversity values in proximity to AGL assets, developed a register of land managed by AGL as biodiversity offsets, and introduced a Ground and Vegetation Disturbance Approval Permit to manage impacts to flora, fauna and ecological communities.
- **Air emissions:** During FY24, AGL continued to implement actions aimed at reducing NOx, SO$_2$ and particulate emissions from the Bayswater and Loy Yang A power stations, to assist in meeting our obligations and managing our liabilities associated with air emissions from our coal-fired power stations. Air emissions data is available in the ESG Data Centre.
- **Cultural heritage:** AGL is committed to improving our approach to the management of First Nations cultural heritage at our sites in conjunction with Traditional Custodians to meet community expectations in addition to legislative requirements. Actions completed in FY24 included updates to the current GIS database for all recorded cultural heritage locations within 1km of AGL assets, and introduction of a Ground and Vegetation Disturbance Approval Permit, both of which are used prior to ground disturbance works commencing to identify and prevent unauthorised impacts to recorded cultural heritage locations.

During FY24, there were 17 Environmental Regulatory Reportable (ERR) incidents, four administrative non-compliance events, and one Environment Serious Impact or Fatality (SIF) Actual[1] events as summarised below:

- **Two ERR events with negligible short-term local environmental impact (inside AGL's operational area):** These events comprised generation of uncontrolled runoff/sediment or erosion. Actions were taken to reduce the likelihood of this event occurring again.
- **Four administrative non-compliance events with negligible short-term local environmental impact (inside AGL's operational area):** These events resulted from exceeding operating hours, undertaking work without applying the consent condition, revising estimated rehabilitation costs and late submission of a surrender application for an Environmental Authority.
- **One ERR event with small scale short-term environmental impact that may extend beyond AGL's operational area:** This event comprised releases/spills/leaks or loss of containment to ground/soil. Clean up works were undertaken and actions were implemented to reduce the likelihood of the event occurring again.
- **Fourteen ERR events with moderate short to medium-term environmental impact that may extend beyond AGL's operational area, which is contained and requires short-term clean-up:** These events comprised uncontrolled/unauthorised discharge to surface water (2), loss of containment/impact to air (11), and fire (1). Works have commenced and are ongoing to reduce the likelihood of these events occurring again.
- **One Environment SIF Actual event with a significant medium-term impact on important habitat that may extend beyond AGL's operational area, which is contained and requires medium-term clean-up:** This Environment SIF Actual event comprised unauthorised clearing of native vegetation outside of the operational area. Remediation works have commenced and are ongoing.

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[1] A Serious Impact or Fatality (SIF) Actual (Environment) is defined as an event resulting from a sudden, immediate threat impact to human health or the natural environment, arising from an unauthorised activity or the release of pollutants into the air, land, or water.

Programs are underway which seek to reduce the number of reportable events across our operational sites. For information on official cautions and Penalty Infringement Notices received during FY24 refer to the Environmental regulation section. More information is also included in the ESG Data Centre.

	FY24	FY23
Environmental Regulatory Reportable incidents	**17**	30[1]
SIF Actual - Environment	**1**	2

[1] FY23 data includes the two SIF Actual - Environment events.

Responsible rehabilitation

The safe and efficient closure of our ageing generation assets is essential in achieving AGL's decarbonisation commitments. In addition, the necessary decommissioning, demolition and rehabilitation of these sites creates a pathway to deliver AGL's integrated energy hub strategy (refer to the Assets scorecard). We remain committed to providing ongoing, transparent disclosure in relation to our approach to the closure and rehabilitation of our assets at the end of their operational lives.

Consistent with our previously communicated closure commitments, AGL ceased production at the Camden Gas Project during FY24. Since reaching 'last gas' in August 2023, the Camden Gas Project's closure activities have included the completion of decommissioning and demolition of the gas plant and ongoing decommissioning and rehabilitation of the gas wells.

Transition activities undertaken during FY24 focused on:

- Delivering positive sustainability outcomes through closure projects, including repurposing or recycling waste materials;
- Progressing the Liddell Power Station decommissioning project and completing early scrap removal activities in preparation for demolition;
- Demolishing the redundant feedwater heating plant (solar array) to prepare for development of the Liddell Battery;
- Completing over 120 ha of Stage 1 base layer for Liddell Ash Dam's post-closure capping project and continuing with proactive dust and vegetation management strategies;
- Continuing the 'make safe' decommissioning works at Torrens A Power Station and mobilising the demolition contractor to commence the removal of hazardous materials in preparation for demolition;
- Completing the sale, preservation and transport of Rosalind Park Gas Plant assets, followed by decommissioning and demolition of remaining infrastructure; and
- Undertaking progressive decommissioning of gas wells at the Camden Gas Project with 14 wells completed in FY24, taking the total wells rehabilitated to 129 out of 144, with a further five wells in the process of being decommissioned.

During FY25, transition activities will focus on:

- Maintaining our focus on recycling and recovering materials through our closure projects and demolition contracts. It is expected that around 90% of the materials in the Liddell Power Station will be recycled during demolition;
- Finalising the decommissioning at Liddell and Torrens A power stations;
- Commencing early demolition works at Liddell, leading to full scale demolition following receipt of all necessary regulatory approvals;
- Further progression of the Liddell Ash Dam capping project in line with rehabilitation plans;
- Ongoing hazardous material removal activities and associated demolition activities at Torrens A Power Station;
- Completing civil works and rehabilitation of the Rosalind Park Gas Plant in preparation for lease hand-back;
- Ongoing rehabilitation of remaining gas wells at Camden Gas Project; and
- Decommissioning of the 2 MW Cairn Curran Hydro Power Station.

AGL also undertakes progressive rehabilitation works at the Loy Yang mine, Silver Springs, and the Ravensworth facility in compliance with regulatory obligations and approvals. Progressive rehabilitation activities are outlined in the ESG Data Centre.

We formally review our approach to rehabilitation, including intended use, no less than every three years. In 2023 the updated three-yearly reassessment commenced, overseen by the COO and CFO, which involved a detailed assessment of 29 sites in conjunction with an external consultant, GHD. Significant change has occurred since the 2020 review, including bringing forward of thermal site closure dates (as per our CTAP), and commencement of works at Liddell, Torrens A and Camden.

The changes from rehabilitation completed in FY24, interest added to the provision, and the three-yearly review have increased the rehabilitation provision by $163 million, which is reflected in AGL's financial statements for the year ended 30 June 2024. The discount rate used to derive the present value of the estimated cash flows remains unchanged from FY23 at 6.86%.

Asset	Planned closure date	Provision amount ($m)	Rehabilitation costs Real ($m)
AGL Loy Yang	2035	646	1,313
AGL Macquarie (Liddell and Bayswater)	2023-2033	714	1,150
AGL Torrens (A and B station)	2022-2026	41	45
Upstream gas assets[1]	2023-2040	19	20
Other	Various	145	651
		1,565	**3,179**

1. Silver Springs and Wallumbilla assets are held as assets for sale at June 2024.

Business Intelligence

Leveraging business intelligence and insights is a critical means for AGL to deliver benefits for our customers. Asset and data security measures ensure we can safeguard customer information entrusted to us, enabling us to navigate an increasingly complex digital landscape. AGL's management of wholesale trading and risk management ensures prudent decision-making and effective mitigation of potential risks and volatility affecting our customers.

Enhancing customer experience

We are focused on meeting the changing needs of our customers, and in FY24 invested in technology transformation to enhance our customers' experience. We are using call driver analytics to inform how we operate, to improve how customers engage with and experience our services. From this, we are making it easier for customers to engage with us and understand their energy choices through digital self-service and supporting through the in-app AGL Messaging function, connecting customers to advice in real time. This has been reflected in the growth of our 'digital only' customers (now 55.8%), and those who are able to fully resolve their queries and tasks through digital channels. Automated AI transactions were up 105% compared to FY23, to 10.4 million.

In FY24, we also increased our investment in transforming our business operations and customer delivery. As part of this effort, we announced a significant step in our Retail Transformation Program through an agreement with Kaluza. Kaluza's proven technology platform is scaleable, flexible and digitises and simplifies energy billing, reduces cost to serve and enables faster product innovation to facilitate the energy transition. Kaluza currently services more than 6 million meters at Ovo Energy in the UK. This step builds on our existing relationship with Kaluza through our investment in Ovo Energy Australia, in which AGL has had a 51% investment since 2021, and now fully owns. Kaluza successfully migrated Ovo Energy Australia's customer base onto the Kaluza platform in 2023 and now supports 94,000 customer services. Our partnership will enhance the experience for both customers and our contact centre agents, using fit-for-purpose technology that promotes agility and efficiency. This is expected to improve our energy billing capabilities, simplify our product offerings, improve speed to market for new products, facilitate easier resolution of customer issues using AI, and help us to better tailor the customer experience to meet our customers' needs.

We also continue to invest in further enhancing the digital experience for our business customers and have expanded our commercial solar monitoring and management platform to support more than 283 MW of our business customers' solar assets in FY24, optimising asset performance to ensure customers are benefiting from maximum solar production.

	Target	FY24	FY23
Digital only customers	FY27: 60%	**55.8%**	52.7%
Speed to market	FY27: +80%[1]	**+30%**	Not applicable

1. Improvement compared to May 2023 baseline.

Trading, operation, and risk management capabilities

AGL's position as an integrated energy generator and retailer means we can effectively manage price volatility in the energy markets on behalf of our customers. During FY24, AGL delivered value through both effective risk management of our wholesale energy portfolio, and the safe and efficient operation of our generation assets.

Our risk management framework includes the Trading Risk Policy, which governs our energy hedging and related trading activities. This policy allows for the commercial optimisation of AGL's portfolio within an overall risk limit that reflects AGL's risk appetite.

With continued investment in our Trading, Risk and Decentralised Energy management systems, we have been able to improve the sophistication of our decision-making, such as the algorithmic optimisation and bidding of both our growing large-scale battery fleet, and our growing Virtual Power Plant (VPP), which incorporates distributed assets like batteries, hot water units and other customer assets. Critically, investments in these systems have helped ensure our governance processes remain in step with our commercial decision-making.

AGL will continue to contract gas to support the requirements of our customers and our generation fleet, recognising that customer gas demand is expected to gradually decline with the projected shift to electrification.

Secure assets and data

AGL manages a significant number of assets, including systems, software and networks on which we and others rely, as well as critical infrastructure assets owned and operated by AGL. We also protect a significant amount of confidential information, including personal information and data records of our customers.

We undertake a comprehensive process to identify, assess and mitigate key cyber security risks, leveraging the Australian Energy Sector Cyber Security Framework, and in line with regulatory requirements such as the *Security of Critical Infrastructure Act 2018* and the *Privacy Act 1988*. Cyber security and resilience is a Tier 1 Strategic Risk overseen by the Board as part of our enterprise-wide risk management program (refer to the FY24 Tier 1 Strategic Risks section).

Our continual investment in our portfolio of security capabilities, processes and measures enables us to protect the confidentiality, integrity and availability of assets and data. We proactively manage cyber risk to limit the likelihood of inappropriate access to systems and data, and to limit the impact of incidents through preparation and rapid response capabilities. Security vulnerabilities are managed via a dedicated threat and vulnerability management team and automated scanning platforms, as well as specialist technical assurance, including penetration testing.

The measures we take to protect our assets and data do not eliminate risk. There is always a risk that security breaches, unauthorised access, malicious software, external attacks or internal breaches could occur that adversely impact our operations and confidential information.

There were 44 major incidents in FY24, compared to 34 incidents in FY23 and 50 in FY22. The overall stability of our technology environment is attributed to robust change management processes, focus on remediation actions, proactive monitoring and detection, and continued focus on addressing root cause problems to prevent issues from escalating into major incidents.

In FY24, there was one major cyber security incident. A cyber-attack which targeted our business systems related to our telecommunication services, with the assumed intent of carrying out a ransomware attack, which was ultimately unsuccessful, with minimal business impact and no disruption to our customers. AGL has implemented additional security controls to mitigate against similar incidents and further strengthen security.

Across FY24, AGL identified and reported five Notifiable Data Breaches to the Office of the Australian Information Commissioner, compared with three in FY23. The increase in Notifiable Data Breaches reported is partly attributable to the elevated cyber security threat landscape being observed by AGL and the broader energy sector, but may also be partly attributable to AGL's improving ability to detect unusual and authorised account activity. AGL is also reliant on key third parties to maintain effective controls and prevent unauthorised access. AGL continues to invest in tools, controls and management practices designed to reduce the likelihood of further breaches, and to detect and remediate any breaches that occur in the future.

	FY24	FY23
Major IT incidents	**44**	34
Reportable privacy incidents	**5**	3

Operating & Financial Review

For the year ended 30 June 2024

4. Group Financial Performance and Position

4.1 Group results summary

Statutory Profit after tax attributable to AGL shareholders was $711 million, an increase of $1,975 million compared to the Statutory Loss of $(1,264) million in the prior year. The principal drivers of the increase were a lower value of asset impairments taken in FY24 compared to FY23, lower unfavourable movements in the fair value of financial instruments and a higher Underlying Profit after tax.

4.1.1 Reconciliation of Statutory Profit/(Loss) to Underlying Profit

AGL uses Underlying Profit as a key measure of financial performance. Underlying Profit is derived from Statutory Profit, as measured in accordance with Australian Accounting Standards, and excluding significant items and movements in the fair value of financial instruments. The use of Underlying Profit enhances comparability of results by excluding non-recurring events and transactions that materially affect the financial results of AGL for the reporting period.

Underlying Profit after tax was $812 million, up 189% from the prior year. A description of the factors driving Underlying Profit is included in Section 4.1.5.

	FY24 $m	FY23 $m
Statutory Profit/(Loss) after tax attributable to AGL shareholders	**711**	(1,264)
Adjusted for:		
Significant items after tax[1]	**64**	655
Loss on fair value of financial instruments after tax[2]	**37**	890
Underlying Profit after tax	**812**	281
Earnings per share on Statutory Profit/(Loss)	**105.7 cents**	(187.9) cents
Earnings per share on Underlying Profit	**120.7 cents**	41.8 cents

1. Refer to Section 4.1.2 for further information.
2. Refer to Section 4.1.3 for further information.

Earnings per share (EPS) calculations have been based upon a weighted average number of ordinary shares of 672,747,233 (30 June 2023: 672,747,233).

4.1.2 Significant items

AGL recognised significant items of $(103) million, or $(64) million post-tax, primarily related to impairments.

	FY24 $m		FY23 $m	
	Pre-tax	Post-tax	Pre-tax	Post-tax
Impairments	**(94)**	**(72)**	(972)	(680)
Retail Transformation	**(39)**	**(27)**	–	–
Moranbah Gas Project divestment	**46**	**46**	–	–
Movement in rehabilitation provision	**(19)**	**(13)**	47	33
Corporate office leases	**2**	**1**	–	–
Movement in onerous contract	**1**	**1**	2	1
Restructuring and integration costs	**–**	**–**	(30)	(21)
Separation and re-integration costs	**–**	**–**	(14)	(10)
Wellington North Solar Farm	**–**	**–**	17	15
Sale of land	**–**	**–**	7	7
Total significant items	**(103)**	**(64)**	(943)	(655)

FY24

During the year AGL:

- Recognised impairments of $94 million ($72 million post-tax) related to the carrying value of the Surat Gas Project, Retail Next Phase 1, and long-dated customer contract intangibles.
- Recognised $39 million ($27 million post-tax) in costs related to the Retail Transformation Program.
- Recognised $46 million ($46 million post-tax) gain on sale of the Moranbah and North Queensland Energy joint operations (Moranbah Gas Project) in August 2023.
- Recognised $19 million ($13 million post-tax) in expenses due to the increase in the rehabilitation provisions for operational sites that no longer have depreciating assets. The increase in the rehabilitation provisions was following external reviews of the rehabilitation requirements for all operational sites.

- Recognised $2 million ($1 million post-tax) net gain due to the partial surrender of the 664 Collins Street office lease, partly offset by impairment of corporate office leases.
- Recognised a reduction in the onerous contract liability of $1 million ($1 million post-tax) related to various renewable asset power purchase agreements (PPAs).

FY23
During the year AGL:

- Recognised impairments of $1,023 million ($716 million post-tax) relating to the carrying value of the AGL Generation Fleet cash-generating unit, primarily as a result of the decision to bring forward the targeted closure date of Loy Yang A Power Station and additional Environmental, Social and Governance (ESG) costs, and the George Street lease right-of-use assets. This was partly offset by the partial reversal of the previously recognised impairment of the Moranbah Gas Project of $51 million ($36 million post-tax).
- Recognised $30 million ($21 million post-tax) in costs related to redundancy provisions for employees impacted by the planned closure of the Torrens Island Power Station and Camden operations.
- Recognised $14 million ($10 million post-tax) in separation and re-integration costs related to the proposed demerger of AGL.
- Recognised $47 million ($33 million post-tax) due to the reduction in rehabilitation provision assets that had previously been impaired. The reduction in rehabilitation provision was driven by an increase in the discount rate following market changes in base rates.
- Recognised $17 million ($15 million post-tax) revenue related to contingent milestones under the FY21 Wellington North Solar Farm sale being met in the current year.
- Recognised $7 million ($7 million post-tax) revenue related to the sale of land as part of a NSW government compulsory acquisition.
- Recognised a reduction in the onerous contract liability of $2 million ($1 million post-tax) related to various renewable asset power purchase agreements (PPAs).

4.1.3 Movement in fair value of financial instruments recognised in Profit or Loss

Movement in the fair value of financial instruments recognised in profit or loss (excluded from Underlying Profit) was $(53) million ($(37) million post-tax), up from $(1,271) million ($(890) million post-tax). The net loss reflected a negative fair value movement in electricity level 1 and level 2 derivatives due to the positive cash flow trades that had expired during FY24. This was partly offset by a positive fair value movement in oil and gas derivative contracts as a result of the higher forward oil curve on a net buy position.

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		FY24 $m		FY23 $m
	Pre-tax	Post-tax	Pre-tax	Post-tax
Energy derivative contracts	**(60)**	**(42)**	(1,198)	(839)
Treasury derivative contracts	**–**	**–**	(3)	(2)
Fair value recognised within equity accounted investments	**7**	**5**	(70)	(49)
Fair value recognised in profit or loss	**(53)**	**(37)**	(1,271)	(890)

4.1.4 Earnings Before Interest and Tax (EBIT)

	FY24 $m	FY23 $m
Statutory EBIT	**1,313**	(1,581)
Significant items	**103**	943
Loss on fair value of financial instruments	**53**	1,271
Underlying EBIT	**1,469**	633
Customer Markets	**267**	248
Integrated Energy	**1,618**	753
Investments	**(25)**	(8)
Centrally Managed Expenses	**(391)**	(360)
Underlying EBIT	**1,469**	633

4.1.5 Group financial performance

Underlying Profit after tax attributable to AGL shareholders was $812 million, up 189%. The principal drivers of the increase were higher wholesale electricity pricing along with more stable market conditions, improved thermal fleet availability and flexibility, higher consumer electricity gross margin due to higher revenue rates, and the operation of the Torrens Island Battery since reaching practical completion on 30 September 2023.

	FY24 $m	FY23 $m
Revenue	**13,583**	14,157
Cost of sales	**(9,579)**	(11,206)
Other income	**(1)**	14
Gross margin	**4,003**	2,965
Operating costs (excluding depreciation and amortisation)	**(1,787)**	(1,604)
Underlying EBITDA	**2,216**	1,361
Depreciation and amortisation	**(747)**	(728)
Underlying EBIT	**1,469**	633
Net finance costs	**(312)**	(258)
Underlying Profit before tax	**1,157**	375
Income tax expense	**(353)**	(100)
Underlying Profit after tax	**804**	275
Non-controlling interests[1]	**8**	6
Underlying Profit after tax attributable to AGL shareholders	**812**	281

1. Relates to the 49% non-controlling interest in Ovo Energy Australia prior to the acquisition. AGL has 100% ownership of Ovo Energy Australia since 3 April 2024 and continues to be reported within Investments as at 30 June 2024.

Refer to Section 5 for further analysis on the movement in gross margin for each operating segment and Section 3.1.6 for commentary on Group operating costs.

Depreciation and amortisation of $(747) million was up 2.6%, driven by the completion of the Torrens Island Battery on 30 September 2023, a higher asset base due to increased investment at AGL Loy Yang and Bayswater power stations, and an increase in AGL Loy Yang environmental rehabilitation assets. This was partly offset by the impairment of Torrens Island Power Station resulting from the accelerated closure announced in September 2022, and Customer Markets digital assets reaching the end of their depreciable life.

Net finance costs were $(312) million, up 20.9% largely driven by higher debt facility interest costs, and higher embeded interest costs unwinding from the onerous contracts and rehabilitation provisions due to increased reference base rates.

Underlying tax expense was $(353) million, primarily reflecting the increase in Underlying Profit before tax. The underlying effective tax rate was 30.5%, an increase of 3.8 ppts.

4.2 Cash flow

4.2.1 Reconciliation of Underlying EBITDA to cash movement

Operating cash flow before significant items, interest and tax was $2,429 million, up $1,416 million. The rate of conversion of EBITDA to cash flow was 110%, up from 74% in the prior year. Adjusting for margin calls and rehabilitation, the cash conversion rate was 115%, up from 86% in the prior year.

		FY24 $m		FY23 $m
Underlying EBITDA		**2,216**		1,361
Equity accounted income (net of dividends received)		**18**		4
Accounting for onerous contracts		**(18)**		(120)
Other assets/liabilities and non-cash items[1]		**435**		(9)
Payments for rehabilitation		**(82)**		(55)
Working capital movements				
(Increase)/decrease in receivables	**(98)**		147	
(Decrease) in payables	**(75)**		(206)	
Decrease/(increase) in inventories	**25**		(8)	
Net derivative premiums roll-offs/(paid)	**3**		(20)	
(Increase) in financial assets (margin calls)	**(38)**		(103)	
Net movement in green assets/liabilities	**41**		43	
Other working capital movements	**2**		(21)	
Total working capital movements		**(140)**		(168)
Operating cash flow before significant items, interest and tax		**2,429**		1,013
Net finance costs paid		**(139)**		(105)
Income taxes		**(4)**		1
Cash flow relating to significant items		**(46)**		3
Net cash provided by operating activities		**2,240**		912
Net cash used in investing activities		**(926)**		(729)
Net cash used in financing activities		**(530)**		(159)
Net increase in cash and cash equivalents		**784**		24

1. Includes deferred revenue recognised for receipt of $381 million government bill relief received in June 2024 to be passed through to customers in FY25.

The drivers for higher operating cash flow and cash conversion rates were higher Underlying EBITDA, timing of the bill relief receipt, and lower working capital requirements compared to the prior year. Total working capital movements were $(140) million, compared to $(168) million in the prior year. Components of working capital movement were:

- Receivables cash flow of $(98) million reflecting price changes driving higher customer consumption revenue, and a payment to the Clean Energy Regulator (CER) for the under surrender of 2023 Large-scale Generation Certificates (LGCs). This was partly offset by a refund of fees by the CER following the surrender of 2020 LGCs.
- Payables cash flow of $(75) million reflected higher electricity generation at higher pool prices, and AGL Loy Yang mine coal royalty payments. This was partly offset by higher unbilled network costs resulting from increased rates and higher coal consumption.
- Inventory cash flow of $25 million reflected net gas withdrawals from storage to meet demand and support the gas portfolio.
- Financial assets/liabilities (margin calls) cash flow of $(38) million reflected higher variation margins within the futures book.
- Green assets/liabilities cash flow of $41 million reflected higher Victorian Energy Efficiency Certificate (VEEC) prices for forward purchases factored into compliance liability in FY24, and inventory optimisation strategy to lower inventory holdings of green certificates.

The movement in other assets/liabilities and non-cash items of $435 million included the timing of the bill relief receipt.

Payments for rehabilitation of $(82) million included payments for the ongoing decommissioning of the Liddell Power Station and related infrastructure, and the decommissioning and rehabilitation of gas wells.

Cash tax payment of $(4) million reflected the net profit generated in FY24, partly offset by the receipt of the prior year tax refund which reflected a net tax loss in FY23.

Investing cash flows of $(926) million primarily reflected capital expenditure, and Tilt Renewables capital injections. Refer to Section 3.1.6 for further details on capital expenditure.

Financing activities cash flows of $(530) million primarily reflected net borrowing repayments of $(193) million and dividend payments of $(330) million.

4.2.2 Operating Free Cash Flow

AGL has adopted operating free cash flow as a key measure of financial performance to ensure the operational core business generates strong cash flows to support future investment in growth. Operating free cash flow is derived from net cash provided by operating activities excluding working capital movements for margin calls and cash flow related to significant items and adding sustaining capital expenditure on an accruals basis.

Operating free cash flow was $1,736 million, up $1,232 million from the prior year, primarily driven by the increase in Underlying EBITDA and the timing of the bill relief receipt. This was partly offset by higher sustaining capital expenditure primarily at AGL's thermal power stations.

	FY24 $m	FY23 $m
Net cash provided by operating activities	**2,240**	912
Adjust for:		
Working capital movements for margin calls	**38**	103
Cash flow related to significant items	**46**	(3)
Sustaining capital expenditure (accruals basis)	**(588)**	(508)
Operating free cash flow	**1,736**	504

Refer to Section 4.2.1 for a description of the factors driving net cash provided by operating activities, working capital movements for margin calls and cash flow related to significant items. Refer to Section 3.1.6 for commentary on sustaining capital expenditure on an accruals basis.

4.3 Financial position

Summary Statement of Financial Position

At 30 June 2024 AGL's total assets were $15,661 million, an increase from $15,238 million at 30 June 2023, primarily due to an increase in cash reflective of the increase in Underlying EBITDA, the timing of the bill relief receipt, and a $364 million increase in current trade and other receivables reflecting energy price increases affecting the closing balances. The increase in property, plant and equipment was reflective of the increase in capital expenditure during the year (refer to Section 3.1.6). This was partly offset by a $745 million decrease in energy derivatives. Other current assets included $83 million of assets classified as held for sale, a decrease of $102 million due to the divestment of the Moranbah Gas Project and an impairment loss recognised on the Surat Gas Project in the current period (refer to Section 4.1.2).

Total liabilities at 30 June 2024 were $10,230 million, an increase from $10,119 million at 30 June 2023, primarily due to receipt of $381 million government bill relief to be passed through to customers, a $274 million increase in trade and other payables reflecting an increase in AEMO related trade payables, and an increase in environmental rehabilitation provisions. This was partly offset by a $687 million movement in energy derivatives, a decrease in borrowings, and a decrease in liabilities held for sale due to the divestment of the Moranbah Gas Project.

Total equity at 30 June 2024 was $5,431 million, up from $5,119 million, primarily reflecting the Statutory Profit for the period, partly offset by dividends paid. AGL's return on equity, calculated on a rolling 12-month basis was 14.9%, up 10.0 ppts from 30 June 2023.

	FY24 $m	FY23 $m
Assets		
Cash and cash equivalents	**932**	148
Other current assets	**3,928**	4,427
Property, plant and equipment	**5,717**	5,418
Intangible assets	**3,100**	3,182
Other non-current assets	**1,984**	2,063
Total assets	**15,661**	15,238
Liabilities		
Borrowings	**2,728**	2,883
Other liabilities	**7,502**	7,236
Total liabilities	**10,230**	10,119
Net assets/total equity[1]	**5,431**	5,119

[1] Total equity includes nil attributable to non-controlling interests (FY23: $(2) million).

4.3.1 Net Debt Reconciliation

Net debt at 30 June 2024 was $1,769 million, down from $2,711 million at 30 June 2023 driven by improved operating cash flows from higher underlying EBITDA and $381 million government bill relief received in June 2024 to be passed through to customers in FY25.

AGL's gearing (measured as the ratio of net debt to net debt plus adjusted equity) at 30 June 2024 was 24.7% compared with 34.9% at 30 June 2023.

AGL maintained its credit rating of Baa2 throughout the period as provided by Moody's Investors Service. Key metrics consistent with this credit rating at 30 June 2024:

- Interest cover: 9.1 times
- Funds from operations to net debt: 71.9%

	FY24 $m	FY23 $m
Net debt reconciliation		
Borrowings	**2,728**	2,883
Less: Adjustment for cross currency swap hedges	**(27)**	(24)
Cash and cash equivalents	**(932)**	(148)
Net debt	**1,769**	2,711

4.3.2 Movement in fair value of financial instruments

Approach to hedging

AGL's approach to managing energy price risks, through physical ownership of energy generation, contracting for energy supply and financial hedging, reflects the need to provide pricing certainty to customers and limit exposure to adverse wholesale market outcomes. AGL generates electricity or has contracted gas supply in excess of its customers' demand in some states. In other states, AGL has sources of supply less than its customers' demand.

AGL uses certain financial instruments (derivatives) to manage these energy price risks and to manage its exposure to interest and foreign exchange rates arising in the normal course of business, provided the overall AGL risk appetite is not exceeded. The majority of these financial instruments exchange a fixed price for a floating market-based price of a given commodity, interest rate, currency or a quoted asset, with the net differential being settled with the counterparty. AGL is exposed to price volatility on the sale and purchase of energy-related commodities in the normal course of business, and therefore enters into contracts that minimise the price risk to AGL on both sold and purchased forecast exposures.

AGL has in place a governance framework that establishes the policy guidelines under which energy hedging activities are conducted. Key components of that policy include segregation of duties, independent risk oversight, earnings-at-risk limits, compliance management and regular reporting to the Board. The risk policy represents the Board and Senior Management's commitment to an effective risk management function to ensure appropriate management and oversight of AGL's risks related to wholesale markets energy risk. The policy allows for commercial optimisation of the portfolio provided that AGL adheres to overall earnings-at-risk limits that reflect its risk appetite.

Energy price risk

AGL's energy-related derivatives recognised in profit or loss include sell and buy positions, where AGL receives or pays a fixed price from or to a counterparty in exchange for a floating price paid or received.

AGL is required to make margin payments in respect of futures contracts traded through the Australian Securities Exchange (ASX). Initial margin call payments are made at the time contracts are entered in order to manage intra-day credit exposure. The quantum of initial margin depends on the volume traded, the expected market volatility as well as forward electricity prices at the time. The initial margin call can move subsequently as forward prices move. AGL also receives or makes payments known as variation margin calls, which cover mark to market movements of AGL's open futures position. These typically reverse through future earnings as contract positions roll off.

Treasury related risk

AGL's treasury related risk primarily relates to interest and foreign currency rate fluctuations. Contracts to minimise the exposure to market-based fluctuations are executed pursuant to AGL's treasury risk management policy. These contracts primarily result in fixed interest rates and foreign currency exchange rates. These contracts are designated in hedge relationships when they can be matched to forecast transactions with sufficient probability of the forecast transaction occurring.

In addition to the above, AGL is counterparty to cross-currency interest rate swap arrangements to convert its fixed interest rate US dollar private placement borrowing instruments to floating interest rate Australian dollar equivalent borrowing instruments. The cross-currency interest rate swap arrangements are designated as fair value and cash flow hedge relationships.

Movement in fair value

The initial fair value of a derivative is the consideration paid or received (the premium). Fair value movements in any given period are a function of changes to underlying indices, market prices or currencies and the roll-off of realised contractual volumes or amounts. A reconciliation of the movements in financial instruments carried at fair value for FY24 is presented in the following table.

Net assets/(liabilities)	FY24 $m	FY23 $m	Change $m
Energy derivative contracts	**(247)**	(189)	(58)
Treasury derivative contracts	**105**	141	(36)
Total net assets/(liabilities) for financial instruments	**(142)**	(48)	(94)
Change in net assets/(liabilities)	**(94)**		
Premiums paid	**(137)**		
Premium roll off	**140**		
Equity accounted fair value	**12**		
Total change in fair value	**(79)**		
Recognised in equity hedge and other reserve	**(35)**		
Recognised in borrowings	**4**		
Recognised in profit or loss – pre-tax	**(48)**		
Total change in fair value	**(79)**		

The movement in net derivative assets/(liabilities) in the period of $(94) million is expanded on in the table below.

		Unrealised fair value recognised in:					
	FY23 $m	Profit or loss	Hedge reserve	Borrowings	Currency basis	Premiums and roll offs received	FY24 $m
Energy derivative contracts	**(189)**	(55)	–	–	–	(3)	**(247)**
Treasury derivative contracts	**141**	–	(37)	4	(3)	–	**105**
Net assets/(liabilities)	**(48)**	**(55)**	**(37)**	**4**	**(3)**	**(3)**	**(142)**
Fair value recognised within equity accounted investments		7	5	–		–	**12**
Profit or loss		**(48)**					
Realised fair value to be recognised in cost of sales		(5)					
Fair value recognised in profit or loss		**(53)**					

The fair value movement driving the change in the net derivative assets position reflected in unrealised fair value movements is as follows:

- A decrease in the fair value of unrealised energy-related derivatives of $55 million was recorded in profit or loss (excluded from Underlying Profit). The net loss reflected a negative fair value movement in level 1 and 2 electricity derivatives primarily due to the positive cash flows trades expired during FY24. This decrease was partly offset by positive fair value movements in level 3 valuations due to the negative cash flows expiring in periods up to June 2024 and a positive fair value movement in the oil position as a result of higher forward prices on a net-buy position.
- A decrease in fair value of $36 million of treasury derivative contracts was recognised due to the maturity of $8 million interest rate swaps, and a $28 million fair value reduction mainly driven by the decrease in forward interest rate curves.

5. Segmental Analysis

AGL manages its business in three key operating segments: Customer Markets, Integrated Energy and Investments. Further detail on the activities of each operating segment is provided below.

AGL manages and reports a number of expense items including Technology within Centrally Managed Expenses. These costs are not reallocated to AGL's operating segments because their management is the responsibility of various corporate functions.

A reconciliation of segment results and Underlying Profit after tax is provided in the Consolidated Financial Statements Note 1 Segment information.

5.1 Customer Markets

Customer Markets comprises the Consumer and Large Business customer portfolios responsible for the retailing of electricity, gas, broadband/mobile/voice, solar and energy efficiency products and services to residential, small and large business customers. Customer Markets sources its energy from Integrated Energy at transfer prices that reflect wholesale energy costs in each state, along with energy provided by rooftop solar. Customer Markets also includes sales, marketing, brand, AGL's customer contact and call centre operations, and AGL's electrification and innovation growth areas.

5.1.1 Underlying EBIT

Customer Markets Underlying EBIT was $267 million, up 7.7% due to higher Consumer Electricity, Telecommunications, and Perth Energy gross margin, partly offset by lower Large Business Gas gross margin and higher operating costs.

	FY24 $m	FY23 $m
Consumer Electricity gross margin	**607**	493
Consumer Gas gross margin	**305**	312
Large Business Electricity gross margin	**33**	31
Large Business Gas gross margin	**6**	13
Fees, charges and other gross margin	**16**	9
Telecommunications gross margin	**28**	20
Perth Energy gross margin	**26**	10
Sustainable Business Energy Solutions gross margin	**14**	19
Gross margin	**1,035**	907
Operating costs (excluding depreciation and amortisation)	**(651)**	(536)
Underlying EBITDA	**384**	371
Depreciation and amortisation	**(117)**	(123)
Underlying EBIT	**267**	248

- Consumer Electricity gross margin was $607 million, up 23.1%, driven by higher revenue rates due to customers moving off low fixed rates, reduction in solar feed-in-tariffs, and timing of FY24 price changes.
- Consumer Gas gross margin was $305 million, down 2.2% driven by lower average demand due to milder weather.
- Large Business Electricity gross margin was $33 million, up 6.5%, driven by higher revenue rates, partly offset by lower volumes driven by increased market competition in New South Wales and Victoria.
- Large Business Gas gross margin was $6 million, down 53.8% due to lower volumes.
- Fees, charges and other gross margin was $16 million, up 77.8%, due to higher administration fees from the Victorian government due to an increase in applications processed for the Victorian utility relief grant scheme.
- Telecommunication gross margin was $28 million, up 40.0%, driven by growth in telecommunications services and improved margin rates from economies of scale across fixed network costs.
- Perth Energy gross margin was $26 million, up $16 million, driven by higher electricity revenue rates from new contracts, higher gas volumes, and improved generation at higher electricity prices.
- Sustainable Business Energy Solutions (SBES) gross margin was $14 million, down 26.3%, due to an increase in Energy as a Service product mix, resulting in a higher proportion of revenue deferred into future years, increased competitive market conditions impacting engineering, procurement and construction project volumes, and lower margin on sales of solar modules.
- Depreciation and amortisation was $(117) million, down 4.9%, driven by digital assets reaching the end of their depreciable life.

5.1.2 Operating costs

Customer Markets operating costs (excluding depreciation and amortisation) were $(651) million, up 21.5%, due to increased net bad debt expense as a result of higher revenue, increased campaigns and advertising activity associated with increased competition, market activity and growth in customer services, and costs associated with the Retail Transformation Program.

	FY24 $m	FY23 $m
Labour and contractor services	**(245)**	(222)
Net bad debt expense	**(122)**	(98)
Campaigns and advertising	**(125)**	(89)
Other expenditure	**(159)**	(127)
Operating costs (excluding depreciation and amortisation)	**(651)**	(536)
Add: depreciation and amortisation	**(117)**	(123)
Operating costs (including depreciation and amortisation)	**(768)**	(659)

- Labour and contractor services costs were $(245) million, up 10.4%, due to increased investment in the Retail Transformation Program, additional call centre resources to manage elevated call volumes during the year, and inflationary increases.
- Net bad debt expense was $(122) million, up 24.5% due to increased revenue, and higher debt relief and payment matching as part of the customer support package to assist customers with affordability and cost-of-living pressures, partly offset by government relief receipts received for concession customers, and improvement initiatives that have limited the extent of bad debt increases.
- Campaigns and advertising costs were $(125) million, up 40.4% due to increased market activity following significant price changes and increased customer churn relative to the prior year.
- Other expenditure was $(159) million, up 25.2% primarily due to increased investment in the Retail Transformation Program.

5.1.3 Consumer profitability and operating efficiency

Net operating costs per consumer service was $(120), up 17.6% compared to the prior year driven by higher net bad debt expense due to revenue increases, higher campaigns and advertising costs reflecting increases in market activity, and higher labour costs due to additional call centre resources to manage elevated call volumes during the year.

	FY24	FY23
Gross margin ($m)	**940**	825
Net operating costs ($m)[1]	**(514)**	(432)
EBITDA ($m)[2]	**426**	393
Average consumer services ('000)[3]	**4,274**	4,251
Gross margin per consumer service ($)[3]	**220**	194
Net operating costs per consumer service ($)[3]	**(120)**	(102)
EBITDA per consumer service ($)[3]	**100**	92
Net operating costs as a percentage of gross margin	**54.7%**	52.4%

1. Includes fees, charges, and recoveries. Excludes depreciation and amortisation, and the impact of digital uplift expenses (Software as a Service).
2. Excludes Ovo Energy Australia (OEA) EBITDA.
3. Excludes Ovo Energy Australia (OEA) and Netflix services.

Average consumer services increased compared to the prior year due to growth in Telecommunications services, and growth in underlying AGL energy services.

Gross margin per consumer service increased compared to the prior year due to energy customers moving off low fixed rates, improvement in solar rates, timing of FY24 electricity price changes, and higher Telecommunications services resulting in improved economies of scale across fixed network costs.

5.2 Integrated Energy

The Trading and Origination components of Integrated Energy are responsible for managing the price risk associated with trading electricity and gas for AGL's customers and for managing AGL's obligations in relation to renewable energy schemes. They also control the dispatch of AGL's owned and contracted generation assets, which includes grid-scale batteries, and associated portfolio of energy hedging products.

- Trading and Origination - Electricity reflects the trading of key fuel inputs and hedging of AGL's wholesale electricity requirements, and also includes Eco Markets, which reflects the management of AGL's liabilities relating to both voluntary and mandatory renewable and energy efficiency.
- Trading and Origination - Gas reflects the sourcing and management of AGL's gas supply, storage and transportation portfolio. Trading and Origination - Gas is also responsible for the management of the price exposures related to AGL's oil-linked wholesale gas contracts.
- Trading and Origination – Other reflects the Trading and Origination resourcing and support, in addition the Decentralised Energy Resources business is responsible for the management of other growth initiatives in AGL's orchestration pathway alongside Customer Markets.

The Operations and Other components of Integrated Energy comprises AGL's power generation portfolio and other key sites and operating facilities across the Coal, Gas Generation, Renewables and Storage, Natural Gas, and Other business units.

- Coal primarily comprises AGL Macquarie (Bayswater and Liddell power stations) and AGL Loy Yang. Liddell Power Station ceased generation on 28 April 2023 and the site is being rehabilitated and transitioned to an integrated energy hub.
- Gas Generation primarily comprises Torrens Island Power Station, Barker Inlet Power Station, Kwinana Swift Power Station and Somerton Power Station. As announced in November 2022, Torrens Island Power Station will close its three remaining units in operation on 30 June 2026 and will be rehabilitated and transitioned into an integrated energy hub.
- Renewables and Storage primarily comprises hydroelectric power stations, the operation of solar power as well as wind power generation, and the Torrens Island Battery since it reached practical completion on 30 September 2023. Operational costs to maintain the wind farms are reported within Trading and Origination – Electricity to align with the gross margin of the related power purchase agreements.
- Natural Gas includes the Surat Gas Project which is held for sale, the Newcastle Gas Storage Facility, the Camden Gas Project which ceased production in August 2023, and the Moranbah Gas Project until it was divested in August 2023.
- Other primarily consists of the Energy Hubs business focused on the development and construction of greenfield growth opportunities related to renewable and firming capacity as well as the development of the Integrated Energy Hubs at Torrens Island, Latrobe Valley and the Hunter, and technical and business support functions.

5.2.1 Underlying EBIT

Integrated Energy Underlying EBIT was $1,618 million, up $865 million or 114.9%, largely due to higher gross margin from Trading and Origination – Electricity partly offset by an increase in Coal and Natural Gas operating costs, and an increase in depreciation and amortisation. Trading and Origination – Gas margin was broadly in line with the prior year.

	FY24 $m	FY23 $m
Gross margin	**2,967**	2,046
Operating costs (excluding depreciation and amortisation)	**(790)**	(762)
Underlying EBITDA	**2,177**	1,284
Depreciation and amortisation	**(559)**	(531)
Underlying EBIT	**1,618**	753

Gross margin was $2,967 million, up $921 million due to higher margin in the Electricity portfolio, reflecting the recovery of higher market costs through consumer prices, lower NEM volatility compared to the prior year, particularly July 2022 which had high pool prices on short electricity positions, increased asset availability, including a full year of operation of Unit 2 at AGL Loy Yang, and realised benefits of portfolio flexibility with the commencement of the Torrens Island Battery operations. This was partly offset by the loss of generation volumes due to the closure of Liddell Power Station in April 2023, the impact of lower wholesale electricity prices on long positions mainly in Queensland, and lower consumer demand volumes compared to the prior year.

Operating costs (excluding depreciation and amortisation) were $(790) million, an increase of $28 million compared with the prior year due to higher labour costs driven by Enterprise Agreement wage escalations, a one-off adjustment to increase the materials and spare part inventory obsolescence provisions at AGL Loy Yang and Bayswater power stations, increased costs to maintain plant availability across the thermal fleet, and expenditure at Surat Gas Project that would have otherwise been treated as capital following the asset being classified as held for sale. This was partly offset by the closures of Liddell Power Station and the Camden Gas Project, and the divestment of the Moranbah Gas Project. For further details see Section 5.2.2.

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The following table provides a breakdown of the contributors to Underlying EBITDA and Underlying EBIT:

	FY24 $m	FY23 $m
Trading and Origination - Electricity	**2,378**	1,429
Trading and Origination - Gas	**439**	437
Trading and Origination - Other	**(32)**	(31)
Coal	**(452)**	(440)
Gas Generation	**(37)**	(38)
Renewables and Storage	**(32)**	(26)
Natural Gas	**(12)**	9
Other	**(75)**	(56)
Underlying EBITDA	**2,177**	1,284
Depreciation and amortisation	**(559)**	(531)
Underlying EBIT	**1,618**	753

- Trading and Origination – Electricity gross margin was $2,378 million, up 66.4%, reflecting the recovery of higher wholesale market costs through consumer prices, lower volatility in the NEM compared to the prior year, and increased availability from generation units particularly Loy Yang and Bayswater power stations. This was partly offset by the loss of generation volumes due to the closure of Liddell Power Station in April 2023.
- Trading and Origination – Gas gross margin was $439 million, up 0.5%, driven by the reset of customer tariffs reflecting the lagged recovery of customer margins due to rising gas costs in recent years that were previously absorbed by AGL, and short term market trading strategies. This was offset by lower volumes sold to wholesale customers and internal generation, lower consumer volumes due to milder winter weather, higher haulage costs due to cost escalation, and lower oil prices on a net long position.
- Trading and Origination – Other Underlying EBITDA was $(32) million, down 3.2% driven by labour escalation.
- Coal Underlying EBITDA was $(452) million, down 2.7%, driven by higher costs to maintain and improve plant availability, a one-off adjustment to increase inventory obsolescence provisions at AGL Loy Yang and Bayswater power stations, and increased labour costs due to Enterprise Agreement wage escalations. This was partly offset by the reduction in costs due to the closure of Liddell Power Station and higher revenue from the sale of coal to the Loy Yang B Power Station.
- Gas Generation Underlying EBITDA was $(37) million, up 2.6%, driven by lower Torrens Island Power Station maintenance, offset by increased labour costs due to Enterprise Agreement wage escalations.
- Renewables and Storage Underlying EBITDA was $(32) million, down 23.1%, primarily driven by increased labour costs due to Enterprise Agreement wage escalations, and mobilisation and operating costs for the Torrens Island Battery which commenced operations on 30 September 2023.
- Natural Gas Underlying EBITDA was $(12) million, down $21 million, driven by the closure of the Camden Gas Project and divestment of Moranbah Gas Project in August 2023, and higher expenditure at the Surat Gas Project that would have otherwise been treated as capital following the asset being classified as held for sale. This was partly offset by an increase in the Surat Gas Project outerfield gas and oil production.
- Other Underlying EBITDA was $(75) million, down 33.9%, driven by an increase in labour costs for the Energy Hubs business, feasibility studies to grow the development pipeline, the *Security of Critical Infrastructure Act 2018* (SOCI) compliance program, and health, safety and environment risk management initiatives.

5.2.2 Operating costs

Integrated Energy operating costs (excluding depreciation and amortisation) of $(790) million increased by 3.7% compared with the prior year.

	FY24 $m	FY23 $m
Labour	**(382)**	(368)
Contracts and materials	**(271)**	(264)
Other	**(137)**	(130)
Operating costs (excluding depreciation and amortisation)	**(790)**	(762)

- Labour costs were $(382) million, up 3.8%, driven by increased labour costs due to Enterprise Agreement wage escalations, and additional headcount in the Energy Hubs business focused on growing AGL's development pipeline. This was partly offset by the impact of the closures of Liddell Power Station and Camden Gas Project.
- Contracts and materials costs were $(271) million, up 2.7%, driven by higher costs to maintain and improve plant availability across the thermal fleet, a one-off adjustment to increase the materials and spare part inventory obsolescence provisions at AGL Loy Yang and Bayswater power stations, mobilisation and operating costs for the Torrens Island Battery which commenced operations on 30 September 2023, and inflationary pressures. This was partly offset by the impact of the closure of Liddell Power Station.
- Other operating costs were $(137) million, up 5.4%, driven by higher expenditure at the Surat Gas Project that would have otherwise been treated as capital following the asset being classified as held for sale, an increased number of integrated energy hub feasibility studies to grow the development pipeline, higher insurance premiums, and an increase in consulting costs to support risk management initiatives. This was partly offset by the divestment of the Moranbah Gas Project in August 2023.

5.2.3 Depreciation and amortisation

Integrated Energy depreciation and amortisation of $(559) million increased by 5.3% compared with the prior year.

	FY24 $m	FY23 $m
Coal	**(450)**	(421)
Gas Generation	**(33)**	(35)
Renewables and Storage	**(44)**	(35)
Natural Gas	**(2)**	(6)
Other Integrated Energy	**(30)**	(34)
Depreciation and amortisation	**(559)**	(531)

- Coal depreciation and amortisation was $(450) million, up 6.9%, driven by a higher asset base due to increased investment at AGL Loy Yang and Bayswater power stations, and an increase in environmental rehabilitation assets at AGL Loy Yang.
- Gas Generation depreciation and amortisation was $(33) million, down 5.7%, driven by the impact of the impairment of Torrens Island Power Station resulting from the accelerated closure announced in September 2022.
- Renewables and Storage depreciation and amortisation was $(44) million, up 25.7%, driven by the completion of the Torrens Island Battery on 30 September 2023.
- Natural Gas depreciation and amortisation was $(2) million, down 66.7%, driven by the Surat Gas Project assets being classified as held for sale ceasing to depreciate effective from 1 July 2023 and the closure of the Camden Gas Project in August 2023.
- Other Integrated Energy depreciation and amortisation was $(30) million, down 11.8%, driven by software assets reaching the end of their depreciable life.

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5.3 Centrally Managed Expenses

AGL manages and reports certain expense items including technology costs within Centrally Managed Expenses. These costs are not reallocated to AGL's operating segments as their management is the responsibility of various corporate functions.

Centrally Managed Expenses Underlying EBIT was $(391) million, down $31 million or 8.6%. The higher labour costs were driven by inflationary increases and an uplift in technology capabilities primarily in cyber security. IT hardware and software costs increased by $9 million due to higher cyber security spending to enhance the protection of AGL's customers and operations. Depreciation and amortisation decreased by $3 million, resulting from lower real estate costs.

	FY24 $m	FY23 $m
Gross margin	**–**	–
Operating costs (excluding depreciation and amortisation)	**(320)**	(286)
Underlying EBITDA	**(320)**	(286)
Depreciation and amortisation	**(71)**	(74)
Underlying EBIT	**(391)**	(360)
Operating costs (excluding depreciation and amortisation)		
Labour	**(153)**	(131)
IT hardware and software costs	**(117)**	(108)
Consultants and contractor services	**(17)**	(15)
Insurance premiums	**(8)**	(9)
Other	**(25)**	(23)
Operating costs (excluding depreciation and amortisation)	**(320)**	(286)

5.4 Investments

Investments primarily comprises AGL's interests in the ActewAGL Retail Partnership (ActewAGL), Ovo Energy Australia and Tilt Renewables.

	FY24 $m	FY23 $m
ActewAGL	**26**	16
Ovo Energy Australia[1]	**(33)**	(20)
Tilt Renewables	**(18)**	(4)
Underlying EBIT	**(25)**	(8)

[1] Includes $(12) million (FY23: $(8) million) attributable to the 49% non-controlling interest in Ovo Energy Australia prior to the acquisition. AGL has 100% ownership of Ovo Energy Australia since 3 April 2024 and continues to be reported within Investments as at 30 June 2024.

- ActewAGL contributed an equity share of profits of $26 million, an increase of $10 million, mainly driven by improved sales margin.
- Ovo Energy Australia recorded a loss of $(33) million, a decrease of $13 million, driven by lower sales margin, and higher customer acquisition costs and bad debt expense due to growth in customer numbers.
- Tilt Renewables contributed an equity share of a loss of $(18) million, a decrease of $14 million, driven by increased financing costs, and corporate and development costs in line with its growth strategy.

5.5 Consolidated financial performance by operating segment

FY24 $m	Customer Markets	Integrated Energy	Investments	Centrally Managed Expenses	Inter-segment	Total Group
Revenue	**9,526**	**8,680**	**93**	**–**	**(4,716)**	**13,583**
Cost of sales	**(8,490)**	**(5,705)**	**(100)**	**–**	**4,716**	**(9,579)**
Other income	**(1)**	**(8)**	**8**	**–**	**–**	**(1)**
Gross margin	**1,035**	**2,967**	**1**	**–**	**–**	**4,003**
Operating costs (excluding depreciation and amortisation)	**(651)**	**(790)**	**(26)**	**(320)**	**–**	**(1,787)**
Underlying EBITDA	**384**	**2,177**	**(25)**	**(320)**	**–**	**2,216**
Depreciation and amortisation	**(117)**	**(559)**	**–**	**(71)**	**–**	**(747)**
Underlying EBIT	**267**	**1,618**	**(25)**	**(391)**	**–**	**1,469**
Net finance costs						**(312)**
Underlying Profit before tax						**1,157**
Income tax expense						**(353)**
Underlying Profit after tax						**804**
Non-controlling interests[1]						**8**
Underlying Profit after tax attributable to AGL shareholders						**812**

1. Relates to the 49% non-controlling interest in Ovo Energy Australia prior to the acquisition. AGL has 100% ownership of Ovo Energy Australia since 3 April 2024 and continues to be reported within Investments as at 30 June 2024.

FY23 $m	Customer Markets	Integrated Energy	Investments	Centrally Managed Expenses	Inter-segment	Total Group
Revenue	8,471	9,521	32	–	(3,867)	14,157
Cost of sales	(7,564)	(7,475)	(34)	–	3,867	(11,206)
Other income	–	–	14	–	–	14
Gross margin	907	2,046	12	–	–	2,965
Operating costs (excluding depreciation and amortisation)	(536)	(762)	(20)	(286)	–	(1,604)
Underlying EBITDA	371	1,284	(8)	(286)	–	1,361
Depreciation and amortisation	(123)	(531)	–	(74)	–	(728)
Underlying EBIT	248	753	(8)	(360)	–	633
Net finance costs						(258)
Underlying Profit before tax						375
Income tax expense						(100)
Underlying Profit after tax						275
Non-controlling interests[1]						6
Underlying Profit after tax attributable to AGL shareholders						281

1. Relates to the 49% non-controlling interest in Ovo Energy Australia prior to the acquisition. AGL has 100% ownership of Ovo Energy Australia since 3 April 2024 and continues to be reported within Investments as at 30 June 2024.

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6. Portfolio Review Summary

The portfolio review for the Electricity (Section 6.2) and Gas (Section 6.3) businesses outlines the margin achieved for each of AGL's portfolios across operating segments, and demonstrates how value is generated within each business. The portfolio reviews in Section 6.2 and 6.3 start with volume information before summarising external customer revenue, customer network and other costs, fuel and gas costs net of hedging, and costs of managing and maintaining owned and contracted generation assets, to arrive at a portfolio's margin. A per unit rate ($/MWh for electricity and $/GJ for gas) is derived from each category of revenue and cost using the relevant associated volumes.

The tables in Sections 6.2 and 6.3 should be read in conjunction with Section 6.4 to reconcile the segmental revenue and costs allocated to each portfolio with Group Underlying EBIT.

6.1 Portfolio Review Summary to Underlying Profit after Tax

	FY24 $m	FY23 $m
Electricity Portfolio		
Total revenue	**8,282**	7,119
Customer network, green compliance, and other cost of sales	**(3,649)**	(3,634)
Fuel costs	**(726)**	(861)
Generation running costs	**(754)**	(804)
Depreciation and amortisation	**(526)**	(491)
Net portfolio management	**(646)**	(372)
Electricity Portfolio Margin (a)	**1,981**	957
Gas Portfolio		
Total revenue	**2,506**	2,737
Customer network and other cost of sales	**(635)**	(587)
Gas purchases	**(762)**	(1,051)
Haulage, storage and other	**(344)**	(326)
Gas Portfolio Margin	**765**	773
Natural Gas	**(14)**	3
Gas Portfolio Margin (including Natural Gas) (b)	**751**	776
Other AGL		
Other margin[1]	**59**	62
Customer Markets operating costs	**(651)**	(536)
Integrated Energy other operating costs	**(107)**	(89)
Centrally Managed Expenses operating costs	**(320)**	(286)
Investments operating costs	**(26)**	(20)
Other depreciation and amortisation	**(218)**	(231)
Net finance costs	**(312)**	(258)
Income tax expense	**(353)**	(100)
Total Other AGL (c)	**(1,928)**	(1,458)
Underlying Profit after Tax (a + b + c)	**804**	275
Non-controlling interests[2]	**8**	6
Underlying Profit after tax attributable to AGL shareholders	**812**	281

1. Other margin includes other income from investments, and gross margin from Customer Markets.
2. Relates to the 49% non-controlling interest in Ovo Energy Australia prior to the acquisition. AGL has 100% ownership of Ovo Energy Australia since 3 April 2024 and continues to be reported within Investments as at 30 June 2024.

6.2 Electricity portfolio

The Electricity portfolio review combines Integrated Energy's Trading and Origination (Electricity), Operations (Coal, Gas Generation and Renewables and Storage), with Customer Markets (Consumer and Large Business) businesses to outline the portfolio's performance across operating segments.

All electricity volumes generated by AGL is sold into either the National Electricity Market (NEM) or Western Australian Wholesale Electricity Market (collectively "the pool") for which AGL receives pool generation revenue. Pool generation revenue is a function of volume and pool prices, which are set by the real-time market in each state. In the NEM, the total volume demanded by AGL customers is then purchased from the pool according to the geographical profile of customer demand and is reported as pool purchase volumes and costs. Where AGL's customer demand volumes exceed pool generation volumes, the generation volume deficit needs to be purchased from the pool by AGL.

	FY24 GWh	FY23 GWh	Movement %
Pool purchase volume to satisfy Consumer customers	**14,626**	15,362	(4.8)%
Pool purchase volume to satisfy Large Business customers and Wholesale customers	**22,781**	23,969	(5.0)%
Pool purchase volume[1]	**37,407**	39,331	(4.9)%
Add: Net generation volume deficit	**(3,321)**	(2,394)	38.7%
Pool generation volume	**34,086**	36,937	(7.7)%
Consumer customers sales	**13,838**	14,537	(4.8)%
Large Business customers sales	**9,431**	10,306	(8.5)%
Wholesale customers sales	**13,031**	13,307	(2.1)%
Total customer sales volume	**36,300**	38,150	(4.8)%
Energy losses	**1,107**	1,181	(6.3)%
Pool purchase volume[1]	**37,407**	39,331	(4.9)%

1. Includes 2.9 TWh residential solar volumes purchased from consumers (FY23: 2.7 TWh).

Refer to Section 3.1.4 for commentary on generation volumes.

Refer to Section 3.1.2 for commentary on customer energy demand.

	Portfolio Margin		Per Unit		Volume Denomination	
Revenue	FY24 $m	FY23 $m	FY24 $/MWh	FY23 $/MWh	FY24 GWh	FY23 GWh
Consumer customers	**5,218**	4,248	***377.1***	*292.2*	**13,838**	14,537
Large Business customers	**1,729**	1,688	***183.3***	*163.8*	**9,431**	10,306
Wholesale customers[1]	**1,217**	1,078	***93.4***	*81.0*	**13,031**	13,307
Operations (ancillary revenue)	**118**	105	**–**	–	**–**	–
Total revenue	**8,282**	7,119	***228.2***	*186.6*	**36,300**	38,150

1. Wholesale customers revenue includes amounts from certain wholesale contracts that are treated as derivatives for statutory reporting purposes. In the statutory accounts the amounts associated with these contracts are recognised within cost of sales.

Total revenue was $8,282 million, up 16.3%.

- Revenue from Consumer customers was $5,218 million, up 22.8% driven by higher revenue rates due to an increase in wholesale energy prices and focused customer value management.
- Large Business customer revenue was $1,729 million, up 2.4%, primarily due to an increase in wholesale electricity prices driving higher revenue rates, partly offset by lower volumes.
- Wholesale customer revenue was $1,217 million, up 12.9%, largely driven by higher revenue rates to wholesale customers and an increase in green certificates sold compared to the prior year at similar prices.
- Operations revenue was $118 million, up 12.4% primarily driven by higher external revenue from the sale of coal from AGL's mine at AGL Loy Yang to the Loy Yang B Power Station.

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	Portfolio Margin		Per Unit		Volume Denomination	
Network and other cost of sales	**FY24 $m**	**FY23 $m**	**FY24 $/MWh**	**FY23 $/MWh**	**FY24 GWh**	**FY23 GWh**
Network costs	**(2,324)**	(2,375)	***(99.9)***	*(95.6)*	**23,269**	24,843
Consumer	**(1,780)**	(1,802)	***(128.6)***	*(124.0)*	**13,838**	14,537
Large Business	**(544)**	(573)	***(57.7)***	*(55.6)*	**9,431**	10,306
Green compliance costs	**(811)**	(752)	***(34.9)***	*(30.3)*	**23,269**	24,843
Consumer solar costs	**(237)**	(242)	***(80.7)***	*(89.6)*	**2,935**	2,702
Other cost of sales	**(277)**	(265)	***(11.9)***	*(10.7)*	**23,269**	24,843
Total customer network and other cost of sales	**(3,649)**	(3,634)	**(156.8)**	(146.3)	**23,269**	24,843

Total customer network and other costs of sales were $(3,649) million, up 0.4%.

- Total network costs were $(2,324) million, a decrease of 2.1%, driven by lower volumes, partly offset by an increase in average network tariff rates.
- Green compliance costs were $(811) million, an increase of 7.8% due to higher certificate prices and a higher cost of internally generated large scale generation certificates due to lower wind generation.
- Consumer solar costs were $(237) million, a decrease of 2.1% due to a reduction in average feed-in-tariffs compared to the prior year, partly offset by an increase in solar volumes.
- Other cost of sales were $(277) million, up 4.5%, due to higher metering costs associated with an increased volume of digital meters.

	Portfolio Margin		Per Unit		Volume Denomination	
Fuel costs	**FY24 $m**	**FY23 $m**	**FY24 $/MWh**	**FY23 $/MWh**	**FY24 GWh**	**FY23 GWh**
Coal	**(596)**	(693)	***(21.0)***	*(22.8)*	**28,397**	30,354
Gas	**(130)**	(168)	***(132.4)***	*(138.0)*	**982**	1,217
Renewables	–	–	–	–	**4,707**	5,366
Total fuel costs (a)	**(726)**	(861)	***(21.3)***	*(23.3)*	**34,086**	36,937

Refer to Section 3.1.5 for commentary on fuel costs.

Generation running costs						
Coal power plants	**(387)**	(377)	***(13.6)***	*(12.4)*	**28,397**	30,354
Gas power plants	**(48)**	(48)	***(48.9)***	*(39.4)*	**982**	1,217
Renewables and Storage[1]	**(254)**	(220)	***(54.0)***	*(41.0)*	**4,707**	5,366
Other	**(65)**	(159)	***(1.9)***	*(4.3)*	**34,086**	36,937
Total generation running costs (b)	**(754)**	(804)	***(22.1)***	*(21.8)*	**34,086**	36,937

1. Renewables and Storage includes Power Purchase Agreements (PPA) costs.

Total generation running costs were $(754) million, down 6.2%.

- Coal operating costs were $(387) million, up 2.7%, driven by higher costs to maintain and improve plant availability, a one-off adjustment to increase the materials and spare part inventory obsolescence provisions at AGL Loy Yang and Bayswater power stations, and increased labour costs due to Enterprise Agreement wage escalations. This was partly offset by the reduction in costs following the closure of Liddell Power Station in April 2023.
- Gas operating costs were $(48) million, flat with the prior year.
- Renewables and Storage costs were $(254) million, up 15.5%, driven by higher generation costs due to a decrease in onerous contract releases compared to the prior year. These releases were lower due to higher assumed price outcomes that were fixed within the current year. Operating costs also increased due to the Torrens Island Battery that commenced operations on 30 September 2023.
- Other costs were $(65) million, down 59.1%, primarily driven by a reduction in market fees.

	Portfolio Margin		Per Unit		Volume Denomination	
	FY24 $m	FY23 $m	FY24 $/MWh	FY23 $/MWh	FY24 GWh	FY23 GWh
Depreciation and amortisation (c)	**(526)**	(491)	***(15.4)***	*(13.3)*	**34,086**	36,937

Depreciation and amortisation was $(526) million, up 7.1%, primarily driven by a higher asset base due to increased investment at AGL Loy Yang and Bayswater power stations, and the completion of the Torrens Island Battery on 30 September 2023.

Net Portfolio Management						
Pool generation revenue	**3,205**	4,949	***94.0***	*134.0*	**34,086**	36,937
Pool purchase costs	**(3,794)**	(5,514)	***(101.4)***	*(140.2)*	**37,407**	39,331
Net derivative (cost)/revenue	**(57)**	193	***(1.7)***	*5.2*	**34,086**	36,937
Net Portfolio Management (d)[1]	**(646)**	(372)	***(17.8)***	*(9.8)*	**36,300**	38,150

1. Pool generation revenue and pool purchase costs include amounts from certain wholesale contracts that are treated as derivatives for statutory reporting purposes. In the statutory accounts the amounts associated with these contracts are recognised within cost of sales.

Net pool generation revenue and pool purchase costs were $(589) million, down $24 million, reflecting lower pool prices and lower generation volumes following the closure of Liddell Power Station. This was largely offset by higher asset availability at AGL Loy Yang and Bayswater generation units, in addition to lower customer demand. Net derivative cost of $(57) million decreased by $250 million, largely driven by the performance of the wholesale electricity derivatives.

Total wholesale costs (a + b + c + d)	**(2,652)**	(2,528)	***(70.9)***	*(64.3)*	**37,407**	39,331
Total costs	**(6,301)**	(6,162)	***(173.6)***	*(161.5)*	**36,300**	38,150
Electricity Portfolio Margin	**1,981**	957	***54.6***	*25.1*	**36,300**	38,150
Consumer customers	**607**	493				
Large Business customers	**33**	31				
Trading and Origination	**2,378**	1,429				
Perth Energy margin	**11**	(1)				
Operations (Coal, Gas Generation, and Renewables and Storage)	**(1,048)**	(995)				

In addition to the commentary above, Electricity portfolio margin is discussed in Section 5.1 and 5.2.

6.3 Gas portfolio

The gas portfolio review combines the Integrated Energy (Trading and Origination – Gas) and Customer Markets (Consumer and Large Business) businesses to outline the portfolio's performance across operating segments.

	FY24 PJ	FY23 PJ	Movement %
Consumer customers sales	**46.2**	54.5	(15.2)%
Large Business customers sales	**15.0**	16.4	(8.5)%
Wholesale customer sales and internal generation usage volumes	**40.6**	60.5	(32.9)%
Total customer sales volume	**101.8**	131.4	(22.5)%
Energy losses	**2.5**	3.5	(28.6)%
Gas purchase volume	**104.3**	134.9	(22.7)%

Refer to Section 3.1.2 for commentary on customer energy demand.

	Portfolio Margin		Per Unit		Volume Denomination	
Revenue	FY24 $m	FY23 $m	FY24 $/GJ	FY23 $/GJ	FY24 PJ	FY23 PJ
Consumer customers	**1,762**	1,706	***38.1***	*31.3*	**46.2**	54.5
Large Business customers	**179**	190	***11.9***	*11.6*	**15.0**	16.4
Wholesale customers & internal generation	**565**	841	***13.9***	*13.9*	**40.6**	60.5
Total revenue	**2,506**	2,737	***24.6***	*20.8*	**101.8**	131.4

Total revenue was $2,506 million, down 8.4%.

- Revenue from Consumer customers was $1,762 million, up 3.3%, due to higher revenue rates as a result of price increases, partly offset by lower volumes sold.
- Large Business customers revenue was $179 million, down 5.8%, driven by competitive market conditions and one-off volumes in the prior year relating to RoLR events, partly offset by higher revenue rates due to an uplift in east coast wholesale gas prices.
- Wholesale customers revenue was $565 million, down 32.8%, primarily driven by the roll-off of wholesale customer volumes from AGL's existing customer base and lower internal consumption of gas volumes used for power generation in South Australia.

	Portfolio Margin		Per Unit		Volume Denomination	
Network and other cost of sales	FY24 $m	FY23 $m	FY24 $/GJ	FY23 $/GJ	FY24 PJ	FY23 PJ
Consumer network costs	**(518)**	(491)	***(11.2)***	*(9.0)*	**46.2**	54.5
Consumer other cost of sales	**(99)**	(72)	***(2.1)***	*(1.3)*	**46.2**	54.5
Large Business customers network costs	**(20)**	(23)	***(1.3)***	*(1.4)*	**15.0**	16.4
Large Business customers other cost of sales	**2**	(1)	***0.1***	*(0.1)*	**15.0**	16.4
Total network and other cost of sales	**(635)**	(587)	***(10.4)***	*(8.3)*	**61.2**	70.9

Total network costs and other cost of sales were $(635) million, up 8.2%, driven by network tariff increases, partly offset by a decrease in volumes sold to customers.

Wholesale costs						
Gas purchases	**(762)**	(1,051)	***(7.5)***	*(8.0)*	**101.8**	131.4
Haulage, storage and other	**(344)**	(326)	***(3.4)***	*(2.5)*	**101.8**	131.4
Total wholesale costs	**(1,106)**	(1,377)	***(10.9)***	*(10.5)*	**101.8**	131.4

See Section 3.1.5 for commentary on wholesale gas costs.

Total costs	**(1,741)**	(1,964)	***(17.1)***	*(14.9)*	**101.8**	131.4
Gas Portfolio Margin	**765**	773	***7.5***	*5.9*	**101.8**	131.4
Natural Gas	**(14)**	3				
Gas Portfolio Margin (including Natural Gas)	**751**	776				
Consumer customers	**305**	312				
Large Business customers	**6**	13				
Wholesale Gas	**439**	437				
Perth Energy margin	**15**	11				
Natural Gas	**(14)**	3				

Natural Gas was $(14) million, down $17 million, primarily driven by the closure of the Camden Gas Project and divestment of the Moranbah Gas Project in August 2023, and higher expenditure at the Surat Gas Project that would have otherwise been treated as capital following the asset being classified as held for sale. This was partly offset by an increase in the Surat Gas Project outerfield gas and oil production.

In addition to the commentary above, Gas portfolio margin is discussed in Sections 5.1 and 5.2.

6.4 Portfolio Review Reconciliation

FY24 $m	Electricity Portfolio	Gas Portfolio	Other AGL (a)	Adjustments (b)	Total Group
Customer Markets	**6,947**	**1,941**	**334**	**88**	**9,310**
Integrated Energy	**1,335**	**565**	**60**	**2,220**	**4,180**
Other	**–**	**–**	**93**	**–**	**93**
Revenue	**8,282**	**2,506**	**487**	**2,308**	**13,583**
Customer Markets	**(3,649)**	**(635)**	**(279)**	**616**	**(3,947)**
Integrated Energy	**(1,487)**	**(1,106)**	**(15)**	**(2,924)**	**(5,532)**
Other	**–**	**–**	**(100)**	**–**	**(100)**
Cost of sales	**(5,136)**	**(1,741)**	**(394)**	**(2,308)**	**(9,579)**
Other income	**–**	**–**	**(1)**	**–**	**(1)**
Gross margin	**3,146**	**765**	**92**	**–**	**4,003**
Operating costs (excluding depreciation and amortisation)	**(639)**	**–**	**(1,148)**	**–**	**(1,787)**
Depreciation and amortisation	**(526)**	**–**	**(221)**	**–**	**(747)**
Portfolio Margin/Underlying EBIT	**1,981**	**765**	**(1,277)**	**–**	**1,469**

FY24 $m	Electricity	Gas	Pool revenue	Other	Total Group
Portfolio Margin Reporting	**8,282**	**2,506**	**3,205**	**–**	**13,993**
Revenue reclass	**(690)**	**–**	**(188)**	**–**	**(878)**
Intragroup	**–**	**(143)**	**–**	**–**	**(143)**
Other	**(335)**	**(10)**	**18**	**938**	**611**
Note 3 - Revenue	**7,257**	**2,353**	**3,035**	**938**	**13,583**

FY23 $m	Electricity Portfolio	Gas Portfolio	Other AGL (a)	Adjustments (b)	Total Group
Customer Markets	5,936	1,896	376	44	8,252
Integrated Energy	1,183	841	101	3,748	5,873
Other	–	–	32	–	32
Revenue	7,119	2,737	509	3,792	14,157
Customer Markets	(3,634)	(587)	(327)	580	(3,968)
Integrated Energy	(1,428)	(1,377)	(27)	(4,372)	(7,204)
Other	–	–	(34)	–	(34)
Cost of sales	(5,062)	(1,964)	(388)	(3,792)	(11,206)
Other income	–	–	14	–	14
Gross margin	2,057	773	135	–	2,965
Operating costs (excluding depreciation and amortisation)	(609)	–	(995)	–	(1,604)
Depreciation and amortisation	(491)	–	(237)	–	(728)
Portfolio Margin/Underlying EBIT	957	773	(1,097)	–	633

FY23 $m	Electricity	Gas	Pool revenue	Other	Total Group
Portfolio Margin Reporting	7,119	2,737	4,949	–	14,805
Revenue reclass	(673)	(51)	(343)	–	(1,067)
Intragroup	–	(197)	–	–	(197)
Other	(330)	13	25	908	616
Note 3 - Revenue	6,116	2,502	4,631	908	14,157

Notes

a. Other AGL includes Natural Gas Underlying EBIT.

b. Key adjustments include:

- Integrated Energy electricity pool sales in the statutory accounts has been reallocated to cost of sales (net portfolio management) in the Portfolio Review where it is combined with pool purchase costs and derivatives to reflect AGL's net position.
- A portion of Integrated Energy other revenue in the statutory accounts has been reallocated to cost of sales (generation running costs) in the Portfolio Review.
- Within Integrated Energy, derivatives from certain wholesale contracts are recognised within cost of sales in the statutory accounts.
- In the Portfolio Review the revenue and costs have been separately disclosed. Intra-segment and inter-segment eliminations include: Gas sales from Trading and Origination - Gas to Trading and Origination - Electricity; gas sales from Natural Gas to Trading and Origination - Gas. Elimination adjustment also includes the reallocation of green costs from Trading and Origination - Electricity to Consumer and Business customer other cost of sales.

7. Climate Related Disclosures

AGL recognises that the impacts of, and the responses to, climate change at global, national, and state levels have significant implications for our business. This presents both material risks and opportunities that can shape AGL's financial position, performance, and prospects.

As an early adopter of the Task Force on Climate-related Financial Disclosures (TCFD) framework in Australia, AGL has made a commitment to disclose climate-related information considering this framework, which is currently voluntary in Australia. We have incorporated climate-related risk and strategy disclosures in our annual corporate disclosures since 2016, and since 2018, these disclosures have been aligned with the TCFD framework. As noted on page 2, our disclosures related to the TCFD framework are now included in this report rather than in a stand-alone publication.

We are closely monitoring evolving regulatory obligations and investor expectations regarding climate-related reporting and have considered the evolving draft Australian Sustainability Reporting Standards (ASRS) to inform and enhance our disclosure practices this year.

7.1 Governance

The AGL Board of Directors plays a pivotal role in overseeing climate-related matters. It actively considers climate-related risks and opportunities when reviewing and setting the company's strategy and making investment decisions. In September 2022, the Board approved AGL's Climate Transition Action Plan (refer to Section 7.2.1), which was subsequently endorsed by shareholders at the 2022 Annual General Meeting, underscoring our commitment to addressing climate change and transitioning to a more sustainable future.

Two Board-level committees also provide oversight of particular aspects of climate-related risks and opportunities: the Audit & Risk Management Committee (ARMC) and the Safety & Sustainability Committee (SSC).

The ARMC oversees the development of AGL's annual reporting aligned with the TCFD recommendations. Climate change response is a Tier 1Strategic Risk (refer to Section 2.3). The SSC considers climate-related issues from a sustainability perspective, including considerations for AGL stakeholders. More information about the role of the Board and its committees can be found on the AGL website, in the Governance Summary in this report, and in the 2024 Corporate Governance Statement.

AGL's CEO & Managing Director is responsible for implementing AGL's overall strategy, which includes our response to climate-related issues through our dual focus on *connecting our customers to a sustainable future* and *transitioning our energy portfolio*. This involves translating the strategic vision and goals into actionable plans and initiatives that effectively address the challenges and opportunities posed by climate change. The CEO & Managing Director works closely with the Board to monitor the changing landscape of climate-related policies, regulations, and market dynamics. This role is critical in ensuring that climate-related issues are integrated into the core business strategy, to enable AGL to adapt and thrive in the rapidly changing energy sector.

AGL recognises the importance of our Board having the climate-specific knowledge, skills, experience and background to effectively make decisions relating to climate-related threats and opportunities. As an integrated energy generator and retailer, climate is inextricably linked to the nature of our business, and the competencies required likewise intersect. AGL's commitment to robust governance practices related to climate change is reflected in our governance framework.

AGL uses a skills matrix to identify the key skills and experience the AGL Board is seeking to achieve in its membership, which includes 'ESG and Climate Change risks and opportunities'. Director skills and experience are assessed on a regular basis. The competency of the Directors with respect to these key skills and experience is outlined in the Governance Summary and in the 2024 Corporate Governance Statement.

The Board is comprised of a number of Directors with specific energy and climate change experience. Directors undertake a program of ongoing Director education to ensure that they are kept up to date on the risks and opportunities facing AGL's business. During FY24, Director education included a session on Climate Transition Action Plans.

For further information, see our 2024 Corporate Governance Statement.

7.2 Strategy

As outlined on page 10, AGL has two primary strategic objectives – *connecting our customers to a sustainable future* and *transitioning our energy portfolio*. Released in September 2022, AGL's Climate Transition Action Plan (CTAP) outlines our commitments to work towards these objectives. The following sections outline AGL's CTAP commitments, progress made against these commitments, a summary of the scenario analysis used to inform the development of our 2022 CTAP; scenario analysis undertaken during FY24 to improve our understanding of physical risk, and how AGL aims to evolve our capital allocation over time to transition our portfolio to deliver on our strategy.

As discussed in Section 2.1, Australia's energy sector is undergoing a period of significant change, as ageing thermal generation plant are replaced by a range of renewable generation, energy storage and flexible generation technologies with lower emissions intensities to drive the decarbonisation of Australia's energy sector.

AGL strongly supports Australia's commitment to the Paris Agreement to ensure the increase in global average temperature is held to well below 2 degrees Celsius and importantly to pursue all efforts to limit temperature increase to 1.5 degrees Celsius. Consistent with this, AGL continues to support Australia setting ambitious economy wide emissions reduction targets consistent with delivering Australia's share of national contributions to limit global temperature rise to 1.5 degrees Celsius, or as close as can be practically and economically delivered.

Achieving emissions reductions consistent with a global 1.5 degrees Celsius ambition will require significant emissions reductions across all sectors of the economy. To deliver this transition, a major market-wide infrastructure and asset replacement program is needed, requiring substantial investment in grid-scale generation and storage, transmission, distributed energy, electrification and fuel switching.

Decarbonising the electricity system and energy sector will be central to decarbonising Australia's economy and meeting government targets. This will require rapidly increasing the share of renewable energy sources, and the uptake of electrification and consumer energy resources to reduce dependence on fossil fuels. The energy transformation will need to be supported by significant investments in grid infrastructure, renewable and firming technologies, and supportive policy and market settings to ensure reliability and security of supply. Most importantly, achieving the necessary rate and scale of transition will need a coordinated approach among federal, state, and local governments, market bodies, industry, and consumers.

7.2.1 AGL's Climate Transition Action Plan

In September 2022, AGL released our inaugural Climate Transition Action Plan (CTAP). AGL's CTAP included a commitment to bring forward our exit from coal, targeting the closure of Loy Yang A Power Station by the end of FY35. AGL will be net zero for operated Scope 1 and 2 emissions following the closure of our coal-fired power stations. We are seeking to supply our customer demand with 12 GW of additional renewable and firming capacity by the end of 2035 (with an interim target of 5 GW by 2030), and since the release of our CTAP, we have committed to seeking options to accelerate where possible.

Our CTAP recognises the importance of striking a balance between responsible transition and rapid decarbonisation to ensure the security, reliability, and affordability of Australia's electricity supply. We are committed to working collaboratively with our stakeholders, including government bodies, employees, and the communities where we operate to lead a responsible and orderly transition. We received shareholder support for our CTAP through the 'Say on Climate' vote at our 2022 Annual General Meeting. As outlined in our CTAP, and in line with emerging best practice, we propose to put our decarbonisation plans to shareholder vote every three years. We anticipate that we will build on the ambitions of our 2022 CTAP in our next CTAP, scheduled for release with our FY25 results.

A summary of the commitments made by AGL in our CTAP, and the progress achieved against those commitments to date, is outlined below. We engaged Deloitte to undertake limited assurance of selected quantified targets in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements* issued by the Australian Auditing and Assurance Standards Board. Full details of the assurance scope, process and outcome are included in the assurance statement on page 200.

Key ✓ Complete → In Progress ↻ Ongoing - met in FY23

Commitment		Progress as at 30 June 2024	Assurance
Scope 1 and 2 emissions			
Liddell Power Station will be closed by April 2023.	✓	Liddell ceased generation in April 2023 and decommissioning has commenced.	Yes[1]
Achieve a reduction of at least 17% in annual[2] Scope 1 and 2 emissions against a FY19 baseline[3] by FY24[4] following the closure of the Liddell Power Station.	✓ ↻	AGL's operational Scope 1 and 2 emissions reduced by 23.3% in FY24 compared to a FY19 baseline, primarily driven by the closure of Liddell in FY23. AGL's flexible operations program is also enabling emissions reductions. Refer to the Environment scorecard and Assets scorecard for more information.	Yes
Bayswater Power Station will be closed between 2030-2033 - no later than 2033 (FY34). Achieve a reduction of at least 52% in annual Scope 1 and 2 emissions against a FY19 baseline[3] by FY35[4] following the closure of the Bayswater Power Station. Loy Yang A Power Station is targeted to close by the end of FY35. Achieve net zero emissions following the closure of AGL's coal-fired power stations (Liddell, Bayswater, and Loy Yang A power stations).	→	AGL's asset management plans have been structured to support availability and reliability until the planned closure of the Bayswater and Loy Yang A power stations, in the timeframes targeted in the CTAP. AGL has informed AEMO of our updated closure dates as per the requirements of NER 2.2.1(e)(2A).	N/A
AGL will develop appropriate strategies for the use and/or origination of high-quality offsets, guided by the development of carbon markets over the coming years.	✓	AGL has developed a company-wide Carbon Offsets Policy.	N/A

Climate Related Disclosures

For the year ended 30 June 2024

Commitment		Progress as at 30 June 2024	Assurance
Scope 3 emissions			
AGL has the ambition of being net zero for Scope 3 emissions by 2050 and is currently working on a decarbonisation pathway for these emissions.	→	AGL is developing a decarbonisation pathway to meet our ambition of net zero Scope 3 emissions by 2050. Further details will be published in the 2025 CTAP which will be published with AGL's FY25 results.	N/A
Responsible and orderly transition			
Our Sites: AGL is committed to re-purposing its large thermal generation sites into low-carbon energy hubs. Our industrial energy hubs at Loy Yang, Torrens Island and in the Hunter will bring together renewable energy production and storage with energy-intensive industries, centred around a shared infrastructure backbone.	→	Progress made to develop our integrated energy hubs is outlined in the Assets scorecard.	N/A
Our Communities: We recognise our responsibility reaches beyond the safe operation of our assets and supply of energy, and includes supporting the communities in which we operate before assets close, and managing the responsible best practice rehabilitation of our sites.	→	AGL's engagements with local communities, local businesses and government, and connections with Traditional Owners, are outlined in the Relationships scorecard.	N/A
Our People: The energy transition is an industry-wide transformation that will involve significant changes to the way AGL operates. As we manage this transition, the labour and skills required to operate our generation assets will change over time. Our future workforce is likely to be smaller; employees will be located across a distributed network of sites, operating a diverse portfolio of energy and related assets and technology.	→	Actions undertaken in FY24 in relation to supporting the transition of our workforce are outlined in the People scorecard.	N/A
Portfolio reshape and capital allocation alignment			
AGL intends to transition our portfolio to support a lower carbon world and will seek to supply our customers' energy demand by building and accessing 12 GW of new renewable generation and firming capacity before 2036, with an interim target of 5 GW by 2030.	→	AGL has 978 MW of new renewable and firming capacity contracted or in delivery from FY23, as discussed in the Assets scorecard.	Yes
		AGL has a development pipeline of 6.2 GW[5] of renewable and firming assets, as discussed in the Assets scorecard. Capital allocation is discussed in Section 7.2.3.	N/A
Green revenue			
In accordance with our FY23 long-term incentive (LTI) plan, we aim to increase the percentage of total revenue derived from green energy and carbon neutral products and services in FY26[6] to at least 22.2%, with a stretch goal of achieving 27.0%.	→	The percentage of AGL's total revenue derived from green energy and carbon neutral products and services in FY24 was 19.3%. Refer to the Remuneration Report for further details.	Yes

Climate Related Disclosures

For the year ended 30 June 2024

Commitment		Progress as at 30 June 2024	Assurance

Climate policy engagement

AGL will advocate for a responsible transition that balances energy reliability and affordability with the need to decarbonise. We will take action to deliver, and speak up for, a responsible transition.	✓	A summary of AGL positions on climate related advocacy is available in the ESG Data Centre. All AGL submissions are published on The Hub. AGL has not made any political donations in FY24. AGL continues to monitor the policy positions of industry associations of which we are a member (refer to the ESG Data Centre).	N/A

Climate governance

Climate transition metrics aligned to AGL's Climate Transition Action Plan will be included in future Remuneration Reports.	✓	Climate transition metrics are included in executive remuneration. Refer to the Remuneration Report.	N/A
AGL will disclose a summary of the key focus areas of the Board and its committees annually, which will include how each body has considered climate-related risks and opportunities over the year.	✓	Information is disclosed in the Governance Summary.	N/A
AGL will regularly assess Board skills in categories that cover the core competencies necessary to lead the energy transition (for example: environmental; energy markets; and entrepreneurship, commercial leadership and growth) and disclose the outcomes of these skills assessments annually.	✓	Information is disclosed in the Governance Summary.	N/A

Transparency

AGL will continue to use the TCFD Framework to report on governance, risk management, strategy, and metrics and targets in relation to climate change as part of our annual reporting suite.	✓	Information in this report has been prepared using the TCFD Framework.	N/A
AGL's Climate Transition Action Plan will be subject to a non-binding shareholder vote every three years at AGL's Annual General Meeting. In the event that material changes to the plan are made within the three-year timeframe, a revised plan will be put to shareholder vote at the following Annual General Meeting.	✓	AGL's CTAP was put to a shareholder vote at the 2022 Annual General Meeting where it was supported by a majority of shareholders. AGL's next CTAP will be published with our FY25 Results and put to shareholder vote at AGL's 2025 Annual General Meeting.	N/A
We will report progress against the commitments in our Climate Transition Action Plan annually. We will also regularly undertake independent assurance of our material operated Scope 1 and 2 emissions to allow progress against our emissions reduction targets to be measured.	✓	AGL has reported against our CTAP commitments in this document and obtained limited assurance over our FY24 operated Scope 1 and 2 emissions.	N/A

1. This metric was assured in FY23.
2. As indicated in the release of the Outcomes of Review of Strategic Direction which accompanied AGL's inaugural CTAP publication, this target applies from FY24 to FY34 inclusive.
3. Emissions comprise Scope 1 and 2 greenhouse gas emissions for all facilities operated by AGL, as reported under the National Greenhouse and Energy Reporting Act 2007. FY19 was selected as the baseline year as it provides a better reflection of representative historical output from thermal assets compared to FY20-FY22.
4. FY24 and FY35 represent the first full financial years where no emissions from Liddell and Bayswater power stations occur following the closure of these power stations in April 2023 (FY23) and CY33 (FY34) respectively.
5. As of August 2024.
6. Green energy revenue represents: green revenue including State-based green schemes; RET revenue from green charges passed through to customers; and other revenue from State-based charges passed through to customers.

7.2.2 Scenario analysis

AGL undertakes climate-related scenario analysis on a periodic basis to inform decisions regarding our operations, investments and strategic direction. Climate scenario modelling helps AGL assess the resilience of our strategy and operations across a range of potential future pathways, anticipate risks and opportunities, and align our actions with the evolving energy landscape. AGL undertook climate scenario modelling of transitional climate-related effects on the National Electricity Market (NEM) in 2022 to inform the development of the CTAP, and more recently undertook modelling of hazards arising under different climate-related scenarios to increase our understanding of the physical risks to our operational portfolio.

Scenario analysis of climate-related transitional effects on the electricity market

In 2022 we used climate-related scenario analysis of the electricity market to inform the development of our CTAP. The scenarios modelled a broad range of outcomes in terms of climate and energy transition pathways. The targeted closure dates for AGL's thermal coal assets outlined in our CTAP were consistent with a modelled decarbonisation scenario where the NEM achieved a well below two degrees outcome, and with the climate ambition of the 'Step Change' scenario within AEMO's 2022 Integrated System Plan[1]. Our CTAP recognises that to achieve a net zero energy system in an orderly and efficient way, individual generators and asset owners will decarbonise at different rates as the NEM efficiently decarbonises as a whole. Dynamic market settings in the NEM may result in less reliable and higher-cost assets exiting the market first, while more reliable, lower-emissions, and lower-cost assets will remain in the system to support reliability and affordability objectives as the system rapidly decarbonises in the most efficient way.

Since the 2022 scenario modelling was undertaken, there have been several key developments affecting the outlook for Australia's energy market and economy. Notably, as discussed in Section 2.1, the Australian Government has introduced the Capacity Investment Scheme which seeks to support state commitments and achieve the government's targets of 82% renewables by 2030 and economy-wide emissions reduction of 43% on 2005 levels by 2030. The federal and state governments have also announced new climate and energy policies to support a faster uptake of renewables and transmission infrastructure, and to support the development of emerging technologies such as energy storage, hydrogen, offshore wind, electric vehicles, and consumer energy resources. At the same time, state governments have entered into agreements with the operators of some thermal assets to provide certainty around closure dates, and have put forward regulatory mechanisms to extend the life of thermal generation assets, if required, to maintain system reliability and security.

As the market continues to evolve, we plan to publish updated climate-related energy market scenario analysis within our next CTAP, scheduled for release with our FY25 Results.

The scenarios modelled in 2022 and the key outcomes of each are summarised below.[2]

Modelled scenario (2022)	Scenario outcomes
Scenario I	
Challenging economic environment, lack of coordinated decarbonisation policy and slow renewables infrastructure build-out slows the decarbonisation of the NEM. Emissions reduction and energy policies are not delivered due to, for example, energy affordability concerns, lags in renewable project development and connection delays.	Limited growth in system demand results in relatively stable annual generation levels and generation capacity in the NEM to 2050. Coal-fired generators run at relatively low load factors as a result of low system demand. Annual emissions and emissions intensity of NEM generation decline over time as coal-fired generation exits the system, and is replaced by renewable generation technology, driven by economics. The scenario shows approximately 70 GW of renewable and storage capacity added to the grid between FY24 and FY50.
Scenario II	
Emissions reduction goals are progressively ratcheted up over time in pursuit of an economy wide 26-28% emissions reduction target by 2030 (against 2005 levels) and economy-wide net zero emissions by 2050.	Significant growth in system demand owing to strong electrification drives increasing generation levels and significant growth in installed capacity in the NEM. The scenario shows approximately 225 GW of renewable and storage capacity added to the grid between FY24 and FY50, while economics drives the progressive exit of ageing coal-fired generation capacity. Annual emissions and emissions intensity of NEM generation decline over time as renewable generation grows and coal-fired generation exits the system.

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1. Based on scenario modelling of the NEM undertaken by ACIL Allen utilising a carbon budget for the NEM which is consistent with limiting global temperature increases to well below two degrees Celsius above pre-industrial levels.
2. The full details of AGL's methodology, assumptions and limitations of the scenarios are available in our 2022 CTAP.

Modelled scenario (2022)	Scenario outcomes
Scenario III (Well below 2 degrees)	
Rapid consumer-led transformation of the energy sector and coordinated economy-wide action, fuelled by a step change in policy commitments and deployment and coordination of enabling technologies, delivering a Paris-aligned decarbonisation pathway	Meeting a Paris well below 2°C aligned carbon constraint results in coal-fired generation exiting the system in advance of economic closure dates and operating at relatively lower load profiles compared to Scenario II, while the increasing electrification macro trend drives increasing system demand. This results in approximately 250 GW of renewable and storage capacity being added to the grid over the FY24-FY50 period. Annual emissions levels and emissions intensity of NEM generation declines more rapidly than under Scenarios I and II, owing to earlier coal exits and strong growth in renewable generation, and the NEM reaches net zero emissions in the early 2040s.
Scenario IV (1.5 degree goal)	
Accelerated policy action and significant technological breakthroughs driving a rapid transformation of the economy, delivering a 1.5°C-aligned pathway.	Meeting a Paris-1.5°C aligned carbon constraint results in an accelerated exit of coal-fired generation from the system, with all coal closed by the early 2030s, while the increasing electrification macro trend and longer-term shift to hydrogen generation technology drives a strongly increased long-term system demand outlook. This results in approximately 295 GW of additional renewable and storage capacity being required by the grid over the FY24-FY50 period. Annual emissions levels and emissions intensity of NEM generation decline more rapidly than under Scenarios I - III, owing to accelerated coal exits and strong growth in renewable generation, with the NEM reaching net zero emissions by 2040.

Scenario analysis of climate-related physical risk on AGL's portfolio

AGL has also undertaken climate-related physical risk analysis to assess potential risks facing our assets under different warming scenarios. The modelling was conducted across each of our operational sites, our integrated energy hubs, assets with which we have Power Purchasing Agreements and for selected future assets within our development pipeline. Our disclosures in this document do not cover all future assets or assets AGL is seeking to close or divest in the short-term. Refer to Section 7.3.2 for details of the outcomes of this analysis.

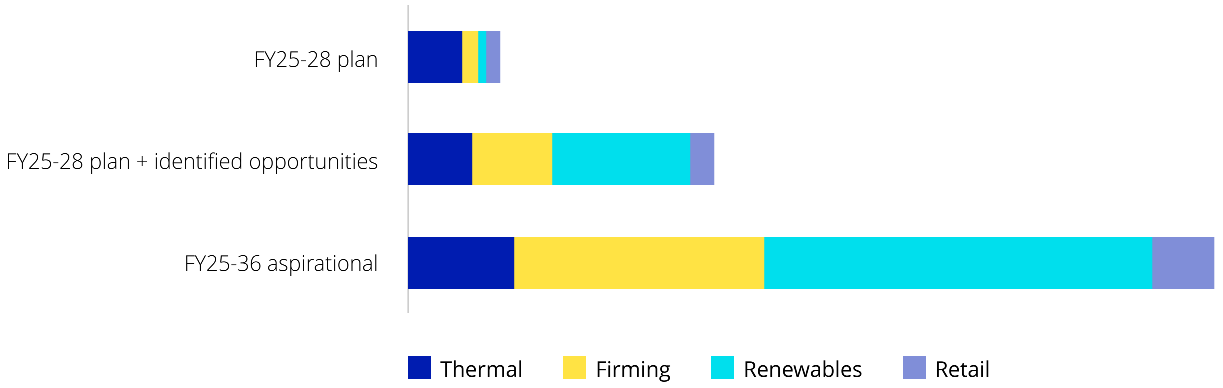
7.2.3 Capital allocation to support the energy transition

As part of our current and long term strategy, AGL has the aspiration to significantly grow our pipeline of climate solutions.[1] In FY24, AGL's allocation of capital toward climate solutions included $274 million of capital expenditure on a mixture of grid-scale batteries, investment in hydro assets and Energy as a Service projects, equivalent to approximately 32% of total capital expenditure for FY24.

We recognise that our commitment to decarbonising our portfolio will require a significant capital investment across both firming and renewable[2] technologies throughout the next decade. Further, we acknowledge that ongoing uncertainty of the future state of the Australian energy market will require AGL to refine how we allocate capital[3] year-on-year.

The chart[4] below shows the anticipated evolution of AGL's capital allocation[3] towards meeting our plans to add 12 GW of renewable generation and firming capacity before the end of 2035. This reflects the total required investment to be funded through a combination of balance sheet, offtakes and partnerships.[5] [6]The FY25-28 period reflects AGL's estimated spend across the next 4-year period and the current pipeline of identified growth opportunities that AGL is actively pursuing. AGL's capital allocation to thermal[7] assets is focused on ensuring the ongoing safe and efficient operations of Loy Yang A and Bayswater power stations until closure, and is indicative of the role that thermal generation is expected to play in providing reliable and affordable electricity to support the energy transition.

Our disciplined capital allocation decisions reflect AGL's commitment to transition our portfolio responsibly and effectively to renewable and firming capacity, in line with our capital allocation framework.



Capital allocation evolution

The table below outlines the anticipated evolution of AGL's capital allocation in the short, medium and longer term in terms of the proportion of capital expected to be allocated to climate solutions.

Period	Capital allocation for climate solutions[1]
FY25-28 plan	23%
FY25-28 plan + identified opportunities	68%
FY25-36 aspiration	71%

1. Climate solutions allocation reflects the average annual capital allocation across the defined period.

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1. For the purposes of capital allocation, AGL defines climate solutions as grid-scale renewable generation, grid-scale batteries and pumped hydro, retail electrification and decentralised sustainable business energy solutions for customers.
2. For capital allocation: Renewables includes Tilt Renewables assets.
3. Capital allocation is broader than capital expenditure and AGL has aligned our definition of capital allocation to that of capital deployment in the draft Australian Sustainability Reporting Standards to be, "the amount of capital expenditure, financing or investment deployed'.
4. Illustrative only of the magnitude of investment; chart not to scale. Forward-looking projections have been calculated using pro-rata grouped costs.
5. Amounts include notional capital for offtake commitments and all capital costs of any Joint Venture arrangements. When funding occurs, AGL may only have to contribute its share of equity related contributions to Joint Venture arrangements.
6. For capital allocation: Retail includes Kaluza.
7. For capital allocation: Thermal includes Torrens.

7.3 Climate-related risks and opportunities

AGL manages climate-related risks in line with our enterprise-wide risk management framework. Through this framework, AGL identifies key risks that could impact the achievement of our strategic priorities (Tier 1 Strategic Risks). As shown in Section 2.3.1, 'climate change response' was identified as a Tier 1 Strategic Risk. Climate-related impacts are also associated with many of our other Tier 1 Strategic Risks, due to the interconnected nature of climate change with the energy sector.

At a more granular level, AGL's climate-related risks can be categorised into two main areas: transition risks and physical risks. As shown below, the TCFD framework breaks transition risk into four subcategories and physical risk into two subcategories.

Transition Risks				Physical Risks	
Policy and Legal	**Technology**	**Market**	**Reputation**	**Acute**	**Chronic**
Risks arising from policy or legal interventions that attempt to constrain actions that contribute to the adverse effects of climate change or actions that seek to promote adaptation to climate change.	Risks arising from the technological changes which are occurring to support the transition to a low carbon economy and the disruption they can cause to markets and businesses	Risks associated with changing supply and demand for commodities and other products and services.	Risks arising from changing customer and community perceptions of organisations due to their action on climate change, with impacts to reputation leading to reduced customer trust and participation with a business.	These risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, droughts or floods.	These risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

AGL uses our enterprise-level strategic planning processes to identify, assess and manage climate-related opportunities on an iterative basis. Through this process we identified climate-related opportunity areas, which include resource efficiency, low emission alternative energy sources, product and service innovation, new markets and asset types, and building climate resilience capacity.

The following sections include a summary of the climate-related physical and transition risks that AGL considers could reasonably affect our business' prospects, and the time horizons in which these risks could be expected to materialise, as well as an outline of key climate-related opportunities for AGL.

7.3.1 Transition risks

The potential challenges and uncertainties that arise from the shift towards a low-carbon economy and the transition away from carbon-intensive industries and practices are known as climate-related transition risks. These risks emerge as a result of various factors, including policy changes, technological advancements, market dynamics, and evolving societal expectations. Key climate-related transition risks for AGL are summarised below:

Key → Short term (1-4 years) ⇒ Medium term (5-10 years) ⇛ Long term (10+ years)

Climate-related risk causes		Mitigation approach
Policy or regulatory intervention *AGL is impacted by policy and/or regulatory intervention or other restrictions that seek to address greenhouse gas emissions or climate change adaptation.*		
- Government policies and/or other interventions designed to limit the impacts of climate change or manage the impacts of Australia's transitioning energy system may have a material impact on AGL's operations or strategy, or be implemented in a disorderly or unplanned manner which may increase uncertainty for AGL's strategic direction and in the allocation of resources. - Increased resourcing may be required to anticipate, understand and comply with new regulatory requirements. Any new regulations that place further restrictions or limitations on greenhouse gas emissions are likely to increase the cost of operating thermal plants.	→ ⇒ ⇛	- AGL has committed to a portfolio transformation including 12 GW of new renewable and firming capacity by the end of 2035 (and seek options to accelerate where possible) and the closure of our coal-fired power stations. - AGL actively engages with government and regulatory bodies to advocate for balanced policy outcomes that consider the interests of our stakeholders, and support AGL and the broader NEM to provide reliable and affordable energy during Australia's energy transition. - AGL contributes to the ongoing development of relevant government policy, including through participation in public forums and the submission of formal responses to government policy consultation. Through this process, AGL seeks to understand and inform current and anticipated regulatory changes, to ensure that AGL is able to respond to changing regulatory requirements quickly and effectively.

Access to capital

AGL's access to capital markets, including debt, equity investors and insurance, may become further constrained where our energy transition timing does not meet the expectations of these markets.

Climate-related risk causes		Mitigation approach
• ESG challenges and capital market perception of carbon risk will remain an ongoing challenge for AGL, as debt and equity markets continue to increase their focus on climate impacts, particularly limiting lending and investing in fossil fuel companies.	⇀ ⇒	• AGL has committed to a portfolio transformation including 12 GW of new renewable and firming capacity by the end of 2035 (and seek options to accelerate where possible) and the closure of our coal-fired power stations. • AGL has in place a Green Finance Framework, which sets out the process by which AGL intends to issue and manage Green Debt on an ongoing basis to fund expenditure on firming capacity and renewable energy. • AGL engages with capital market stakeholders regarding our strategic direction and to understand their expectations. • AGL engages with other key stakeholders, including the community, on relevant development opportunities to understand expectations and key risks, and to develop our social license to deliver on these projects. • Across FY24, AGL materially increased its debt tenor, improved its liquidity position and maintained a Baa2 “stable” investment grade Moody’s rating.

Changing customer needs and expectations

AGL may not effectively harness new technologies, products or services that support changing customer decarbonisation and electrification needs and expectations. Additionally, the increasing uptake of rooftop solar and electrification of vehicles and other services is resulting in changing demand and load profiles across the Australian electricity market.

• As low-carbon, renewable, electrification and behind-the-meter technologies alter electricity supply to the NEM and change the profile of Australia’s electricity supply, some energy assets and investments may no longer provide a viable economic return and could therefore see their economic life curtailed. • AGL may fail to identify and/or appropriately invest in new technologies that support the transition and are aligned to its business objectives, impacting on financial performance.	⇀ ⇒	• As we seek to help our customers decarbonise the way they live, move and work. AGL is actively monitoring new technologies, new products and business models with a view to meeting future customer demand and evolving customer expectations. These include opportunities in electrification services such as electric vehicles and charging, hot water, heating and cooling, Distributed Energy Resources (DER) like rooftop solar and residential battery storage systems, and asset monitoring and management. • AGL has also entered into an agreement with Kaluza to transform our customer operations in order to support our customers' needs including supporting how they decarbonise and electrify. • In FY24 AGL launched its Electrify Now platform across the National Electricity Market, helping households to understand the potential benefits of electrifying their homes by providing personalised information for the most impactful upgrades. • AGL continues to invest in and focus on the safety, reliability and flexibility of our existing power stations, to support plant capability and efficiency that will allow us to capture value from the changing energy market.

Stakeholder perception

Stakeholder trust in AGL is negatively impacted by changing community perceptions and expectations of our contribution to the energy transition.

• AGL's success is dependent on the ongoing support of our key stakeholders, including our people, customers, shareholders and the communities where we operate. Where AGL is unable to meet current expectations or anticipate and/or respond to changing expectations, our ability to achieve our objectives could be significantly challenged.	⇀ ⇒	• AGL is committed to engaging with stakeholders in a transparent manner regarding climate change. Our CTAP aims to find a balance between meeting Australia's current and future energy requirements while responsibly reducing carbon emissions. The plan includes specific targets towards achieving net zero emissions, facilitating a responsible transition for Australia's energy market. AGL has committed to putting our CTAP to a non-binding shareholder vote every three years.

7.3.2 Physical risks

Physical risks associated with climate change have the potential to significantly impact AGL's business. These risks can be categorised into two main types of hazard: acute and chronic.

Both acute and chronic physical hazards pose significant risks to businesses, communities, and the overall economy. They can result in direct damages, operational disruptions, increased costs for repair and maintenance, decreased productivity, and loss of assets and infrastructure. Additionally, these hazards can have cascading effects, impacting supply chains, insurance costs, investor confidence, and the overall stability of financial markets.

Physical climate hazards can additionally have both primary and secondary effects. The primary effects are the direct impacts on assets such as power stations, critical infrastructure, and corporate facilities. The secondary effects are impacts on supply chains, distribution networks, customers, and markets. Key climate-related physical risks for AGL are summarised below:

Key → Short term (1-4 years) ⇒ Medium term (5-10 years) ⇛ Long term (10+ years)

Climate-related Risk Cause		Mitigation Approach
Acute hazards *Acute, event-driven hazards resulting primarily from the increasing severity of extreme weather events.*		
• Increasing frequency and severity of extreme heat, fire, and storm events impacting the operation of AGL's thermal coal fleet. • Extreme heat, fire and wind events impacting the operation of AGL's wind and solar assets. • Extreme heat leading to spikes in demand for electricity and potential electricity shortfalls. • Major flooding events causing disruption to AGL generation capabilities.	→ ⇒ ⇛	• To mitigate the impacts of acute weather and natural hazards risks, AGL has Emergency Management and Response Plans in place across our portfolio. These include bushfire management plans, and procedures for extreme weather and flood management. • The flexibility of AGL's generation fleet allows us to efficiently respond to changing generation and load profiles when acute hazards impact generation assets across the NEM. • As acute natural hazards are usually localised to a specific region, the geographic diversity of AGL's generation portfolio helps to minimise the risk of major impacts across the fleet.
Chronic shift in climate patterns *Chronic, long-term shifts in climate patterns leading to ongoing changes to environmental hazards.*		
• Extended drought periods compromising water security at thermal and hydro assets, impacting asset availability. • Ongoing increases in average temperatures leading to higher energy demand from customers.	⇛	• AGL actively monitors access to water and water availability for our assets to mitigate drought risks and ensure availability of our assets. In addition, AGL maintains water licences or entitlements for each asset. • AGL continues to invest in critical spares and equipment to support the ongoing reliability of our generation assets.
Secondary effects of hazards *Chronic and acute physical hazards that impact AGL due to their secondary effects.*		
• Extreme weather and fire events affecting the vulnerability of transmission and distribution networks, limiting AGL's ability to supply and source electricity from the market.	→ ⇒ ⇛	• As these secondary effects are inherently risks on assets that are outside of AGL's control, our ability to directly mitigate them is limited. • However, AGL actively engages with government and regulatory bodies to advocate for balanced policy outcomes within the NEM to provide reliable and affordable energy during Australia's energy transition, particularly related to transmission access and project approvals.

Another mitigation strategy that applies across all risks set out above is the implementation of the commitments made in our CTAP. This will limit greenhouse gas emissions while diversifying AGL's portfolio of assets and allow us to continue to meet the needs of our customers.

AGL's scenario analysis of climate-related physical hazards

In FY24, AGL engaged Aon, an external risk specialist, to undertake climate-related physical hazard modelling to assess potential hazards facing our assets under different warming scenarios. The modelling was conducted across each of our operational sites, our integrated energy hubs, assets with which we have Power Purchasing Agreements and for selected future assets within our development pipeline. AGL has limited the disclosure of the analysis as set out below to our operational electricity generation assets and integrated energy hubs as it best represents our material assets and potential material risks.

Three scenarios aligned to three different temperature outcomes[1] were modelled, with each scenario considering both acute and chronic hazards, as summarised below.

Physical risk type	Hazard type	Modelling approach	Scenarios modelled for each hazard[1,2]
Acute hazards	Bushfire Flood Cyclone Hail Storm	The current exposure to acute hazards was analysed using a proprietary model, containing seven billion data cells and over 200 risk variables. For assessing future exposure to acute hazards, the model was extended by integrating climate science from the CSIRO, Bureau of Meteorology, and the Climate Measurement Standards Initiative. This model forecasts changes in hazard exposure at an asset level for various emissions pathways over intervals to 2090.	*Scenario A* - The expected change in climate under a ~1.8-degree scenario aligned with RCP2.6 / SSP1-2.6. *Scenario B* - The expected change in climate under a ~2.7-degree scenario aligned with RCP4.5 / SSP2-4.5. *Scenario C* - The expected change in climate under a ~4.4-degree scenario aligned with RCP8.5 / SSP5-8.5.
Chronic hazards	Drought Extreme heat Extreme rainfall	The analysis of current and future exposure to chronic physical hazards utilised a proprietary model incorporating data from the Coupled Model Intercomparison Project Phase 6 (CMIP6), which informed the IPCC Sixth Assessment Report. This model provides climate projections at 10-year intervals relative to the historical baseline period (1995-2014) extending to 2100.	

1. Relative Concentration Pathways (RCP), are concentration pathways for greenhouse gases and aerosols, demonstrating possible future emissions and radiative forces (i.e. Temperature intensity) scenarios for the world until 2100, as defined by the IPCC).
2. Shared Socioeconomic Pathways (SSP), describe how socioeconomic trends around the world may evolve over time, as defined by the IPCC (2017).

For modelling acute hazards, the analysis considered the declared value of each AGL asset to estimate the Average Annual Loss (AAL) loading for each hazard. When assessing future acute hazards, the model estimated the proportion of the declared value at risk over various scenarios, evaluating these risks at intervals up to the year 2090.

This financial assessment focused on the direct effects of potential climate hazards on each asset, without considering impacts to the income generated by the asset or the broader impacts of the hazard on supporting infrastructure and markets.

For chronic hazards, the model employs a percentile-based scoring system that ranges from 1 to 100. This scoring indicates the relative hazard level of each asset's location compared to global locations. For instance, a score of 70 signifies that the hazard level for that specific location is higher than 70% of all locations worldwide.

This analysis has enabled AGL to more accurately assess current physical hazards facing our assets and anticipate areas where exposure to hazards may increase under different climate scenarios in the future.

It is important to note that this analysis is centred on changes in exposure to physical hazards based on the asset's location. It does not consider the type of asset, its vulnerability to the hazards, or any mitigation actions that might be implemented. As such, the *impact* of the hazard has not been assessed. Additionally, the scenarios modelled are not predictions or forecasts but indicators of potential outcomes.

The primary finding from this analysis is an expected correlation between rising temperatures over time and increasing exposure of our assets to physical hazards.

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[1] Temperature outcomes are as outlined in the most recent report from the Intergovernmental Panel on Climate Change (IPCC): Assessment Report 6 (AR6)

Acute physical hazards

The modelling assessed the exposure of AGL's assets to current acute physical hazards expressed as an AAL loading. Further, the modelling of exposure to future acute physical hazards considers the value at risk of each asset for each hazard under each scenario.

The change in value at risk has been mapped in the table below by asset type. However, as the asset type groupings include geographically dispersed assets, the changes shown are indicative only and represent the totality of change for each group. Increasing exposure as shown in the table indicates a higher likelihood of an asset or asset group being affected by a hazard but may not lead to a higher risk.

Key[1]	⬈	Large increase in exposure	↗	Moderate increase in exposure	⊖	Stable or small increase in exposure	N/A	Negligible or no exposure to this hazard type

1. For the purposes of representing AGL's acute physical hazard exposure under the modelled scenarios, the following boundaries have been applied: Stable or small increase in exposure is indicative of a 0-4% upwards change in exposure; moderate increase in exposure is indicative of a 5-9% upward change in exposure; and large increase in exposure is indicative of a >=10% upwards change in exposure.

		Scenario A			Scenario B			Scenario C		
Asset type	**Hazard**	**2030**	**2050**	**2090**	**2030**	**2050**	**2090**	**2030**	**2050**	**2090**
Integrated energy hubs	Bushfire	⊖	⊖	↗	⊖	↗	⬈	⊖	⬈	⬈
	Flood	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Cyclone	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Hail	⊖	⊖	↗	⊖	⊖	⬈	⊖	↗	⬈
	Storm	⊖	⊖	↗	⊖	⊖	⬈	⊖	↗	⬈
Coal generation	Bushfire	⊖	N/A	N/A	⊖	N/A	N/A	⊖	N/A	N/A
	Flood	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Cyclone	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Hail	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Storm	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gas peaking generation	Bushfire	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖
	Flood	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖	⊖
	Cyclone	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Hail	⊖	⊖	↗	⊖	↗	⬈	⊖	↗	⬈
	Storm	⊖	⊖	↗	⊖	⊖	⬈	⊖	↗	⬈
Hydro generation	Bushfire	⊖	⊖	↗	⊖	↗	⬈	⊖	⬈	⬈
	Flood	⊖	⊖	↗	⊖	↗	⬈	⊖	⬈	⬈
	Cyclone	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Hail	⊖	⊖	↗	⊖	↗	⬈	⊖	⬈	⬈
	Storm	⊖	⊖	↗	⊖	↗	⬈	⊖	⬈	⬈

Asset type	Hazard	Scenario A			Scenario B			Scenario C		
		2030	2050	2090	2030	2050	2090	2030	2050	2090
Grid-scale solar generation	Bushfire	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Flood	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Cyclone	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Hail	−	−	↗	−	↗	⇗	−	⇗	⇗
	Storm	−	−	↗	−	↗	⇗	−	↗	⇗
Wind generation	Bushfire	−	−	↗	−	↗	⇗	−	⇗	⇗
	Flood	−	−	↗	−	↗	⇗	−	⇗	⇗
	Cyclone	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Hail	−	−	↗	−	−	⇗	−	↗	⇗
	Storm	−	−	↗	−	−	⇗	−	↗	⇗
Grid-scale batteries	Bushfire	−	−	−	−	−	−	−	−	−
	Flood	−	−	−	−	−	−	−	−	−
	Cyclone	−	−	↗	−	−	↗	−	↗	⇗
	Hail	−	−	↗	−	−	⇗	−	↗	⇗
	Storm	−	−	↗	−	−	⇗	−	↗	⇗

The modelling of acute current hazards outlines that over 90%[1] of AGL's portfolio exhibits moderate to lower levels of exposure across all acute hazards. This assessment underlines that AGL's current risk from acute physical hazards is limited and manageable.

Under the future acute scenarios, the largest increase in value at risk across all hazards is projected for floods, with a 23% increase in exposure by 2090 under Scenario C. Hydro generation assets are most exposed to this hazard. However, this increased exposure does not necessarily correlate with a higher level of risk for these assets.

The analysis also shows that under Scenario C, exposure to bushfire hazards is expected to increase by a similar margin of 22.8% by 2090. Storm exposure across the portfolio under Scenario C has a lower increase, and is primarily concentrated in a single location.

These specific increases represent significant projections for the end of the century, by which time it is anticipated that several of AGL's assets will be retired. AGL continues to monitor proposed locations for new assets to minimise exposure and risk in this context. Further, maintaining a geographically diverse fleet helps mitigate the likelihood of acute physical hazards affecting multiple assets simultaneously, thus reducing overall business risk.

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[1] The percentage of asset exposure is calculated based on the percentage of the total declared value of the assets identified as being exposed.

Chronic physical hazards

To assess AGL's exposure to chronic physical hazards, each asset was evaluated based on historical data. From this, a baseline exposure scenario for each hazard was determined, and this exposure was evaluated as the relative hazard level. This relative hazard level has also been calculated under each future scenario, and the change in this level is mapped in the table below.

As the asset groupings in the table include geographically dispersed assets, the changes mapped are to be read as indicative only and represent the totality of change for each group. Increasing exposure in the table indicates a higher likelihood of an asset or asset group being affected by a hazard, but may not lead to a higher risk.

Key[1]	⇗	Large increase in exposure	↗	Moderate increase in exposure	–	Stable or small increase in exposure	N/A	Negligible or no exposure to this hazard type

1. For the purposes of representing AGL's chronic physical hazard exposure under the modelled scenarios, the following boundaries have been applied: Stable or small increase in exposure is indicative of a 0-9% upwards change in exposure; moderate increase in exposure is indicative of a 10-29% upward change in exposure; and large increase in exposure is indicative of a >=30% upwards change in exposure.

		Scenario A			Scenario B			Scenario C		
Asset type	**Hazard**[1]	**2035**	**2055**	**2085**	**2035**	**2055**	**2085**	**2035**	**2055**	**2085**
Integrated energy hubs	Drought	↗	↗	↗	↗	⇗	⇗	⇗	⇗	⇗
	Extreme heat	↗	↗	↗	↗	↗	↗	↗	↗	⇗
	Extreme rain	–	–	–	–	–	–	–	–	–
Coal generation	Drought	↗	N/A	N/A	↗	N/A	N/A	–	N/A	N/A
	Extreme heat	↗	N/A	N/A	↗	N/A	N/A	↗	N/A	N/A
	Extreme rain	–	N/A	N/A	–	N/A	N/A	–	N/A	N/A
Gas peaking generation	Drought	⇗	⇗	⇗	⇗	⇗	⇗	⇗	⇗	⇗
	Extreme heat	–	–	–	–	–	–	–	–	↗
	Extreme rain	–	–	–	–	–	–	–	–	–
Hydro generation	Drought	↗	↗	↗	↗	↗	↗	↗	↗	⇗
	Extreme heat	–	–	–	–	–	–	–	↗	⇗
	Extreme rain	–	–	–	–	–	–	–	–	–
Grid-scale solar generation	Drought	↗	↗	↗	↗	↗	↗	↗	↗	↗
	Extreme heat	–	–	–	–	–	–	–	–	↗
	Extreme rain	–	–	–	–	–	–	–	–	–
Wind generation	Drought	↗	↗	↗	↗	⇗	⇗	⇗	↗	⇗
	Extreme heat	–	–	–	–	–	–	–	–	↗
	Extreme rain	–	–	–	–	–	–	–	–	–
Grid-scale batteries	Drought	↗	↗	↗	↗	↗	↗	↗	↗	⇗
	Extreme heat	–	–	–	–	–	–	–	–	↗
	Extreme rain	–	–	–	–	–	–	–	–	–

1. The potential hazard of freeze was also assessed, and it was found that AGL's assets have no exposure to this hazard.

Based on the modelled outputs of AGL's chronic hazard exposure, AGL is most exposed to projected changes in extreme heat and drought under all three scenarios. Notably, AGL's current exposure to extreme heat[1] is already elevated. This is known to de-rate and impact performance of most generation technologies. The analysis suggests that under Scenario C, AGL's portfolio could experience an increase in the annual average number of days with extreme heat from 10 to 50 by the end of the century.

Drought exposure is based on consecutive months for which the mean precipitation is below the historical 15th percentile for the location modelled.[2] The modelling indicates that under Scenario A, AGL's exposure peaks around 2045 at approximately 1.9 consecutive months of drought (up from 1.5 months), then decreases slightly towards the end of the century. In contrast, under Scenario C, exposure steadily increases to approximately 2.6 months.

Exposure to extreme rainfall across AGL's portfolio shows only a low to moderate increase through the end of the century.

Further controls and mitigation

AGL's management of climate-related physical risks is grounded in our commitment to being net zero for operated Scope 1 and 2 emissions following the closure of our coal-fired power stations. This commitment along with others outlined in our 2022 CTAP and subsequent disclosures, are intended to progress and support action on climate change to limit warming outcomes.

Through these measures AGL aims to contribute to the mitigation of climate-related physical hazards and the avoidance of a high-warming outcome as modelled in Scenario C. More specifically, AGL's physical hazards are controlled and managed through AGL's risk management process as outlined in Section 2.3.

AGL's asset portfolio is resilient to direct physical risks in part through its geographic distribution, which acts to dilute the impact of location-specific acute impacts. The generation fleet is also technologically diverse, which provides increased resilience to the impact of temperature increases on generation efficiency. In addition, water rights and supply security allow for certainty even in extensive drought conditions.

As outlined, the key direct risks faced by AGL's fleet are consistent across most assets and locations and include increasing frequency of extreme heat and fire events, as well as water security. AGL currently has comprehensive mitigation strategies in place in relation to bushfires and water security, as detailed in our FY23 TCFD Report which is available on our website.

7.3.3 Opportunities

Climate-related opportunities may arise from addressing climate challenges, adopting new business models, developing new products and services, and capitalising on new or emerging technology, as well as through leadership, differentiation and reputation enhancements which may drive customer growth and employee attraction and retention.

AGL's strategy recognises the significant opportunities arising from the decarbonisation of Australia's energy sector, and as set out on page 11, we have set ambitious targets to add new renewable and firming capacity to our energy portfolio, grow behind the meter customer assets and expand our portfolio of decentralised assets under orchestration, and drive growth in green revenue. We are also advancing our plans to repurpose our thermal generation sites into integrated energy hubs, connecting industrial partners into a circular economy at the sites.

Key climate-related opportunities for AGL are summarised below:

Climate-related opportunity	Strategy to realise opportunity
Helping our customers decarbonise	
Customer demand for renewable and clean energy is driving a transition towards a more decentralised energy system and electrified economy. This shift presents opportunities for companies like AGL to expand into new and expanding markets. AGL also sees opportunities to utilise decentralised orchestration to help alleviate peak demand events and capture new and growing value pools particularly. The increasing demand for these products and services presents a significant opportunity for AGL to continue to grow our customer offerings.	We are committed to helping our customers to electrify and decarbonise. We have set a strategic target of having 1.6 GW of decentralised assets under orchestration by FY27. Progress against this target is outlined in our Strategy scorecard on page 11. We offer customer load flexibility services and are expanding our home electrification and decarbonisation solution portfolios. We also offer a suite of certified carbon neutral products. For our commercial and industrial (C&I) customers, we are progressing on scaling our Energy as a Service solutions; we continue to be the largest solar provider in the country; we are increasing our contracted C&I PPAs as well as commercial assets under monitoring and management. For further details see the Customer scorecard.

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[1] Extreme heat is defined as the daily maximum temperature exceeding 35 degrees Celsius under Coupled Model Intercomparison Project Phase 6 (CMIP6), which was used to inform the IPCC Sixth Assessment Report.

[2] Defined under Coupled Model Intercomparison Project Phase 6 (CMIP6), which was used to inform the IPCC Sixth Assessment Report.

Climate-related opportunity	Strategy to realise opportunity
Grid-scale renewable energy	
The transition away from high-emissions thermal power generation presents opportunities for investment and development of renewable energy projects. This includes solar, wind, hydro, geothermal, and other forms of clean energy generation.	AGL has an ambition to add 12 GW of new renewable and firming capacity by the end of 2035 with an interim target of 5 GW by 2030, and we will seek options to accelerate where possible. AGL has the ambition to add approximately 3.1 GW of renewable capacity by 2030. AGL expects the majority of renewable capacity to be accessed via PPAs. We have set a strategic target of having 2.1 GW of new renewable and firming capacity development contracted or in delivery from FY24 by FY27. Progress against this target is outlined in the Strategy scorecard on page 11 .
Grid-scale energy storage and long-duration firming	
With the integration of intermittent renewable energy sources into the electricity grid alongside the retirements on thermal baseload power, there is a growing need for effective energy storage solutions. Energy storage technologies, such as batteries, pumped hydro, and thermal storage, play a crucial role in grid stability and system strength as well as storing excess energy during periods of high generation and releasing it when demand is high, or generation is low. Gas peaking generation also has a role to play in supporting system reliability through the transition.	AGL has an ambition to add 12 GW of new renewable and firming capacity by the end of 2035 with an interim target of 5 GW by 2030, and we will seek options to accelerate where possible. AGL has the ambition to add approximately 2.3 GW of firming capacity by 2030. AGL expects the majority of firming capacity to be funded on balance sheet. We have set a strategic target of 1.5 GW grid-scale batteries operated, contracted or in delivery by end of FY27. Progress against this target is outlined in the Strategy scorecard on page 11 , and in the Assets scorecard.
Repurposed infrastructure	
AGL is committed to transitioning our baseload thermal generation sites into integrated energy hubs. The transition of our thermal generation sites will support the economic diversification of these regions, providing new jobs and skills development opportunities for the communities where we operate.	The Hunter Valley, Torrens Island and Latrobe Valley hubs will bring together energy production and energy-intensive industries around a shared infrastructure backbone, with a focus on circular economy principles, including innovative re-use of valuable infrastructure, recycling and co-location of complementary industries. For information on our progress in FY24, refer to the Assets scorecard.

7.4 Metrics and targets

AGL is committed to transparently disclosing climate-related metrics and targets to provide stakeholders with information on our greenhouse gas emissions performance and progress. AGL uses several metrics to measure our emissions and climate-related impacts, and discloses this information publicly through this report, our ESG Data Centre**,** and numerous investor-led surveys and benchmark initiatives.

AGL also reports emissions to the Clean Energy Regulator to meet the requirements of Australia's *National Greenhouse and Energy Reporting Act 2007* (NGER Act), and voluntarily discloses our emissions targets and progress against these targets to the Clean Energy Regulator's Corporate Emissions Reduction Transparency Report (CERT).

7.4.1 Metrics

Key climate-related metrics are discussed in the Environment scorecard and summarised in the table below. Additional breakdowns of emissions data as well as other climate-related metrics can be found in the ESG Data Centre. Definitions of relevant terms can be found in the Glossary**.**

	FY24	FY23	FY22	FY21	FY20
Emissions (MtCO_2e)[1]					
Scope 1	**32.9[2]**	34.8	39.5	40.2	42.2
Scope 2 (location-based)	**0.26[2]**	0.44	0.54	0.46	0.51
Scope 2 (market-based)	**0.25[2]**	0.40	Not reported	Not reported	Not reported
Scope 3[3]	**25.9**	25.0	26.4	Not reported	Not reported
Emissions intensity (tCO_2e/MWh)					
Operated generation intensity[4]	**0.94[2]**	0.92	0.94	0.95	0.94
Operated and contracted generation intensity[5]	**0.936[2]**	0.916	NR	NR	NR
Emissions intensity of electricity supplied[6]	**0.841**	0.879	Not reported	Not reported	Not reported
Proportion of generation output and capacity from renewables					
Operated renewable and electricity storage capacity (%)[4]	**24.7**	29.1	24.2	23.0	22.5
Operated and contracted renewable generation and storage capacity (%)[7]	**32.8**	30.5	Not reported	Not reported	Not reported
New renewable and firming capacity (MW)[8]	**978**	478	Not Applicable	Not Applicable	Not Applicable
Revenue related metrics					
Emissions intensity of total revenue (ktCO_2e/$m)	**2.4**	2.5	3.0	3.7	3.5
Green revenue as a % of total revenue (%)	**19.3**	17.5	15.3	13.4	11.5

1. Gross greenhouse gas emissions. Scope 1 and 2 emissions are from AGL's operated facilities. The use of carbon offsets has not been accounted for.
2. Data for FY24 is based on material emission sources and estimates for non-material sources and may change.
3. Annual Scope 3 emissions are estimated, and the calculation methods continue to evolve each year to improve accuracy. Calculation method changes have not been retrospectively applied. FY24 Scope 3 emissions are based on estimates for material emissions sources; immaterial sources have been approximated and may change.
4. In June 2024, AGL and Tilt Renewables agreed to terminate agreements pursuant to which AGL provided asset management and agency and dispatch services in respect of certain assets owned by Tilt Renewables, namely the Nyngan Solar Plant, Broken Hill Solar Plant, Coopers Gap Wind Farm and Silverton Wind Farm. As a result, Tilt Renewables will be responsible for operations and maintenance for each facility, while AGL continues to have offtake agreements in respect of these assets. This is to be considered when making prior-year comparisons against AGL's FY24 performance.
5. This metric replaces the previously reported controlled generation intensity metric. The boundary has been adjusted to better reflect delivery of our target to add 5 GW new renewable generation and firming capacity by 2030. FY23 data has been restated.
6. FY23 data has been restated in line with the updated calculation method.
7. This metric replaces the previously reported controlled renewable and battery capacity metric. The boundary has been adjusted to better reflect delivery of our target to add 5 GW new renewable generation and firming capacity by 2030. FY23 data has been restated.
8. Measured as new renewable and firming capacity in construction, delivery or contracted from 1 July 2022 onwards.

7.4.2 Targets

AGL has set a number of climate-related targets through our FY27 strategic targets and our CTAP, as summarised below, as well as Remuneration Report. Additional to these targets, AGL has the ambition of being net zero for Scope 3 emissions by 2050 and is currently working on a decarbonisation pathway for these emissions. Definitions of relevant terms can be found in the Glossary.

Key → Short term (1-4 years) ⇉ Medium term (5-10 years) ⇶ Long term (10+ years)

Category	Metric	Target	Time horizon	Target source
Customer decarbonisation	Cumulative customer assets installed behind the meter	FY27: 300 MW	→	FY27 strategic target
	Decentralised assets under orchestration	FY27: 1.6 GW	→	FY27 strategic target
Emissions	Reduction in annual[1] operated Scope 1 and 2 emissions against a FY19 baseline[2]	17% by FY24	→ ⇉	2022 CTAP
		52% by FY35	⇶	2022 CTAP
		Net zero following closure of coal-fired power stations	⇶	2022 CTAP
	Emissions intensity of electricity supplied	FY28: from 0.825 tCO$_2$e/MWh to 0.812 tCO$_2$e/MWh[4]	→	FY25 LTI plan
Portfolio transition	Closure of coal-fired power stations	Bayswater Power Station: between 2030-2033	⇉	2022 CTAP
		Loy Yang A Power Station: by end of FY35	⇶	2022 CTAP
	New renewable and firming capacity[3]	FY27: 2.1 GW	→	FY27 strategic target
		5 GW by 2030	⇉	2022 CTAP
		12 GW (ambition) by end of 2035	⇶	2022 CTAP
		FY28: 3.5 GW to 4.0 GW[4]	→	FY25 LTI plan
	Total grid-scale batteries operated, contracted or in delivery	FY27: 1.5 GW	→	FY27 strategic target
Finance	Increase in green revenue from FY19[5]	FY27: 85%	→	FY27 strategic target
		FY28: 96% to 106%[4]	→	FY25 LTI plan

1. As indicated in the release of the Outcomes of Review of Strategic Direction which accompanied AGL's inaugural CTAP publication, this target applies from FY24 to FY34 inclusive.
2. Gross Scope 1 and Scope 2 greenhouse gas emissions. The surrender of carbon offsets has not been included within this target.
3. Measured as new renewable and firming capacity in construction, delivery or contracted from 1 July 2022 onwards.
4. Represents the vesting range. For further details refer to the Remuneration Report
5. Increase in revenue from green energy and carbon neutral products and services compared to FY19 baseline.

8. Governance Summary

AGL is committed to ensuring that its corporate governance framework, policies and practices are of a high standard. Delivering on this commitment requires AGL to have a sound understanding of current governance requirements and practices, as well as being attuned to emerging governance trends and shifting stakeholder expectations. Set out below is a summary of selected aspects of AGL's corporate governance framework and a summary of key governance focus areas during FY24.

Throughout FY24, AGL's corporate governance arrangements were consistent with the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. AGL's 2024 Corporate Governance Statement is available at agl.com.au/CorporateGovernance.

AGL's 2024 Corporate Governance Statement outlines AGL's arrangements in relation to its Board, Board Committees, Executive Team, risk management framework and financial reporting, diversity and inclusion, key corporate governance policies and stakeholder engagement.

8.1 Board skills

AGL seeks to maintain a Board of Directors with a broad range of skills, knowledge and experience necessary to provide effective oversight over management and guide the strategic direction of AGL. The Board uses a skills matrix to identify the key skills and experience the Board is seeking to achieve in its membership. The skills matrix is updated regularly by each Director rating their skills, expertise and experience from 1 to 3 for each identified skill. The self-assessment ratings are subsequently considered and approved by the Board. The skills matrix as at 14 August 2024 is set out in Table 8.2.2.

In conducting the assessment, Directors were assessed using the following skills rating levels:

Significant Experience – regarded to have expert or highly qualified proficiency, knowledge and experience in the subject matter or domain and has been seen to contribute these skills in Board and Committee conversations and critical thinking.

Developed Understanding – developed a sound working knowledge and understanding of the subject matter through either past executive or management roles, extensive on-the-job application of skills in Board and Committee activities and/or through training and professional development activities.

General Familiarity – possesses an awareness and base literacy around the subject/topic and its relevance to the organisation and the Board.

Individual Director assessments were aggregated to inform an assessment of the overall level of capability represented across the Board in each of the identified priority areas.

In the eleven identified areas, the Board as a whole was rated either as having Significant Experience or Developed Understanding.

Further details about AGL's Board Skills Matrix are set out in AGL's 2024 Corporate Governance Statement available at agl.com.au/CorporateGovernance.

Governance Summary

For the year ended 30 June 2024

8.2 Key areas of focus during FY24

Table 8.2.1: Board Focus Areas during FY24

Board Key Focus Areas	**Business Value Drivers**
• Overseeing the implementation of AGL's strategy, including: - ***Connecting our customers to a sustainable future*** - announcement of Kaluza as a key partner in AGL's retail transformation program, including a 20% equity investment, and strategies to accelerate electrification and asset orchestration. - ***Transitioning our energy portfolio*** - growth of AGL's development pipeline through various investments, including approving the Final Investment Decision for the 500 MW Liddell Battery, AGL's participation in the Gippsland Skies consortium that has been granted an offshore wind licence, AGL's joint venture with Someva Renewables in relation to the development of the Pottinger Energy Park in NSW as well as various renewable energy initiatives and projects, including the progress of AGL's Energy Hub strategy. - ***Embracing ESG*** - approving ESG Priorities and Focus Areas and guiding the development of AGL's 2025 Climate Transition Action Plan. - ***Technology at the Core*** - reviewing AGL's technology strategy, including the new technology to be implemented as part of AGL's retail transformation program. - ***Future-fit people and culture*** - overseeing AGL's Diversity & Inclusion Strategy and various capability and talent initiatives in key areas required to deliver AGL's strategy. - ***Shareholder Value*** - reviewing AGL's capital allocation framework and the management of AGL's portfolio to deliver AGL's strategy and long term shareholder value. • AGL's retail transformation program, which involves AGL transforming every part of its retail business - products, process, people and technology - to deliver sustainable benefits in the form of lower costs of operation and an enhanced customer and agent experience. • AGL's electrification strategy, whereby AGL aims to be the partner of choice on the electrification journey of our customers, including through investments such as Electrify Now that help customers better understand the benefits of electrifying and decarbonising their homes. • AGL's pricing strategy and implementation of AGL's customer support package and other affordability measures. • Group performance (including financial performance, operational performance, customer performance and HSE performance). • Progress against the targets set out in AGL's 2022 Climate Transition Action Plan, including in relation to the progressive reduction of greenhouse gas emissions and AGL's decarbonisation pathway. • AGL's entry into a Structured Transition Agreement with the Victorian Government in relation to the closure of the Loy Yang A Power Station by a scheduled closure date of 30 June 2035. • Progress to safely decommission various assets, including the closure of Camden Gas Plant, now in rehabilitation, and the Liddell Power Station. • AGL's cyber and business resilience capabilities. • AGL's compliance with the *Security of Critical Infrastructure Act 2018* (Cth) and readiness for the submission of AGL's first annual report under this legislation. • AGL's management of the class action commenced against AGL in June 2023, which was dismissed in April 2024. • The effectiveness of a number of AGL Group policies and approved various amendments to those policies. • AGL's safety and environmental performance and compliance programs, including the implementation of AGL's health and wellbeing programs. • AGL's governance and risk management framework, risk appetite statement and ways to further strengthen governance, accountability and culture within AGL.	● ● ● $ ● ⚙

Governance Summary

For the year ended 30 June 2024

Table 8.2.2: Board Skills Matrix

Skills, experience & knowledge	Key Competencies	Competency Level
Operations and Project Governance	• Industrial and large asset operations management • Project governance and management • Operational efficiency and optimisation • Wholesale customer strategies • Project governance and management	General **Developed** Significant 
Customer Markets	• Experience with large customer base • Retail customer experience • Product innovation and multi-product packaging • Customer-led transformation initiatives • Responsive to new market entrants and disruption • B2B marketing • Electrification opportunities	General **Developed** Significant 
Stakeholder Management and Communications	• Effective Government relationships • Championing NEM transition • Advocate to stakeholders of role in transition • Investor Relations	General **Developed** Significant 
Entrepreneurship, Commercial Leadership and Growth	• Commercial development and planning of sites • Responsive to changing market conditions • Entrepreneurship to develop new opportunities • Capitalise on growth opportunities, including M&A • Transition and transformation	General **Developed** Significant 
Industrial Relations	• Large workforce management • Transitioning workforce • Highly unionised workforce	General **Developed** Significant 
Energy Markets	• Renewables and development • Fuel sourcing • Trading • Effective risk management • Effective gas strategy in a supply constrained market • Decentralised energy and orchestration	General **Developed** Significant 
Technology	• Technology and digital enablement • New and emerging technologies • Development of customer solutions • Cyber risk management	General **Developed** Significant 
Financial/ Capital Markets	• Funding and credit sourcing in ESG constrained environment • Financial governance (audit and controls) • Accounting, financial reporting and capital management	General **Developed** Significant 
ESG and Climate Change risks and opportunities	• ESG experience • Rehabilitation and transition experience, including the impact on stakeholders • Climate change risk management and opportunities • Social risks management and opportunities	General **Developed** Significant 
Governance	• Effective risk management • Compliance management • ASX listed experience • Experience in highly regulated business	General **Developed** Significant 
HSE	• Safety • Health and wellbeing • Effective environmental risk management	General **Developed** Significant 

Governance Summary

For the year ended 30 June 2024

Board and Board Committee focus areas during FY24

The key areas of focus for the Board during FY24, in addition to standing agenda items, are set out in Table 8.2.1 above.

The Board has established four standing Committees as follows:

- Audit & Risk Management Committee;
- Nominations Committee;
- People & Performance Committee; and
- Safety & Sustainability Committee.

Each standing Committee's roles and responsibilities are set out in its Charter. A summary of the key focus areas for the standing Committees during FY24 is set out in Table 8.2.3 below.

Table 8.2.3: Board Committees

Audit & Risk Management Committee	Safety & Sustainability Committee
• Overseeing the issues, incidents and risks identified by management in Group Audit, compliance and risk reports and ensuring there is clear accountability for, and effective closure of, relevant issues. • Overseeing AGL's financial reporting processes, including consideration of AGL's half-year and full-year reports and readiness for upcoming legislation on climate-related financial disclosure. • Reviewing disclosures to be made by AGL in relation to climate change risks, including alignment with the Task-force on Climate-related Financial Disclosures recommendations. • Determining to conduct a tender for external audit services during FY25 and the process for the tender. • Overseeing AGL's funding and debt strategy. • Overseeing the management of AGL's trading and portfolio risks. • Reviewing AGL's insurance renewal options and strategy. • Reviewing the effectiveness of AGL's governance and risk management systems and identifying ways to further strengthen governance, accountability and culture within AGL. • Overseeing AGL's business resilience and cyber resilience programs. • Overseeing AGL's preparedness for peak period operations. • Post-implementation reviews of major projects, including processes to improve the delivery of major projects generally. • Reviewing reports from management on emerging sources of risk and mitigation measures in place to deal with those risks, including in relation to cyber security.	• Site visits to the Loy Yang, Liddell, Bayswater, Bogong, McKay and Clover power stations and the Loy Yang mine. • Overseeing planning activities for the proposed future use of the Liddell site. • Meeting with groups of employees across AGL's operations to discuss safety and other issues affecting AGL personnel. • Oversight of AGL's safety, culture, systems, capability and risk, including overseeing initiatives to improve health, wellbeing, safety and environmental performance and participation in site critical control checks. • Meeting with community representatives to discuss key issues and areas of focus for the communities in which AGL operates. • Oversight of AGL's engagement with First Nations peoples and the implementation of AGL's Reconciliation Action Plan. • Deep dives on stakeholder perceptions of AGL's reputation and business performance and ESG focus areas and priorities. • Oversight of AGL's ESG Framework, ESG metrics and sustainability opportunities. • Overseeing the HSE Audit program. • Committee education in relation to the protection of cultural heritage and asbestos management.
Nominations Committee	**People & Performance Committee**
• Arranging for an externally facilitated Board review, including a review of the Board Skills Matrix. • Board and CEO succession planning, including recommendations for the re-election of Graham Cockroft, Christine Holman and Vanessa Sullivan at the 2024 AGM.	• Overseeing the preparation of AGL's FY24 Remuneration Report. • Executive talent and succession planning. • Consideration of AGL's Diversity & Inclusion Strategy and Targets. • Consideration of changes to the FY25 remuneration framework. • Monitoring organisational culture, engagement and conduct.

Board of Directors

The Directors present their report together with the financial statements of AGL and its controlled entities for the year ended 30 June 2024. The section of our Annual Report titled 'Operating & Financial Review' comprises our operating and financial review (OFR) and forms part of this Directors' Report. The Governance Summary, Remuneration Report and Other Required Disclosures also form part of this Directors' Report.

The names of the persons who have been Directors, or appointed as Directors during the period since 1 July 2023 and up to the date of this Report are Patricia McKenzie (Chair), Damien Nicks (Managing Director & CEO), Mark Bloom, Graham Cockroft, Miles George, Christine Holman, John Pollaers, Kerry Schott, Vanessa Sullivan and Mark Twidell.

Details of the skills, qualifications, experience and responsibilities of AGL's Directors as at the date of this Report are set out below.

Patricia McKenzie

Non-Executive Director since 1 May 2019 and Chair since 19 September 2022
Age 68. LLB FAICD

Current Directorships: Chair of NSW Ports and the Sydney Desalination Plant group companies.

Former Directorships of listed companies over the past 3 years: Nil

Experience: Patricia has more than 40 years' experience in the Australian energy sector with particular focus on matters of market design, industry governance and regulatory reform. She was previously the Chair of Essential Energy, a director of APA Group, Macquarie Generation and Transgrid, CEO of the Gas Market Company from 2001 to 2008 and a member of the Gas Market Leaders Group representing gas market operators from 2005 to 2010. In these roles, she was a key participant in the Council of Australian Government's National Energy Reform, a major outcome of which was the establishment of AEMO, of which she was a Director (2009 to 2011).

Damien Nicks

Managing Director & Chief Executive Officer since 19 January 2023
Age 51. BCom (Honors), FCA, GAICD

Current Directorships: Chair of the Australian Energy Council, a peak industry body for electricity and downstream natural gas businesses.

Former Directorships of listed companies over the past 3 years: Nil.

Experience: Damien was appointed as Managing Director & Chief Executive Officer on 19 January 2023. Since joining AGL in March 2013, Damien held several senior executive finance roles before joining the Executive Team as Chief Financial Officer in August 2018.

Damien has more than 28 years' experience across large multinational businesses including Linfox Logistics, Smorgon Steel and Deloitte.

Mark Bloom

Non-Executive Director since 1 July 2020
Age 66. BCom, BAcc, CA

Current Directorships: Director of Abacus Storage King (commenced 1 July 2021), EBOS Group Limited (commenced 16 September 2022) and Metropolitan Memorial Parks.

Former Directorships of listed companies over the past 3 years: Mark Bloom was a director of Abacus Property Group from 1 July 2021 to 3 August 2023 and a director of Pacific Smiles Group Limited from 18 October 2019 to 8 August 2024.

Experience: Mark has over 35 years' experience as a Finance Executive. Mark was CFO at ASX listed Scentre Group from its formation in July 2014 until his retirement in April 2019. Prior to the formation of Scentre Group, Mark was the Deputy Group CFO of Westfield Group for 11 years.

Mark's executive career includes acting as CFO and an executive Director at three listed entities in Real Estate (Westfield and Scentre Group – 16 years) and Insurance and diversified Financial Services (Liberty Life, South Africa and Manulife Financial, Toronto – 20 years). Mark has extensive experience in overseeing global and local finance and IT teams.

Board of Directors

For the year ended 30 June 2024

Graham Cockroft

Non-Executive Director since 1 January 2022
Age 61. MCom, Masters in Finance, CMInstD

Current Directorships: Director of Meridian Energy Limited and Tuatahi First Fibre Limited (and three related companies).

Former Directorships of listed companies over the past 3 years: Nil.

Experience: Graham has over 30 years' experience in the international energy industry, with executive roles in the UK, South America, New Zealand and Asia. His experiences have been across the energy chain and under different political, economic and regulatory regimes. He has a strong financial background and extensive experience in strategy and business development.

During his executive career Graham has served as Group CFO at Sembcorp Industries, Singapore, CFO and COO at Contact Energy, New Zealand, and in various senior executive roles for close to two decades at BG Group, primarily in the UK and South America.

Miles George

Non-Executive Director since 19 September 2022
Age 69. BE, MBA

Current Directorships: Nil

Former Directorships of listed companies over the past 3 years: Miles was a director of Spark Infrastructure RE Limited from 11 October 2019 to 22 December 2021.

Experience: Miles has more than 30 years' experience in the energy and infrastructure sectors, with a focus on development, investment and financing in the renewable energy industry in Australia and internationally. He has served as an adviser to the AEMC and AEMO on the energy transition, as Chairman of the Clean Energy Council, CEO of CleanCo Queensland and Managing Director of Infigen Energy.

Christine Holman

Non-Executive Director since 15 November 2022
Age 54. MBA, PG Dip Mgt, GAICD

Current Directorships: Director of Metcash Limited, Collins Foods Limited, Indara Pty Limited, the McGrath Foundation and the State Library of New South Wales Foundation.

Former Directorships of listed companies over the past 3 years: Christine was a director of CSR Limited from 25 October 2016 to 16 November 2022 and Blackmores Limited from 18 March 2019 to 28 July 2021.

Experience: Christine is a professional non-executive director with more than 30 years' experience across media, property, industrial, infrastructure, and technology sectors. She was formerly Chief Financial Officer and Commercial Director at Telstra Broadcast Services. Christine was previously at Capital Investment Group. More recently, Christine has served as a Non-Executive Director of CSR Limited, Blackmores Limited, Wisetech Global Limited, HT&E Limited (previously APN News & Media), Vocus Group Limited and National Intermodal Corporation. Christine was also previously a Director of the Bradman Foundation and T20 World Cup Cricket 2020.

Board of Directors

For the year ended 30 June 2024

Professor John Pollaers OAM

Non-Executive Director since 15 November 2022
Age 62. BElecEng, BCompSc, MBA

Current Directorships: Chair of the Australian Financial Complaints Authority and Brown Family Wine Group, Director of Amotiv Limited and Chancellor of Swinburne University of Technology.

Former Directorships of listed companies over the past 3 years: Nil

Experience: John has 30 years of commercial and operational leadership experience that includes serving as the CEO of Pacific Brands, the CEO of Fosters Group, the Managing Director of Carlton United Brewers and President Asia Pacific at Diageo. His Diageo career spanned 20 years in various General Management, Finance, M&A, and Operations roles across the UK, Asia-Pacific, and Group Executive Committee.

John has extensive experience across a range of sectors including consumer goods, aged care, advanced manufacturing and higher education. He previously served as a Non-Executive Director of pladis Global Advisory Board, Chair of the Australian Industry & Skills Committee, Chair of the Aged Care Workforce Strategy Taskforce and Chair of the Australian Advanced Manufacturing Council.

Doctor Kerry Schott AO

Non-Executive Director since 15 November 2022
Age 79. BA (Hons), MA (UBC), DPhil (Oxon)

Current Directorships: Chair of the Carbon Market Institute, Chair of the NSW Government's Freight Policy Independent Advisory Panel and Chair of the Australian Government's Competition Policy Review Panel, an advisory body.

Former Directorships of listed companies over the past 3 years: Nil

Experience: Kerry has recently been Chair of the Energy Security Board advising on the redesign of the energy market to enable increased renewable generation. She has been an investment banker for 14 years in senior roles at Deutsche Bank and Bankers Trust specialising in privatisations and infrastructure. She was CEO of Sydney Water, a member of Infrastructure Australia, Chair of Moorebank Intermodal, Director of NBN, and more recently Chair of the NSW Net Zero Emissions Board and member of the Aware Super Direct Asset Committee. She has honorary doctorates from the University of Sydney, University of Western Sydney and University of New England.

Vanessa (Fernandes) Sullivan

Non-Executive Director since 1 March 2022
Age 55. BEc (Hons), GradDip (AppFin), GAICD

Current Directorships: Chair of Centacare's Advisory Board (a Not For Profit disability and family services provider) and Director of Port of Townsville. Vanessa is also an independent member of the Ministerial Energy Council Hydrogen Development sub committee and a member of a Griffith University Business School Advisory Board.

Former Directorships of listed companies over the past 3 years: Nil

Experience: Vanessa has strong commercial, financial, project development and strategy experience gained over 20 years, working across the energy, water and sustainability sectors and more recently in hydrogen industry development. This includes as a Climate Change Leader and Utilities Leader at EY and undertaking significant energy market reforms across the supply chain whilst at Queensland Treasury Corporation. Vanessa has previously held non-executive director roles with Eco Markets Australia, the Smart Energy Council, Essential Energy, Sunwater and Niche Environment and Heritage.

Board of Directors

For the year ended 30 June 2024

Mark Twidell

Non-Executive Director since 15 November 2022

Age 56. BSc Hons (Elec and Electronic Engineering), MBA, GAICD

Current Directorships: Nil

Former Directorships of listed companies over the past 3 years: Nil

Experience: Mark is a former energy executive with over 30 years' experience in building new markets, programs, and teams globally in the solar and storage sectors. Mark is a Member of the TAGEnergy Advisory Committee, Member of the Australian Renewable Energy Agency (ARENA) Advisory Panel, advisor to Drive Powerline Inc and advisor to the UNSW Energy Institute. Mark has served as Director – Energy Programs at Tesla, responsible for leading Tesla's Energy business in Asia-Pacific, and during 2019-21 the Americas and Europe, Middle East and Africa. He also has experience helping companies and governments with energy transition, having previously served on the boards of the Australian Renewable Energy Agency and Commonwealth Government Solar Flagships Council, and as Deputy Chair of the Clean Energy Council.

Composition of Board Committees as at 30 June 2024

Director	Status	Audit & Risk Management Committee	People & Performance Committee	Safety & Sustainability Committee	Nominations Committee
Patricia McKenzie	Independent				Chair
Damien Nicks	Managing Director & CEO				
Mark Bloom	Independent	Chair		✔	✔
Graham Cockroft	Independent	✔	Chair		✔
Miles George	Independent	✔		✔	✔
Christine Holman	Independent	✔	✔		✔
John Pollaers	Independent	✔	✔		✔
Kerry Schott	Independent	✔		✔	✔
Vanessa Sullivan	Independent		✔	Chair	✔
Mark Twidell	Independent		✔	✔	✔

Directors' Interests

The relevant interest of each Director in the share capital of AGL Energy or any of its related bodies corporate, as notified by the Directors to the ASX in accordance with Section 205G of the Corporations Act, at the date of this Report is as follows:

AGL Energy Limited Ordinary Shares	
Patricia McKenzie	29,965
Mark Bloom	22,000
Damien Nicks	107,557
Graham Cockroft	35,000
Miles George	50,000
Christine Holman	28,000
John Pollaers	37,340
Kerry Schott	26,500
Vanessa Sullivan	27,265
Mark Twidell	25,212

Damien Nicks also holds performance rights allocated as LTI awards under AGL's Long-Term Incentive Plan, which are detailed on page of the Remuneration Report.

No options have been granted over any securities or interests of AGL or the consolidated entity.

Board of Directors

For the year ended 30 June 2024

Company Secretary

During FY24, Melinda Hunter held the position of General Counsel and Company Secretary, having been appointed Company Secretary on 23 May 2017 and General Counsel on 1 July 2022. Melinda's qualifications are a Bachelor of Commerce and a Bachelor of Laws from Macquarie University. Melinda is admitted as a Solicitor of the Supreme Court of New South Wales and has been practising corporate law for over 20 years.

Dividends

The Directors have declared a final dividend of 35.0 cents per share, compared with 23.0 cents per share for the prior final dividend. The annual dividend for the year ended 30 June 2024 was 61.0 cents per share compared with 31.0 cents per share for the prior year. The final dividend will be 100% unfranked and will be paid on 24 September 2024. The record date to determine shareholders' entitlements to the final dividend is 28 August 2024. Shares will commence trading ex-dividend on 27 August 2024.

The following dividends have been paid or declared by the Directors since 30 June 2023:

Final dividend of 23.0 cents per share (100% unfranked) paid on 22 September 2023	$155 million
Interim dividend of 26.0 cents per share (100% unfranked) paid on 22 March 2024	$175 million
Final dividend of 35.0 cents per share (100% unfranked) payable on 24 September 2024	$235 million

AGL targets a payout ratio of 50 to 75 percent of Underlying Profit after tax. Before declaring each dividend the Directors satisfied themselves that:

- AGL's assets exceeded its liabilities immediately before declaring the dividend and the excess was sufficient for the payment of the dividend;
- the payment of the dividend was fair and reasonable to AGL's shareholders as a whole; and
- the payment of the dividend would not materially prejudice AGL's ability to pay its creditors.

The Dividend Reinvestment Plan (DRP) has been suspended indefinitely.

Directors' Meetings

The number of Directors' meetings (including meetings of Board Committees) and number of meetings attended by each of the Directors of AGL during the financial year ended 30 June 2024 were:

	Regular Board		Special Board		Audit & Risk Management Committee		People & Performance Committee		Safety & Sustainability Committee		Nominations Committee	
Directors' Name	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Patricia McKenzie	8	9	4	4							2	2
Damien Nicks	9	9	4	4								
Mark Bloom	9	9	4	4	5	5			4	4	2	2
Graham Cockroft	9	9	4	4	5	5	4	4			2	2
Miles George	9	9	4	4	5	5			4	4	2	2
Christine Holman	9	9	4	4	5	5	4	4			2	2
John Pollaers	9	9	4	4	5	5	4	4			2	2
Kerry Schott	9	9	4	4	5	5			4	4	2	2
Vanessa Sullivan	9	9	4	4			4	4	4	4	2	2
Mark Twidell	9	9	4	4			4	4	4	4	2	2

A – number of meetings attended as a member
B – number of meetings held during the time the Director held office during the year (and was a member of the relevant Committee)

During the year, in aggregate, there were 39 occasions when Non-Executive Directors also attended meetings of Committees of which they were not members.

Directors also participated in informal meetings and video conferences. AGL makes use of email between meetings to keep Directors informed of current developments; to provide relevant background and industry information; to settle routine matters and allow formal Board meetings to concentrate on more important matters. Periodically, Directors meet informally outside AGL to discuss matters of interest and travel to visit assets, operations or locations of particular relevance to AGL.

Executive Team

For the year ended 30 June 2024

Damien Nicks

Managing Director & Chief Executive Officer

See page 83 for Damien's bio.

Markus Brokhof

Chief Operating Officer

Markus joined AGL in April 2020 as Chief Operating Officer.

Prior to joining AGL, Markus was the Head of Digital and Commerce, and an Executive Board Member at ALPIQ Group in Switzerland, a leading Swiss electricity producer. In this capacity, Markus was responsible for the trading and origination activities in more than 30 countries as well for the retail and digital business of the Group.

With nearly 30 years' experience in the oil, power and gas sectors gained across operations in Europe, Africa and the Middle East, Markus brings a wealth of experience in mining, asset management and trading. Markus holds a Masters of Engineering from Technical University of Clausthal, Germany.

Gary Brown

Chief Financial Officer

Gary joined AGL in January 2022. He successfully led a review of the company's strategic direction before being appointed as Chief Financial Officer in October 2022.

Gary has more than 23 years' experience across multinational energy businesses including BHP, Shell and Engie, where he was Chief Financial Officer.

Gary is a Director on the Board of Tilt Renewables, a landmark financing initiative created by AGL to unlock investment in large-scale renewable energy. Gary holds a Bachelor of Commerce from Monash University, is a member of the Chartered Accountants Australia and New Zealand and is a graduate of the Australian Institute of Company Directors.

Jo Egan

Chief Customer Officer

Jo joined AGL in 2008 and held several senior executive roles across Customer Markets before being appointed as Chief Customer Officer in June 2022.

She has more than two decades of experience across product, sales, marketing, operations and channels. Prior to joining AGL, she worked at TRUenergy leading Product & Sales and previously as the General Manager of Operations at PCI (BPO), across a range of verticals including Financial Services, Telecommunications, Energy and Technology.

Jo sits on the ActewAGL Joint Venture Partnerships Board, holds a Masters of Business Administration and Management from Deakin University, is a Graduate of the Australian Institute of Company Directors and a member of Chief Executive Women.

Suzanne Falvi

Executive General Manager, Corporate Affairs

Suzanne joined AGL in May 2023 as Executive General Manager, Corporate Affairs.

Over the past 12 years Suzanne has worked extensively on a broad range of regulatory, governance and policy issues and leading reforms across energy and climate change frameworks. Formerly a dispute resolution lawyer, she has held numerous senior leadership roles at the Energy Security Board and the Australian Energy Market Commission and has deep experience in strategic stakeholder engagement and communications, strategy and economic analysis.

Suzanne holds a Bachelor of Economics, a Bachelor of Law (Honours) and a Master of Laws (International Law) from the Australian National University.

Executive Team

For the year ended 30 June 2024

Andrew Haddad

Chief Information Officer

Andrew joined AGL in September 2023 as Chief Information Officer.

Andrew has more than 22 years of experience in the Telecommunications industry working across infrastructure, IT and digital transformation programs. Most recently Andrew was Chief Information Officer at One NZ in New Zealand (formerly Vodafone NZ) where he led the separation from the Vodafone Group. He was recognised as NZ's CIO of the Year in 2021.

Prior to this, Andrew held a number of senior technology roles at nbn and has a strong background in digital transformation and agile methodologies.

Andrew holds a Bachelor of Engineering (Honours) in Computer Systems from RMIT University, Melbourne.

Melinda Hunter

General Counsel & Company Secretary

Melinda is an experienced corporate lawyer and governance professional with more than 20 years' experience. She was appointed General Counsel and Company Secretary of AGL in July 2022.

Melinda joined AGL in 2017 and has been a Company Secretary of AGL Energy during her time at AGL. Prior to joining AGL, Melinda worked in top tier law firms specialising in mergers and acquisitions and corporate governance and advisory.

Melinda holds a Bachelor of Commerce and a Bachelor of Laws from Macquarie University and is admitted as a solicitor of the Supreme Court of New South Wales.

Amanda Lee

Chief People Officer

Amanda joined AGL in 2016 and was appointed Chief People Officer in August 2022.

Amanda has more than 25 years' HR experience across a range of geographies, complex industries and business operating models.

Prior to joining AGL, Amanda held senior leadership roles in ASX-50 companies, heading up executive remuneration while driving change and building high-performing teams.

Amanda holds a Bachelor of Psychology from the University of Western Australia, a Masters of Management from Macquarie University and is a member of Chief Executive Women.

Remuneration Report

For the year ended 30 June 2024

Contents

9. Remuneration Report

Message from the Chair of the People & Performance Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Remuneration Report for AGL Energy Limited (AGL) and its consolidated entities for the year ended 30 June 2024 (FY24).

A year of strong operational and financial performance, and delivery of our strategy

In FY24, we focused on delivering our strategy of connecting our customers to a sustainable future and transitioning our energy portfolio. Our progress towards our FY27 targets is set out on page 11 of the Annual Report. Our operational and financial performance across the year was strong, and we continue to expand our development pipeline, which has grown from 3.2 GW to 6.2 GW, since our Climate Transition Action Plan (CTAP) was released in September 2022.

> Our progress towards our FY27 targets is set out on page 11 of the Annual Report.

Remuneration Report

For the year ended 30 June 2024

Linking FY24 remuneration outcomes to performance

When determining overall FY24 remuneration outcomes, Directors were cognisant to ensure they were reflective of and aligned to shareholder experience. Furthermore, when setting FY24 targets and the remuneration framework for executives, our key focus was to measure and reward outperformance against delivery of AGL's strategy, including the targets set out in AGL's CTAP and AGL's broader electrification and decarbonisation strategy. The FY24 remuneration outcomes are reflective of this delivery.

Fixed remuneration

The fixed remuneration of both the Managing Director & CEO (MD & CEO) and Chief Financial Officer (CFO) remained unchanged since their respective appointments in January 2023. Following a thorough remuneration benchmarking process, increases were provided during the financial year to the Chief Operating Officer (COO) and Chief Customer Officer (CCO) in line with market benchmarks, and reflecting their experience in role.

Short-term incentives (STI)

The performance outcomes in the STI scorecard for the year are as follows:

- Underlying Net Profit after tax of $812 million. The outcome reflects significantly improved plant availability and portfolio flexibility, higher wholesale electricity pricing from prior periods reflected in overall pricing outcomes and continued discipline in margin management.
- Operating free cash flow of $1,355 million, (after adjusting for Government bill relief payments received), up from $504 million in FY23, reflecting strong cash flows in the existing business which are being applied to dividends and to grow the future business.
- A Total Injury Frequency Rate (TIFR) which was below target and of concern to the Board. Further initiatives are being undertaken to prevent injuries across the organisation.
- Strategic Net Promoter Score (NPS) of +4 was achieved, and digital only customers increased to 55.8%. These results were achieved despite challenging market conditions and cost of living pressures.
- Our employee engagement score increased by 5 percentage points from 67% in 2023 to 72%, reflecting management's focus and an improved employee value proposition, including positive sentiment on AGL's future direction.

This resulted in STI outcomes of 83.8% of maximum for the MD & CEO and between 83.8% and 86.3% of maximum for other executives.

Long-term incentives (LTI)

The FY21 LTI grant, the first to include a portion related to carbon transition metrics, was tested at the end of FY24. The relative total shareholder return (TSR) hurdle was not met, return on equity (ROE) was achieved above target, and the carbon transition hurdles were mostly met, resulting in 53.2% vesting. This is the first LTI vesting in four years, and reflects the execution of strategic objectives and our progress on transition plan objectives.

Other remuneration arrangements

Non-Executive Director fees remained unchanged in FY24. The last fee change was in January 2020.

The year ahead

During FY24, the Board continued to review and monitor remuneration structures and performance metrics to ensure alignment with AGL's strategic objectives. The FY24 STI framework will be broadly maintained for FY25, however, refinements to the STI measures will be made by adding an inclusion index measure in the people scorecard, which is a key measure to drive focus on our Diversity & Inclusion Strategy. We will also revise the customer metric from NPS to a customer satisfaction metric to ensure we continue to maintain high customer service during AGL's retail transformation program. The FY25 LTI terms will remain the same as FY24, with targets for the plan outlined in section 9.2.4. The Board determined that the MD & CEO's fixed remuneration will increase from 1 September 2024 to $1,500,000 and the fixed remuneration for other executives will also increase in line with market benchmarks. The MD & CEO's variable opportunity at maximum will be increased to 125% of fixed remuneration (from 120%) for STI and 130% of fixed remuneration (from 120%) for LTI, to align with market benchmarks and provide for a greater portion of remuneration 'at-risk' and dependent on performance outcomes.

During FY25, AGL will develop its 2025 CTAP, which is scheduled to be released in August 2025. The Board will continue to consider opportunities to align future remuneration frameworks with delivery of AGL's strategy as it evolves over time.

We welcome your feedback on the remuneration practices and disclosures for AGL and look forward to your support at our 2024 AGM.

Yours sincerely,

Graham Cockroft
Chair, People & Performance Committee

Remuneration Report

For the year ended 30 June 2024

9.1 Key management personnel (KMP)

The AGL KMP are the Managing Director & CEO and executives with operational and/or financial responsibility (together referred to in this report as 'executives'), and the Non-Executive Directors.

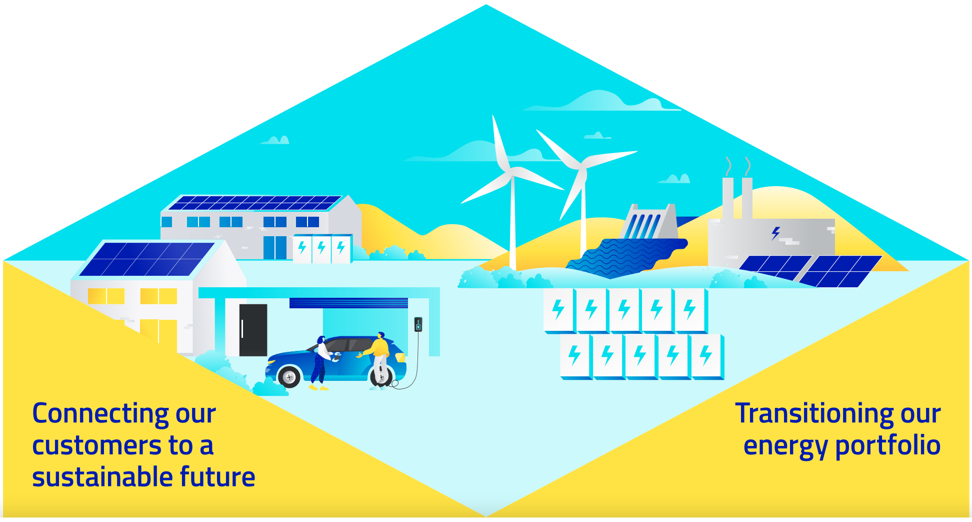
For FY24, the KMP were:

Name	Position	Term as KMP
Non-Executive Directors		
Patricia McKenzie	Chair	Full year
Mark Bloom	Non-Executive Director	Full year
Graham Cockroft	Non-Executive Director	Full year
Miles George	Non-Executive Director	Full year
Christine Holman	Non-Executive Director	Full year
Professor John Pollaers OAM	Non-Executive Director	Full year
Kerry Schott AO	Non-Executive Director	Full year
Vanessa Sullivan	Non-Executive Director	Full year
Mark Twidell	Non-Executive Director	Full year
Executives		
Damien Nicks	Managing Director & CEO (MD & CEO)	Full year
Markus Brokhof	Chief Operating Officer (COO)	Full year
Gary Brown	Chief Financial Officer (CFO)	Full year
Jo Egan	Chief Customer Officer (CCO)	Full year

9.2 Executive remuneration strategy and framework

Our purpose
Why we exist

Powering Australian Life



Our strategy
Key role in Australia's decarbonisation journey

Our remuneration strategy

Attract, drive performance and retain the right people to lead AGL through the energy transition, and to create a positive culture that delivers our business strategy and contributes to sustainable long-term returns for shareholders

Remuneration principles

Purpose and Strategy	Market competitive	Our values	Performance driven	Simple and transparent
Drive delivery of the strategy and the commitments in the CTAP to create long-term sustainable value for shareholders	Competitive remuneration to attract, drive performance and retain	Guide the behavioural expectations of executives	Reward outcomes are aligned to performance; and underpinned by AGL Business Value Drivers	Easily understood

Executive remuneration framework

	Fixed remuneration	Short-term incentive (STI)	Long-term incentive (LTI)
How does it link with strategy?	Competitive remuneration to attract, drive performance and retain executives with the right capability and experience to deliver against the strategic objectives.	Rewards executives for delivering financial returns and progressing AGL's strategy; with annual metrics aligned to AGL Business Value Drivers.	Rewards executives for long-term performance, delivering against the AGL strategy and CTAP; to encourage executive shareholding and deliver long-term value creation for shareholders and other stakeholders.
How is it determined?	Determined based on: • Market benchmarking • Skills and experience • Role complexity and responsibility	Annual performance period with scorecard of: • Financial metrics: 55% • Safety metrics: 10% • Customer metrics: 7.5% • People metrics: 7.5% • Individual strategic metrics: 20%	Four-year performance period: • Relative total shareholder return (TSR) measured against the S&P/ASX100: 70% • Carbon transition metrics: 30%
How is it delivered?	Base salary and superannuation.	Cash and Restricted Shares, with restrictions lifting after two years.	Performance Rights which vest after four years, subject to meeting the performance conditions.

Remuneration Report

For the year ended 30 June 2024

Remuneration mix

The remuneration mix is structured to attract, drive performance and retain executives, with a significant portion of variable remuneration which is at-risk and based on performance. The FY24 remuneration mix at maximum for executives is summarised below.

MD & CEO

	Performance based		
Fixed remuneration 30%	**Maximum STI 35%**		**Maximum LTI 35%**
	Cash 17.5%	Restricted Shares 17.5%	Performance Rights

Other executives

	Performance based		
Fixed remuneration 35%	**Maximum STI 30%**		**Maximum LTI 35%**
	Cash 22.5%	Restricted Shares 7.5%	Performance Rights

Remuneration time horizons

	FY24	FY25	FY26	FY27
Fixed remuneration	Base salary and superannuation			
STI	Based on a scorecard of group and individual strategic metrics over a 12-month period	Cash (50% for MD & CEO and 75% for other executives)		
		Restricted Shares (50% for MD & CEO and 25% for other executives)		
LTI	Performance Rights subject to a four-year performance period against Relative TSR (70%) and carbon transition metrics (30%)			

9.2.1 Fixed remuneration

Features	Approach
Opportunity and benchmarking	• Set with reference to market benchmarks of peer companies in the S&P/ASX200 Index, within 50-200% of AGL's average market capitalisation over a 12-month period. • AGL's approach is to set an executive's fixed remuneration initially at a level reflecting their skill and experience that allows progressive increases to apply as the executive performs and becomes more experienced in their role. • Reviewed annually in the context of market positioning and performance. This may or may not result in an increase for executives. • AGL is committed to gender pay equity across employees, including executives. There are no gender pay gaps in fixed remuneration for current executives in roles of equivalent size, based on relative experience.

9.2.2 Short-term incentive

<table>
<tr><th>Features</th><th>Approach</th></tr>
<tr><td>Purpose</td><td>• Reward executives for delivering financial returns and progressing AGL's strategy and purpose</td></tr>
<tr><td>Opportunity</td><td>• MD & CEO: target of 100% of fixed remuneration (maximum of 120% of fixed remuneration)
• Other executives: target of 70% of fixed remuneration (maximum of 84% of fixed remuneration)
• Maximum is set at 120% of target</td></tr>
<tr><td>Performance measures and weightings</td><td>• STI scorecards consist of group operational metrics aligned to the AGL Business Value Drivers and strategic objectives which drive towards long-term value creation for shareholders:
<table>
<tr><th>Measure</th><th>Weighting</th><th>Business Value Driver</th></tr>
<tr><td>Financial</td><td>55%</td><td>$</td></tr>
<tr><td>Safety</td><td>10%</td><td>👥</td></tr>
<tr><td>Customer</td><td>7.5%</td><td>👤 ⚙</td></tr>
<tr><td>People</td><td>7.5%</td><td>👥</td></tr>
<tr><td>Individual strategic objectives</td><td>20%</td><td>All</td></tr>
</table></td></tr>
<tr><td>Performance assessment</td><td>• In assessing outcomes under the STI, the Board assesses the quality of the results and the manner in which they were achieved as well as ensuring that those outcomes are aligned with the experience of AGL's shareholders.
• The starting point for considering STI outcomes is Statutory Profit. The Board may adjust Statutory Profit in consideration of any non-cash fair value movements in financial instruments and non-recurring significant items that materially affect AGL's financial results to derive Underlying Profit after tax. This is to ensure that management are not unfairly advantaged or disadvantaged by items outside their control.
• The Board expects an executive delivering against all performance objectives to achieve STI outcomes at their target levels given that performance targets are set at "stretch" levels.
• The Board applies discretion in the treatment of any significant items and their impact on outcomes against performance targets and subsequent STI awards. Discretion guidelines are in place to formalise this approach. Discretion may be applied within each of the measures, moving outcomes within the range and if required, upwards or downwards between each assessment level. No Board discretion was applied in assessing FY24 STI outcomes.</td></tr>
<tr><td>Deferral and payment</td><td>• 50% of the STI outcome is deferred and delivered in Restricted Shares for the MD & CEO, and 25% is deferred for other executives.
• Restricted Shares vest after two years subject to continuous service, and carry voting rights and entitlements to dividends.
• The number of Restricted Shares allocated is based on the average price paid per share for the purchase of all Restricted Shares acquired at the time of offer.</td></tr>
<tr><td>Cessation of employment</td><td>• When an executive leaves the organisation prior to the STI payment date by way of resignation or dismissal for cause, the executive would not be eligible to receive any STI award for the relevant year.
• Where the Board determines that an executive is a "good leaver" they may be entitled to a pro-rated award for the year. The grant and treatment of Restricted Shares is subject to Board discretion.
• Generally, Restricted Shares will be subject to forfeiture if an executive resigns prior to the restrictions lifting.</td></tr>
</table>

9.2.3 Long-term incentive

Features	Approach
Purpose	• Reward executives for long-term performance, delivering against the AGL strategy and CTAP; to encourage executive shareholding and deliver long-term value creation for shareholders and other stakeholders
Opportunity	• **MD & CEO:** maximum of 120% of fixed remuneration • **Other executives:** maximum of 100% of fixed remuneration • The minimum potential outcome is zero
Instrument	• Performance Rights. Participants are not entitled to receive dividends • The number of Performance Rights granted is based on a 30-day volume weighted average share price (VWAP) up to the commencement of the performance period
Performance period	• Performance is measured either over a four-year period (from 1 July 2023 to 30 June 2027) or based on performance at the end of the four-year period (FY27) • All performance measures are to be tested once at the end of the performance period to determine the vesting percentage
Performance measures and weightings	• The performance metrics are selected to align with the AGL's strategy of connecting our customers to a sustainable future, transitioning our energy portfolio and driving shareholder value. • The performance measures for the FY24 LTI are: • **Relative TSR (70%)**: a comparative, external market performance benchmark against the companies in the S&P/ASX100 Index. Provides a direct link between executive reward and shareholder return. • **Carbon transition metrics (30%)**: provides the focus for executives to deliver against carbon transition objectives. The sub-metrics (equally weighted at 10% of the overall award) aim to enhance alignment with AGL's strategy including commitments in the CTAP.

Carbon transition measure	Description	Link to strategy
Emissions intensity of electricity supplied in FY27	Measured as the emissions (tCO_2e) associated with the maximum of either AGL's electricity supply to the wholesale or retail market by state, as a proportion of that same volume (MWh).	Drives focus on the energy transition as well as Scope 1 and 2 emissions
New renewable and firming capacity from 1 July 2022 to 30 June 2027	Measured as new renewable and firming capacity in construction, delivery or contracted from 1 July 2022 to 30 June 2027.	Alignment with the commitment for additional capacity in the CTAP
Revenue uplift of green energy and carbon neutral products & services in FY27 from FY19 base	Increase in revenue from green energy and carbon neutral products and services from FY19 base. Green energy revenue represents: green revenue including state-based green schemes; Renewable Energy Target (RET) revenue from green charges passed through to customers; and other revenue from state-based charges passed through to customers.	Alignment with the commitment to connect our customers to a sustainable future

<table>
<tr><th>Features</th><th>Approach</th></tr>
<tr><td>Performance targets for FY24</td><td>
<i>Relative TSR</i>
<table>
<tr><th>AGL's relative TSR ranking against comparator group</th><th>Vesting of award (% of maximum)</th></tr>
<tr><td>Less than 50th percentile</td><td>0%</td></tr>
<tr><td>50th percentile to 75th percentile</td><td>Straight-line vesting between 50% and 100%</td></tr>
<tr><td>At or above 75th percentile</td><td>100%</td></tr>
</table>
<i>Carbon transition</i>
<table>
<tr><th colspan="2">Emissions intensity of electricity supplied in FY27</th><th colspan="2">New renewable and firming capacity from 1 July 2022 to 30 June 2027</th><th colspan="2">Revenue uplift of green energy and carbon neutral products & services in FY27 from FY19 base</th></tr>
<tr><th></th><th>Vesting of award (% of maximum)</th><th></th><th>Vesting of award (% of maximum)</th><th></th><th>Vesting of award (% of maximum)</th></tr>
<tr><td>More than 0.907 tCO$_2$e/MWh</td><td>0%</td><td>Less than 1.5 GW</td><td>0%</td><td>Less than 75%</td><td>0%</td></tr>
<tr><td>0.907 to 0.884 tCO$_2$e/MWh</td><td>Straight-line vesting between 25% and 50%</td><td>1.5 GW to 1.9 GW</td><td>Straight-line vesting between 25% and 50%</td><td>75% to 85%</td><td>Straight-line vesting between 25% and 50%</td></tr>
<tr><td>0.884 to 0.871 tCO$_2$e/MWh</td><td>Straight-line vesting between 50% and 90%</td><td>1.9 GW to 2.1 GW</td><td>Straight-line vesting between 50% and 80%</td><td>85% to 95%</td><td>Straight-line vesting between 50% and 100%</td></tr>
<tr><td>0.871 to 0.868 tCO$_2$e/MWh</td><td>Straight-line vesting between 90% and 100%</td><td>2.1 GW to 2.4 GW</td><td>Straight-line vesting between 80% and 100%</td><td>More than 95%</td><td>100%</td></tr>
<tr><td>Less than 0.868 tCO$_2$e/MWh</td><td>100%</td><td>More than 2.4 GW</td><td>100%</td><td></td><td></td></tr>
</table>
</td></tr>
<tr><td>Performance assessment</td><td>• Relative TSR: independent assessment of TSR by external advisers is undertaken, based on 30-day average VWAP, and provides the outcome for the Board to consider the final evaluation of performance.
• Carbon transition: internal calculations are undertaken and assured by external auditors as part of the Environmental, Social and Governance (ESG) key performance indicator assurance process for the Annual Report. Revenue from green energy and carbon neutral products and services is derived from the reported revenue. The Board determines the final outcome.</td></tr>
<tr><td>Cessation of employment</td><td>• Generally, unvested Performance Rights lapse if an executive resigns prior to the end of the performance period.
• Where the Board determines that an executive is a "good leaver", they may be entitled to retain a pro-rated number of Performance Rights which remain subject to the plan rules until performance testing at the end of the performance period.</td></tr>
</table>

9.2.4 FY25 long-term incentive terms

The performance measures for the FY25 LTI will remain the same as FY24, with relative TSR (70% weighting) and carbon transition (30% weighting) to align with the AGL's strategy of connecting our customers to a sustainable future, transitioning our energy portfolio and driving shareholder value.

Performance will be measured over a four year period from 1 July 2024 to 30 June 2028; or in reference to the final year of the performance period (FY28). The vesting schedule for relative TSR will align to the FY24 LTI and the vesting schedules for the carbon transition metrics are outlined below:

Features	Approach					
FY25 carbon transition metrics	**Emissions intensity of electricity supplied in FY28**		**New renewable and firming capacity from 1 July 2022 to 30 June 2028**		**Revenue uplift of green energy and carbon neutral products & services in FY28 from FY19 base**	
		Vesting of award (% of maximum)		**Vesting of award (% of maximum)**		**Vesting of award (% of maximum)**
	More than 0.838 tCO$_2$e/MWh	0%	Less than 3.1 GW	0%	Less than 90%	0%
	0.838 to 0.825 tCO$_2$e/MWh	Straight-line vesting between 25% and 50%	3.1 GW to 3.5 GW	Straight-line vesting between 25% and 70%	90% to 96%	Straight-line vesting between 25% and 50%
	0.825 to 0.819 tCO$_2$e/MWh	Straight-line vesting between 50% and 90%	3.5 GW to 3.7 GW	Straight-line vesting between 70% and 90%	96% to 106%	Straight-line vesting between 50% and 100%
	0.819 to 0.812 tCO$_2$e/MWh	Straight-line vesting between 90% and 100%	3.7 GW to 4.0 GW	Straight-line vesting between 90% and 100%	More than 106%	100%
	Less than 0.812 tCO$_2$e/MWh	100%	More than 4.0 GW	100%		

9.3 FY24 performance and executive remuneration outcomes

9.3.1 Fixed remuneration outcomes

- Executive remuneration was reviewed with reference to market benchmarks in peer companies, and reflect incumbents' experience, performance and criticality in delivering strategic objectives.
- Remuneration for the MD & CEO and CFO were set upon appointment into the roles on a permanent basis in January 2023. Therefore, there was no change to fixed remuneration for Mr Nicks or Mr Brown during FY24.
- Mr Brokhof's fixed remuneration increased by 5.0% to align with market benchmarks in peer companies, and reflect his experience, performance and criticality in delivering strategic objectives. This is the first increase since appointment into the role in 2020.
- Ms Egan's fixed remuneration increased by 12.9% to reflect her experience and performance in role, within market benchmarks.

9.3.2 FY24 STI outcomes

The group STI scorecard outcomes are detailed below, and the individual strategic objective outcomes are shown in the subsequent tables.

Group performance objectives and FY24 outcomes

There is a strong link between executive remuneration outcomes and business performance. The FY24 STI scorecard results in STI outcomes of between 83.8% and 86.3% of maximum for executives. As outlined in section 9.2.2, when considering the STI outcomes for executives, the Board takes into account the scorecard results, how those outcomes were achieved, and the experience of shareholders over the period. After detailed consideration, the Board determined that the outcomes appropriately reflect the company's performance and executives' contributions against the scorecard for the year and has elected not to exercise discretion to adjust the outcomes.

Remuneration Report

For the year ended 30 June 2024

Table 9.3.2.1: STI scorecard - group performance objectives and FY24 outcomes

Performance measure and rationale	Target range and outcome relative to target			Commentary
	Threshold	**Target**	**Stretch**	
Financial (55%)				
Underlying Net Profit after tax Strong link between financial performance and rewards	$580m	**$660m - $740m**	>$740m	Underlying Net Profit after tax of $812m. The outcome reflects significantly improved plant availability and portfolio flexibility, higher wholesale electricity pricing from prior periods reflected in overall pricing outcomes and continued discipline in margin management.
Operating free cash flow Generate cashflows to support the delivery of future growth objectives	$740m	**$880m - $1,020m**	>$1,020m	Operating free cash flow of $1,355m (after adjusting for Government bill relief payments received), up from $504 million in FY23, reflecting strong cash flows in the existing business.
Safety (10%)				
Total Injury Frequency Rate (TIFR) Safety of our people remains key	>2.1	**1.9**	<1.8	TIFR was 3.5 per million hours worked (compared to 2.8 for FY23), impacted by an increase in the number of medical and lost time injuries in FY24.
Customer (7.5%)				
AGL's Net Promoter Score (NPS) ranking against tier 1 competitors Focus on customer advocacy	1 state	**2 states**	3 states	Achieved #1 NPS ranking in one state (Western Australia) against tier 1 competitors; with an NPS result of +4.
% of digital only customers Deliver customer value and cost to serve reduction	53.7%	**54.7% - 55.6%**	>55.6%	55.8% digital only customers. This result has been achieved despite higher customer engagement due to challenging market conditions and cost of living pressures.
People (7.5%)				
Employee engagement Leverage diversity and build an inclusive culture	69%	**71%**	75%	AGL's FY24 employee engagement score is 72%, up 5 percentage points from 67% in FY23, reflecting management's focus and an improved employee value proposition, including positive sentiment on AGL's future direction.
Strategic (20%)				
Strategic objectives				See individual outcomes below.

Remuneration Report

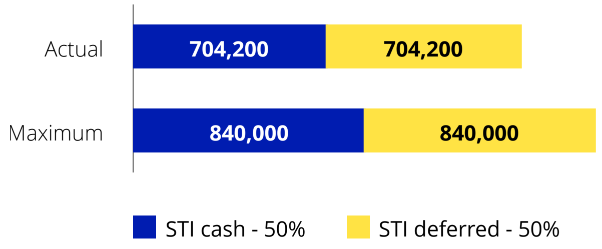
For the year ended 30 June 2024

Individual strategic objectives and FY24 outcomes

Damien Nicks
Managing Director & CEO

Achieved 83.8% of maximum STI measured on:

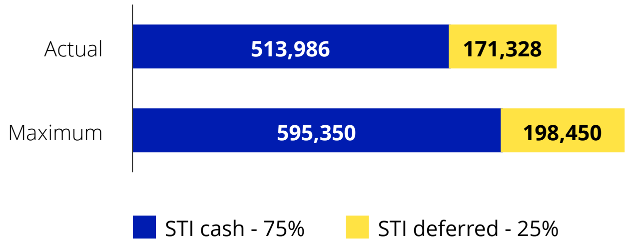
Group objectives 80%	**Achieved 67.2%.** Refer Table 9.3.2.1 for details.
Individual strategic objectives 20%	**Achieved 16.6%.** **Outcomes:** • Development pipeline increased by +1.4 GW risk-adjusted (including delivery of Joint Venture with Someva Renewables to develop Pottinger Energy Park, 500 MW Liddell Battery project, 250 MW grid-scale Torrens Battery, Broken Hill Battery) • Strategic partnership with Kaluza • Expansion of Electrify Now to enable customer electrification at scale



Markus Brokhof
Chief Operating Officer

Achieved 86.3% of maximum STI measured on:

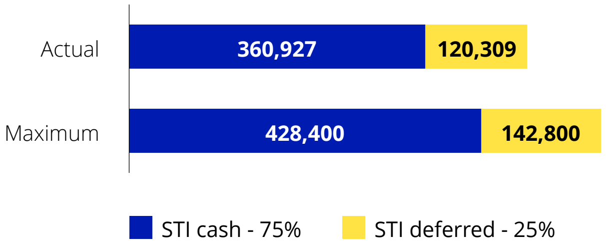
Group objectives 80%	**Achieved 67.2%.** Refer Table 9.3.2.1 for details.
Individual strategic objectives 20%	**Achieved 19.1%.** **Outcomes:** • Equivalent availability factor (EAF) of 85.8%, an improvement from 76.8% in FY23; commercial availability factor (CAF) of 91.1%, an improvement from 69.9% in FY23 • Development pipeline increased by +1.4 GW risk-adjusted (including delivery of Joint Venture with Someva Renewables to develop Pottinger Energy Park, 500 MW Liddell Battery project, 250 MW grid-scale Torrens Battery, Broken Hill Battery) • Structured Transition Agreement (STA) with Victoria Government signed • Windfarm insourcing of seven windfarms across South Australia and Victoria • 15-year renewable energy certificate agreement signed with Microsoft • Ten Memoranda of Understanding signed with industrial partners for the transition of Energy Hubs • Decrease in Environmental Regulatory Reportable Incidents from 30 in FY23 to 17 in FY24



Gary Brown
Chief Financial Officer

Achieved 84.3% of maximum STI measured on:

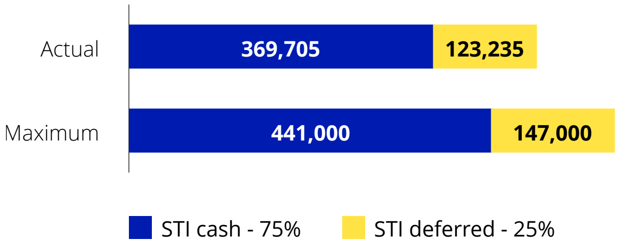
Group objectives **80%**	**Achieved 67.2%.** Refer Table 9.3.2.1 for details.
Individual strategic objectives **20%**	**Achieved 17.1%.** **Outcomes:** • Successful refinancing of debt • Progress on retail transformation, including strategic partnership with Kaluza • Development pipeline increased by +1.4 GW risk-adjusted (including delivery of Joint Venture with Someva Renewables to develop Pottinger Energy Park, 500 MW Liddell Battery project, 250 MW grid-scale Torrens Battery, Broken Hill Battery) • Structured Transition Agreement (STA) with Victoria Government signed



Jo Egan
Chief Customer Officer

Achieved 83.8% of maximum STI measured on:

Group objectives **80%**	**Achieved 67.2%.** Refer Table 9.3.2.1 for details.
Individual strategic objectives **20%**	**Achieved 16.6%.** **Outcomes:** • Progress on retail transformation, including strategic partnership with Kaluza • Expansion of Electrify Now to enable customer electrification at scale • Energy consumer churn of 5.1 percentage points lower than the rest of market at 15.8% • Successful partnerships established with Netflix and Velocity to enhance customer experience • Growth in customer services to 4.5 million



Remuneration Report

For the year ended 30 June 2024

Table 9.3.2.2: Actual FY24 STI outcomes

Executive	Total STI award $	Cash $[1]	Restricted Shares $[2]	Total STI paid as a % of maximum opportunity	Total STI forfeited as a % of maximum opportunity
D Nicks	1,408,400	704,200	704,200	83.8%	16.2%
M Brokhof	685,314	513,986	171,328	86.3%	13.7%
G Brown	481,236	360,927	120,309	84.3%	15.7%
J Egan	492,940	369,705	123,235	83.8%	16.2%

1. To be paid in September 2024.
2. To be allocated once the full-year financial results have been disclosed to the market, generally in August/September 2024.

9.3.3 FY21 LTI outcomes

FY21 LTI grant - vested during FY24

In assessing outcomes under the LTI, the Board assessed the quality of the results and the manner in which they were achieved and ensured that outcomes were aligned with the experience of AGL's shareholders over the performance period.

The vesting outcome of the FY21 LTI grant offer (performance period of 1 July 2020 to 30 June 2024) is detailed below.

Metric	Vesting schedule	Outcome	Commentary
Relative TSR (33.4%)	Straight-line vesting between 50-100% for 50th to 75th percentile	9th percentile 0% vesting	AGL's relative TSR performance over the four-year performance period was at the 9th percentile, resulting in a nil vesting outcome.
Return on equity (ROE) (33.3%)	Straight-line vesting between 50-90% for 5.0% to 6.5% ROE; straight-line vesting between 90-100% for 6.5% to 8.0% ROE	7.9% average annual ROE 99% vesting	The average annual ROE for AGL over the four-year performance period was 7.9% excluding share buy-backs, resulting in a 99% vesting outcome.
Carbon transition (33.3%)			
Operated and contracted generation intensity (measured as AGL's Scope 1 and 2 emissions as a proportion of total sent out generation)	Straight-line vesting between 50-100% for operated and contracted generation intensity in FY24 of 0.895 tCO_2e/MWh to 0.845 tCO_2e/MWh	0.936 tCO_2e/MWh 0% vesting	The operated and contracted generation intensity was 0.936 tCO_2e/MWh, resulting in a nil vesting outcome.
Operated and contracted renewable and electricity storage capacity % (measured as the proportion of total operated and contracted renewable and electricity storage capacity (MW) in AGL's total operated and contracted generation and electricity storage capacity (MW))	Straight-line vesting between 50-100% for operated and contracted renewable and electricity storage capacity as at 30 June 2024 between 28% and 34%	32.8% outcome 90% vesting	The operated and contracted renewable and electricity storage capacity was 32.8%, resulting in a 90% vesting outcome.
Percentage of total revenue derived from green energy and carbon neutral products and services	Straight-line vesting between 50-100% for green energy and carbon neutral products and services in FY24 between 15.5% and 20.0%	19.3% outcome 92% vesting	The percentage of total revenue derived from green energy and carbon neutral products and services was 19.3%, resulting in a 92% vesting outcome.
Total		**53.2% vesting**	**The combined vesting outcome for the FY21 LTI grant is 53.2%.**

Table 9.3.3.1: FY21 LTI vesting outcomes

Executive[1]	Grant date	Number of awards granted	Value at grant date $[2]	Vesting date	Number of awards forfeited[3]	Number of awards vested but not yet allocated	Value vested $[4]	Number of awards lapsed	% of awards lapsed	Value lapsed $[4]
D Nicks	28 October 2020	32,779	274,684	30 June 2024	-	17,438	188,854	15,341	46.8%	166,143
M Brokhof	28 October 2020	52,086	436,481	30 June 2024	-	27,709	300,088	24,377	46.8%	264,003
J Egan	28 October 2020	8,912	74,680	30 June 2024	-	4,741	51,345	4,171	46.8%	45,172

1. Includes executives who were KMP at the vesting date. The FY21 LTI grant to Mr Nicks was granted for his prior role as CFO; the FY21 LTI grant to Ms Egan was for a role prior to being appointed KMP; and Mr Brown was not employed by AGL at the time of the FY21 LTI offer.
2. Calculated based on fair values shown in Note 32 to the consolidated financial report.
3. Reflects the number of Performance Rights forfeited as a result of cessation of employment.
4. Calculated based on the closing share price as at the end of the performance period on 30 June 2024, being $10.83.

LTI vesting outcomes for the last three years

A summary of the vesting outcomes of the LTI offers tested over the last three years is shown below.

Grant	Performance measures	Performance period	Performance period end date	Vesting outcome %
FY19	Relative TSR & ROE	Three years	30 June 2021	0%
FY20 Bridging	Relative TSR & ROE	Three years	30 June 2022	0%
FY20	Relative TSR & ROE	Four years	30 June 2023	0%

9.3.4 Historical performance outcomes

The following table outlines AGL's historical financial performance. These results flow into the STI scorecard outcomes as well as LTI performance outcomes.

Table 9.3.4.1: AGL five-year performance

		FY24	FY23	FY22	FY21	FY20
Statutory (Loss)/Profit attributable to AGL shareholders	($m)	711	(1,264)	860	(2,058)	1,007
Underlying Profit	($m)	812	281	225	537	808
Statutory (loss)/earnings per share (EPS)	(cents)	105.7	(187.9)	131.6	(330.3)	157.2
Underlying EPS	(cents)	120.7	41.8	34.4	86.2	126.1
Dividends	(cents)	61	31	26	75	98
Closing share price at 30 June	($)	10.83	10.81	8.25	8.20	17.05
Return on equity[1,2]	(%)	14.9	4.9	3.7	8.1	10.0

1. Used to calculate a portion of executives' LTI outcomes.
2. Includes share buy-backs.

9.4 Remuneration governance

9.4.1 Responsibility of the Board and People & Performance Committee

Board

The Board has overarching responsibility for the approval of executive and Non-Executive Director remuneration, frameworks, policies and remuneration outcomes, based on recommendations from the People & Performance Committee.

People & Performance Committee (the Committee)

What is the purpose of the Committee?	How does the Committee support the Board?	Who sits on the Committee?
• The purpose of the Committee is to support the Board in fulfilling its responsibilities through the recruitment, retention and remuneration of executives with the capabilities and skills necessary to execute AGL's strategy.	• The Committee reviews and makes recommendations to the Board on the remuneration arrangements for KMP. • The Committee provides support to the Board in relation to matters such as governing remuneration and employment policies, practices and programs. • The Committee oversees the preparation of AGL's Remuneration Report which is subsequently reviewed by the Board as part of the Annual Report.	• The Committee includes independent Non-Executive Directors of the Board, including members of the Audit & Risk Management Committee.

Management	External consultants
The Committee has access to management to seek advice on various remuneration-related matters, as required.	The Committee has access to external consultants to seek advice on various remuneration-related matters, as required. Any recommendations made by consultants in relation to remuneration arrangements of KMP are made directly to the Board without any influence from management. Arrangements are in place to ensure any advice is independent of management. During FY24, the Committee engaged EY to act as independent remuneration advisers. EY did not provide any remuneration recommendations as defined in the *Corporations Act 2001* to the Committee during FY24.

Further details

- The complete Committee Charter is reviewed at least every two years and is available on AGL's website: **agl.com.au/BoardAndCommitteeCharters**.

9.4.2 Management of risk and remuneration

The AGL remuneration framework is designed to ensure that executives focus on delivering against the strategic objectives, ensuring that company and shareholder outcomes are primary considerations in decision-making processes. The framework is structured to mitigate against any excessive risk-taking or short-term decisions by executives through the establishment of scorecard metrics that align with strategic objectives. The use of deferred equity in both the short and long-term incentive plans, and the clawback provisions within those equity plans also assists the company in managing risk.

9.4.3 Incentive plan governance

AGL has the following governance framework in place for its incentive plans:

Clawback	• The Board has discretion to prescribe clawback events for any unvested equity awards which may be clawed back from executives.
Change of control	• The Board will determine at the time a change of control event occurs how to treat unvested equity in accordance with the plan rules, and ultimately has absolute discretion in determining this treatment, taking into consideration market practice.
Hedging Policy	• AGL has a policy in place that prevents executives from entering into any derivative or other financial product in relation to their equity plan(s) participation.
Discretion	• The Board, in conjunction with the People & Performance Committee, exercises discretion to ensure the quantum of executive remuneration is appropriate considering individual and company performance, for example by adjusting STI and LTI vesting outcomes. This discretion ensures that the quantum of executive remuneration is appropriate. • Discretion guidelines provide a framework to assist the Board with identifying one-off/extraordinary circumstances (e.g. impairments) and whether those circumstances require an adjustment to incentive outcomes. The guidelines support consistency in application over time and does not limit the Board's overarching discretion under AGL's incentive plans.

9.4.4 KMP share ownership

To provide for shareholder alignment, AGL operates a Minimum Shareholding Policy, subject to compliance with AGL's Securities Dealing Policy. Shareholdings are reported in Table 9.6.2.1 for executives and Table 9.7.4.1 for Non-Executive Directors.

The Minimum Shareholding Policy stipulates the following requirements:

	Shareholding requirement	Period to satisfy requirement
Non-Executive Directors	100% of Board member base fee	Four years; 50% within two years of appointment; encouraged to hold 10% by the end of the financial year of appointment.
Executives		
MD & CEO	100% of fixed remuneration	Up to five years from their initial appointment date to an eligible role.
CFO	75% of fixed remuneration	
Other executives	50% of fixed remuneration	

Remuneration Report

For the year ended 30 June 2024

9.5 Executive remuneration disclosure

9.5.1 Statutory remuneration

Table 9.5.1.1: Executive remuneration and benefits for FY24 (prepared in accordance with the statutory accounting requirements)

		Short-term benefits			
Executive	Year	Cash salary/ fees $[1]	Total cash incentive $[2]	Non-monetary benefits $[3]	Other short-term benefits $
Current					
D Nicks	**FY24**	**1,372,601**	**704,200**	**15,353**	**-**
	FY23	1,269,594	528,293	14,566	17,919
M Brokhof	**FY24**	**910,101**	**513,986**	**47,925**	**20,335**[7]
	FY23	874,708	408,713	7,794	224,824
G Brown	**FY24**	**652,601**	**360,927**	**10,712**	**-**
	FY23	526,940	214,258	7,580	-
J Egan	**FY24**	**659,268**	**369,705**	**10,041**	**-**
	FY23	600,338	288,068	10,709	5,553
Former					
G Hunt	FY23	381,177	193,178	5,858	-
TOTAL	**FY24**	**3,594,571**	**1,948,818**	**84,031**	**20,335**
	FY23	3,652,757	1,632,510	46,507	248,296

1. Represents cash salary and fees including any salary-sacrificed items (such as additional superannuation contributions and charitable donations) and unpaid annual leave.
2. Represents cash payments under the STI achieved in the year (payable following the relevant financial year-end), excluding the Restricted Share portion (to be allocated following the relevant financial year-end). The Restricted Share portion is disclosed under the STI Restricted Shares column.
3. Includes benefits such as, but not limited to, the provision of car parking, expatriate benefits and fringe benefits tax (FBT) on all benefits, where applicable. FBT included is in respect of the FBT year ended 31 March 2024. For members of the default employee superannuation fund, AGL funds the cost of Death and Permanent and Total Disablement insurance premiums.
4. Includes the value of all STI Restricted Shares in relation to the performance year to be allocated following the financial year-end.
5. Includes a proportion of the fair value of all outstanding LTI offers at the start of the year or offered during the year. Under Australian Accounting Standards, the fair value is determined as at the offer date and is apportioned on a straight-line basis across the expected vesting period after adjusting at each reporting date for an estimation of the number of shares that will ultimately vest.

Post-employment benefits	Share-based payments					
Superannuation/ pension $	STI Restricted Shares $[4]	LTI equity $[5]	Other equity $[6]	Total $	Performance-related %	Termination benefits $
27,399	**704,200**	**443,506**	**-**	**3,267,259**	**56.7%**	**-**
25,292	299,291	88,104	17,919	2,260,978	41.3%	-
27,399	**171,328**	**362,252**	**20,335**[8]	**2,073,661**	**51.5%**	**-**
25,292	136,237	289,181	224,824	2,191,573	48.3%	-
27,399	**120,309**	**156,607**	**33,425**[9]	**1,361,980**	**49.3%**	**-**
18,969	71,419	37,174	80,923	957,263	42.2%	-
27,399	**123,235**	**207,946**	**-**	**1,397,594**	**50.1%**	**-**
25,292	96,022	72,991	-	1,098,973	41.6%	-
6,323	-	(2,057)	-	584,479	32.7%	1,189,127
109,596	**1,119,072**	**1,170,311**	**53,760**	**8,100,494**		**-**
101,168	602,969	485,393	323,665	7,093,265		1,189,127

6. Includes a proportion of the fair value of all Restricted Shares held at the start of the year, or which were granted during the year, generally for retention or sign-on purposes.
7. Includes the amount expensed in the financial year relating to a retention award provided to Mr Brokhof. The final instalment of the award was paid in August 2023.
8. Includes the amount expensed in the financial year relating to a retention award provided to Mr Brokhof. The final instalment of the award vested in August 2023.
9. Includes the amount expensed in the financial year relating to a sign-on award provided to Mr Brown on commencement in a role prior to the CFO position. The final instalment of the award vested on 30 June 2024.

9.6 Additional executive disclosures

9.6.1 Equity granted as remuneration

The table below provides a summary of the number awards granted to executives, including Restricted Shares granted as part of STI or retention/sign-on awards, and Performance Rights granted under the LTI offers.

Table 9.6.1.1: Equity on foot for executives

Executive	Plan	Allocation date	Number of awards granted	Value at grant date $[1]	Vesting/ release date	Vested/ Released %	Value vested/ released $	Lapsed %	Forfeited %[2]
D Nicks	FY21 LTI	28 Oct 2020	32,779	274,684	30 Jun 2024	53.2%	188,854[3]	46.8%	-
	FY22 LTI	29 Oct 2021	89,034	213,012	30 Jun 2025	-	-	-	-
	FY22 STI Restricted Shares	12 Sep 2022	11,928	84,140	12 Sep 2024	-	-	-	-
	FY23 LTI	8 Nov 2022	94,510	421,041	30 Jun 2026	-	-	-	-
	FY23 STI Restricted Shares	31 Aug 2023	26,737	299,286	31 Aug 2025	-	-	-	-
	FY24 LTI	24 Nov 2023	162,146	1,052,974	30 Jun 2027	-	-	-	-
M Brokhof	FY21 LTI	28 Oct 2020	52,086	436,481	30 Jun 2024	53.2%	300,088[3]	46.8%	-
	FY22 LTI	29 Oct 2021	103,394	247,369	30 Jun 2025	-	-	-	-
	FY22 STI Restricted Shares	12 Sep 2022	13,852	97,712	12 Sep 2024	-	-	-	-
	FY23 Restricted Shares	12 Sep 2022	31,897	225,001	15 Aug 2023	100.0%	351,824[4]	-	-
	FY23 LTI	8 Nov 2022	106,323	473,667	30 Jun 2026	-	-	-	-
	FY23 STI Restricted Shares	31 Aug 2023	12,170	136,227	31 Aug 2025	-	-	-	-
	FY24 LTI	24 Nov 2023	91,207	592,298	30 Jun 2027	-	-	-	-
G Brown	FY23 LTI	8 Nov 2022	44,656	198,942	30 Jun 2026	-	-	-	-
	FY23 STI Restricted Shares	31 Aug 2023	6,380	71,416	31 Aug 2025	-	-	-	-
	FY24 LTI	24 Nov 2023	65,630	426,201	30 Jun 2027	-	-	-	-
J Egan	FY21 LTI	28 Oct 2020	8,912	74,680	30 Jun 2024	53.2%	51,345[3]	46.8%	-
	FY22 LTI	29 Oct 2021	17,691	42,323	30 Jun 2025	-	-	-	-
	FY23 LTI	8 Nov 2022	73,245	326,306	30 Jun 2026	-	-	-	-
	FY23 STI Restricted Shares	31 Aug 2023	8,578	96,020	31 Aug 2025	-	-	-	-
	FY24 LTI	24 Nov 2023	67,561	438,740	30 Jun 2027	-	-	-	-

1. Calculated based on fair values shown in Note 32 to the consolidated financial report. For FY24 LTI plan, the fair values are $5.54 for relative TSR and $8.72 for carbon transition metrics. The minimum value of the grant is zero.
2. Generally reflects the number of Performance Rights forfeited as a result of cessation of employment.
3. Calculated based on the closing share price as at the end of the performance period on 30 June 2024, being $10.83.
4. Calculated based on the closing share price on the release date, being $11.03.

9.6.2 Movement in AGL shares

The movement during FY24 in the number of AGL shares, including Restricted Shares, held by each executive, including their related parties, is shown below. Restricted Shares generally relate to the STI deferral, or for attraction/retention purposes in certain circumstances. As at 30 June 2024, all executives are compliant with the Minimum Shareholding Policy.

Table 9.6.2.1: Executive movements in shareholdings

Executive	Balance at start of year	Granted/ acquired during year[1]	Received upon vesting/ exercise[2]	Other changes during year[3]	Balance at end of year	Total consideration $[4]	% FR[5]	Date to satisfy requirement
D Nicks	80,820	26,737	-	-	107,557	597,303	43%	19 Jan 28[6]
M Brokhof	45,749	12,170	-	-	57,919	225,001	24%	23 Mar 25
G Brown	20,646	6,380	-	-	27,026	144,985	21%	19 Jan 28
J Egan	601	8,578	-	-	9,179	11,346	2%	27 Jun 27
Total	**147,816**	**53,865**	**-**	**-**	**201,681**			

1. Includes purchase of ordinary shares.
2. Includes shares acquired upon vesting of LTI awards.
3. Includes sale of ordinary shares and balance adjustments for executives joining or leaving KMP.
4. In accordance with the Minimum Shareholding Policy, the value relates to ordinary shares held and not subject to risk of forfeiture. The value excludes STI Restricted Shares which remain subject to service conditions as at 30 June 2024. The amount represents 68,892 shares for Mr Nicks, 31,897 shares for Mr Brokhof, 20,646 shares for Mr Brown and 601 shares for Ms Egan. The value is calculated based on price of shares at the time of acquisition, as per the Minimum Shareholding Policy.
5. Percentage of fixed remuneration (FR).
6. In accordance with the policy and on appointment to MD & CEO on 19 January 2023, the Committee determined the requirement to meet the revised minimum shareholding requirement of 100% of fixed remuneration would need to be achieved within five years of appointment as MD & CEO.

9.6.3 Movement in Performance Rights

The movement during FY24 in the number of AGL Performance Rights held by each executive under the LTI plan is shown below.

Table 9.6.3.1: Executive movements in Performance Right holdings

Executive	Balance at start of year	Acquired during year as part of remuneration	Performance Rights vested but not yet allocated[1]	Other changes during year[2]	Balance at end of year
D Nicks	216,323	162,146	(17,438)	(15,341)	345,690
M Brokhof	261,803	91,207	(27,709)	(24,377)	300,924
G Brown	44,656	65,630	-	-	110,286
J Egan	99,848	67,561	(4,741)	(4,171)	158,497
Total	**622,630**	**386,544**	**(49,888)**	**(43,889)**	**915,397**

1. Relates to Performance Rights vested under the LTI but will not be allocated to executives until August/September following the financial year end. For the FY21 LTI grant with performance tested to 30 June 2024, 53.2% vested.
2. Represents balance adjustments for executives joining or leaving KMP, and any units forfeited under the LTI. Includes Performance Rights forfeited under the LTI but will not lapse for executives until August/September following the financial year end.

9.6.4 Executive contract terms

Remuneration and other terms of employment for executives are formalised in service agreements that provide for participation in short and long-term incentives in accordance with the terms of the respective plans.

Table 9.6.4.1: Information relating to service agreements of executives

	Notice period[2]			
Executive[1]	By executive	By AGL	Termination payment[3,4]	Post employment restraint period
D Nicks	12 months	12 months	N/A	12 months
M Brokhof	6 months[5]	3 months	9 months	12 months
J Egan	6 months	6 months	6 months	12 months
G Brown	6 months	6 months	6 months	12 months

1. Includes executives who were KMP at 30 June 2024.
2. AGL can, at its election, make a payment in lieu of part or all of the notice period.
3. Maximum termination payment (exclusive of any payment in lieu of notice) payable if AGL terminates the executive's employment other than for cause.
4. Termination payments reference fixed remuneration.
5. The executive may also terminate their agreement with three months' notice in the event of a 'fundamental change', which includes circumstances where there has been a substantial diminution of role and responsibility of the executive, in which event they will be entitled to a payment equivalent to nine months' fixed remuneration.

9.7 Non-Executive Director remuneration disclosure

9.7.1 Fee pool

The maximum aggregate fee pool for Non-Executive Directors is $2.75 million per annum. The fee pool is regularly reviewed by the Board and, if appropriate, adjusted (subject to shareholder approval), having regard to the anticipated time commitment, workload and responsibilities attached and the fees paid by comparable organisations. The current fee pool was approved by shareholders at the 2016 AGM.

9.7.2 Fee policy

Non-Executive Directors receive a base fee. Members of a Committee receive a Committee fee to recognise the associated higher workload and extra responsibilities, and chairing a Committee attracts a higher fee. The Chair of the Board receives a higher base fee in recognition of the added responsibility and time commitment; but does not receive any extra fees for participating in or chairing any Committees. Fees are inclusive of superannuation. There are no additional fees in relation to the Nominations Committee.

In setting Non-Executive Directors' fees, the Board considers the following:

- time commitment
- workload
- risk and responsibility
- market benchmark data, sourced from companies with market capitalisation of 50-200% of AGL's

To ensure independence, Non-Executive Directors do not receive performance-related remuneration. This allows the Board to focus on governance and both short and long-term strategy.

9.7.3 FY24 fees

Fees for Non-Executive Directors remained unchanged during the financial year.

Table 9.7.3.1: Non-Executive Director fees

Board/Committee	Chair fee $	Member fee $
Board base fee	603,000	201,000
Audit & Risk Management Committee	55,200	27,600
People & Performance Committee	44,900	21,200
Safety & Sustainability Committee	44,900	21,200

Table 9.7.3.2: Non-Executive Director remuneration for FY24

Non-Executive Director	Year	Director fees $	Superannuation $	Total $
Current				
P McKenzie	**FY24**	**575,601**	**27,399**	**603,000**
	FY23	508,791	25,033	533,824
M Bloom	**FY24**	**250,001**	**27,399**	**277,400**
	FY23	252,108	25,292	277,400
G Cockroft	**FY24**	**256,883**	**16,617**	**273,500**
	FY23	253,701	14,682	268,383
M George	**FY24**	**225,045**	**24,755**	**249,800**
	FY23	178,436	18,191	196,627
C Holman	**FY24**	**225,045**	**24,755**	**249,800**
	FY23	139,637	14,662	154,299
J Pollaers	**FY24**	**225,045**	**24,755**	**249,800**
	FY23	139,637	14,662	154,299
K Schott	**FY24**	**225,045**	**24,755**	**249,800**
	FY23	139,637	14,662	154,299
V Sullivan	**FY24**	**240,631**	**26,469**	**267,100**
	FY23	243,826	25,292	269,118
M Twidell	**FY24**	**219,279**	**24,121**	**243,400**
	FY23	136,324	14,314	150,638
Former				
P Botten	FY23	146,007	6,323	152,330
D Smith-Gander	FY23	69,280	6,323	75,603
TOTAL	**FY24**	**2,442,575**	**221,025**	**2,663,600**
	FY23	2,207,384	179,436	2,386,820

9.7.4 Non-Executive Director share movements and minimum shareholding requirements

Non-Executive Directors are required to hold shares equivalent to 100% of the Board member base fee within four years of appointment to the Board (at least 50% of the minimum shareholding requirement should be met within two years of appointment).

The movement during FY24 in the number of AGL shares held by each Non-Executive Director, including their related parties, is shown below. As at 30 June 2024, all Non-Executive Directors are compliant with the Minimum Shareholding Policy.

Table 9.7.4.1: Non-Executive Director movements in shareholdings

Non-Executive Director	Balance at start of year	Acquired during year[1]	Other changes during year[2]	Balance at end of year[3]	Total consideration $[4]	% base fees[5]	Date to satisfy requirement
P McKenzie	29,965	-	-	29,965	297,064	148%	Satisfied
M Bloom	22,000	-	-	22,000	208,704	104%	Satisfied
G Cockroft	35,000	-	-	35,000	245,750	122%	Satisfied
M George	40,000	10,000	-	50,000	381,491	190%	Satisfied
C Holman	28,000	-	-	28,000	210,170	105%	Satisfied
J Pollaers	17,250	20,090	-	37,340	318,832	159%	Satisfied
K Schott	26,500	-	-	26,500	197,969	98%	15 Nov 26
V Sullivan	20,221	7,044	-	27,265	202,004	100%	Satisfied
M Twidell	15,212	10,000	-	25,212	234,970	117%	Satisfied
Total	**234,148**	**47,134**	**-**	**281,282**			

1. Includes purchase of ordinary shares.
2. Includes sale of ordinary shares and balance adjustments for directors joining or leaving as KMP.
3. All shares held indirectly by Non-Executive Directors, with the exception of Mr Cockroft and Mr George (all shares held directly), and Mr Twidell (9,012 of 25,212 shares held directly).
4. Value is based on price of shares at the time of acquisition, as per the Minimum Shareholding Policy.
5. In accordance with the Minimum Shareholding Policy, the percentage of base fees is based on the Board member base fee for all Non-Executive Directors, including the Chair.

Other Required Disclosures

For the year ended 30 June 2024

These Other Required Disclosures (pages 82 to 83) are attached to and form part of the Directors' Report.

10. Other Required Disclosures

10.1 Changes in state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the AGL consolidated entity that occurred during the financial year other than those included in this Directors' Report.

10.2 Proceedings on behalf of the company

No person has applied under Section 237 of the Corporations Act for leave of the Court to bring proceedings on behalf of AGL or intervene in any proceedings to which AGL is a party for the purpose of taking responsibility on behalf of AGL for all or any part of those proceedings. AGL was not a party to any such proceedings during the year.

10.3 Commercial in confidence information

Further information about likely developments in the operations of AGL and its consolidated entity and the expected results of those operations in the future has been included in this Directors' Report except to the extent disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

The type of information not disclosed includes commercial in confidence information such as detailed operational plans and strategies that would provide third parties with a commercial advantage.

10.4 Auditor and non-audit services

Non-audit services have been provided during the year by the external auditor, Deloitte Touche Tohmatsu Australia (**Deloitte**). Disclosure of the details of these services can be found in Note 26 of the Financial Report 2024.

The Board has a formal policy on the provision of auditing and related services. Specifically, the external auditor is precluded from providing any services that might threaten its independence or conflict with its assurance and compliance role. Semi-annual reports on the provision of auditing and related services are provided to the Board through the Audit & Risk Management Committee. The Directors are satisfied that the provision of other accounting advice and services by the external auditor is compatible with the general standard of independence for auditors.

The policy and procedures in place, and the review by the Audit & Risk Management Committee, enable the Directors to conclude that non-audit services provided did not compromise the external auditor's independence requirements of the Corporations Act.

The external auditor annually provides a letter to the Company Secretary on its independence within the meaning of relevant legislation and professional standards. No officers of AGL were partners or directors of Deloitte during this or prior periods.

10.5 Rounding

AGL is an entity to which ASIC Corporations Instrument 2016/191 applies and, in accordance with that Instrument, amounts in the Financial Report and this Directors' Report have been rounded to the nearest million dollars, unless otherwise stated.

10.6 Auditor's Independence Declaration

A copy of the external auditor's declaration under Section 307C of the Corporations Act in relation to the audit for the financial year is attached to the AGL Financial Report 2024.

10.7 Indemnification and insurance of officers

AGL's constitution indemnifies, to the extent permitted by law, officers of the consolidated entity when acting in their capacity in respect of:

- liability to third parties (other than related entities) when acting in good faith; and
- costs and expenses of successfully defending legal proceedings and ancillary matters.

The Directors named earlier in this Report and the Company Secretary have the benefit of the indemnity, together with any other person concerned in, or who takes part in, the management of the consolidated entity.

During the year, AGL paid premiums in respect of contracts insuring all Directors of AGL as listed earlier, all Directors of related bodies corporate of AGL, secretaries and other Officers of the consolidated entity against liabilities incurred in their capacity as Director or Officer, as the case may be, of the consolidated entity.

The contract prohibits disclosure of the nature of the liabilities covered and the amount of premium.

10.8 Subsequent events

On 14 August 2024, AGL announced it has entered into a binding agreement for the acquisition of 100% of the shares and units in Firm Power and Terrain Solar for a total consideration of approximately $250 million. Firm Power is a Battery Energy Storage System (BESS) developer with 21 projects in development, and Terrain Solar is a solar project developer with 6 projects in development. Completion of the acquisition is anticipated in calendar year 2024 subject to fulfillment of conditions.

Apart from the matters identified above and in the financial statements or notes thereto, there has not been any other matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of AGL, the results of those operations, or the state of affairs of AGL in future financial periods.

10.9 Non-IFRS Financial Information

The Operating & Financial Review attached to and forming part of this Directors' Report includes a number of non-International Financial Reporting Standards (IFRS) financial measures. AGL management uses these non-IFRS financial measures to assess the performance of the business and make decisions on the allocation of resources.

Other Required Disclosures

For the year ended 30 June 2024

Principal among these non-IFRS financial measures is Underlying Profit. This measure is Statutory Profit/(Loss) adjusted for:

- significant items (which are material items of revenue or expense that are unrelated to the underlying performance of the business); and
- changes in the fair value of financial instruments recognised in the statement of profit or loss (to remove the volatility caused by mismatches in valuing financial instruments and the underlying asset differently).

AGL believes that Underlying Profit provides a better understanding of its financial performance than Statutory Profit/(Loss) and allows for a more relevant comparison of financial performance between financial periods.

Underlying Profit is presented with reference to ASIC Regulatory Guide 230 "Disclosing non-IFRS financial information", issued in December 2011. AGL's policy for reporting Underlying Profit is consistent with this guidance. The Directors have had the consistency of the application of the policy reviewed by the external auditor of AGL.

10.10 Corporate governance

A copy of AGL's Corporate Governance Statement can be found on the AGL website at agl.com.au/CorporateGovernance.

10.11 Environmental regulation

AGL's businesses are subject to a range of environmental laws and regulations as well as project and site-specific environmental permits and approvals issued at both the federal and state government levels.

On 26 September 2023, the EPA Victoria issued AGL Loy Yang Pty Ltd with an Improvement Notice, following an event on 11 August 2023when a fire service water pipeline leak below the Raw Coal Bunker resulted in water flowing into the Sheepwash Creek catchment area and discharging beyond the premises boundary. The Improvement Notice was revoked by the EPA on 20 December 2023 as compliance had been achieved.

On 16 May 2024, the Qld Department of Environment and Science (DES) issued AGL Gas Storage Pty Ltd with an Environment Protection Order (EPO) in relation to the relinquishment of the Environmental Authority (EA) EPSX02393214. AGL allegedly failed to surrender an EA for two previously relinquished leases (ATP471 & 709) despite continued and sustained efforts by AGL and DES to arrive at a successful resolution. DES has advised that there is no mechanism under the Environmental Protection Act (1994) to formally extend the surrender timeframe and therefore an EPO was deemed necessary.

Approval of Directors' Report

This Directors' Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board this 14th day of August 2024.

P. McKenzie

Patricia McKenzie
Chair

14 August 2024

Financial Report

Consolidated Statement of Profit or Loss

For the year ended 30 June 2024

	Note	2024 $m	2023 $m
Continuing operations			
Revenue	2	**13,583**	14,157
Other income	3	**46**	24
Expenses	4	**(11,583)**	(14,977)
Share of profits/(losses) of associates and joint ventures	14	**14**	(57)
Profit/(loss) before net financing costs, depreciation and amortisation		**2,060**	(853)
Depreciation and amortisation	5	**(747)**	(728)
Profit/(loss) before net financing costs		**1,313**	(1,581)
Finance income	6	**13**	10
Finance costs	6	**(325)**	(268)
Net financing costs		**(312)**	(258)
Profit/(loss) before tax		**1,001**	(1,839)
Income tax (expense)/benefit	7	**(298)**	569
Profit/(loss) for the year including non-controlling interests from continuing operations		**703**	(1,270)
Loss attributable to non-controlling interest		**8**	6
Profit/(loss) for the year attributable to AGL shareholders		**711**	(1,264)
Earnings per share			
Basic earnings per share	23	**105.7 cents**	(187.9 cents)
Diluted earnings per share	23	**105.4 cents**	(187.9 cents)

The Consolidated Statement of Profit or Loss should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $m	2023 $m
Profit/(loss) for the year attributable to AGL shareholders		**711**	(1,264)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement (loss)/gain on defined benefit plans	31	**(12)**	7
Fair value gain on the revaluation of equity instrument financial assets		**7**	2
Income tax relating to items that will not be reclassified subsequently	7	**2**	(2)
		(3)	7
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges			
Gain in fair value of cash flow hedges		**11**	23
Reclassification adjustments transferred to profit or loss		**(48)**	(24)
Share of gain/(loss) attributable to joint ventures		**5**	(22)
Cost of hedging subject to basis adjustment		**(3)**	(1)
Income tax relating to items that may be reclassified subsequently	7	**11**	7
		(24)	(17)
Other comprehensive loss for the year, net of income tax		**(27)**	(10)
Total comprehensive income/(loss) for the year attributable to AGL shareholders		**684**	(1,274)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 $m	2023 $m
Current assets			
Cash and cash equivalents	34	**932**	148
Trade and other receivables	9	**2,204**	1,840
Inventories	10	**323**	346
Current tax assets	7	**-**	13
Other financial assets	11	**988**	1,731
Other assets	12	**330**	312
Assets classified as held for sale	13	**83**	185
Total current assets		**4,860**	4,575
Non-current assets			
Trade and other receivables	9	**67**	21
Other financial assets	11	**653**	638
Investments in associates and joint ventures	14	**404**	397
Property, plant and equipment	15	**5,717**	5,418
Intangible assets	16	**3,100**	3,182
Deferred tax assets	7	**780**	926
Other assets	12	**80**	81
Total non-current assets		**10,801**	10,663
Total assets		**15,661**	15,238
Current liabilities			
Trade and other payables	17	**2,101**	1,827
Borrowings	18	**35**	47
Provisions	19	**466**	366
Current tax liabilities	7	**167**	-
Other financial liabilities	20	**1,257**	1,667
Other liabilities	21	**448**	60
Liabilities classified as held for sale	13	**83**	220
Total current liabilities		**4,557**	4,187
Non-current liabilities			
Borrowings	18	**2,693**	2,836
Provisions	19	**2,231**	2,098
Deferred tax liabilities	7	**-**	10
Other financial liabilities	20	**559**	848
Other liabilities	21	**190**	140
Total non-current liabilities		**5,673**	5,932
Total liabilities		**10,230**	10,119
Net assets		**5,431**	5,119
Equity			
Issued capital	22	**5,918**	5,918
Reserves		**19**	82
Accumulated losses		**(506)**	(879)
Non-controlling interest		**-**	(2)
Total equity		**5,431**	5,119

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Attributable to AGL shareholders								
	Issued capital $m	Investment revaluation reserve $m	Employee equity benefits reserve $m	Hedge reserve $m	Other reserve $m	Retained earnings / (Accumulated losses) $m	Equity $m	Non-controlling Interests $m	Total equity $m
Balance at the beginning of the financial year	5,918	19	(1)	61	3	(879)	5,121	(2)	5,119
Profit/(loss) for the period	-	-	-	-	-	711	711	(8)	703
Other comprehensive income/(loss) for the year, net of income tax	-	6	-	(22)	(3)	(8)	(27)	-	(27)
Total comprehensive income/ (loss) for the year	-	6	-	(22)	(3)	703	684	(8)	676
Transactions with owners in their capacity as owners:									
Payment of dividends	-	-	-	-	-	(330)	(330)	-	(330)
Share-based payments	-	-	4	-	-	-	4	-	4
Acquisition of non-controlling interests	-	-	-	-	(48)	-	(48)	5	(43)
Capital contributed by non-controlling interests	-	-	-	-	-	-	-	5	5
Balance at 30 June 2024	5,918	25	3	39	(48)	(506)	5,431	-	5,431
Balance at 1 July 2022	5,918	17	(1)	77	4	501	6,516	1	6,517
(Loss)/profit for the period	-	-	-	-	-	(1,264)	(1,264)	(6)	(1,270)
Other comprehensive (loss)/income for the year, net of income tax	-	2	-	(16)	(1)	5	(10)	-	(10)
Total comprehensive loss for the year	-	2	-	(16)	(1)	(1,259)	(1,274)	(6)	(1,280)
Transactions with owners in their capacity as owners:									
Payment of dividends	-	-	-	-	-	(121)	(121)	-	(121)
Capital contributed by non-controlling interests	-	-	-	-	-	-	-	3	3
Balance at 30 June 2023	5,918	19	(1)	61	3	(879)	5,121	(2)	5,119

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 $m	2023 $m
Cash flows from operating activities			
Receipts from customers		**14,641**	16,475
Payments to suppliers and employees		**(12,284)**	(15,476)
Dividends received		**26**	17
Finance income received		**12**	10
Finance costs paid		**(151)**	(115)
Income taxes (paid)/refund		**(4)**	1
Net cash provided by operating activities	34(b)	**2,240**	912
Cash flows from investing activities			
Payments for property, plant and equipment and other assets		**(838)**	(624)
Payments for investments in associates and joint ventures		**(14)**	(67)
Payments for equity instrument financial assets		**(3)**	(1)
Payment for acquisition of non-controlling interest		**(4)**	-
Proceeds from subsidiaries and businesses		**-**	5
Payments on disposal of subsidiaries		**(17)**	-
Loans to joint ventures		**(10)**	(4)
Payments of deferred consideration		**(39)**	(38)
Loans to equity instrument investments		**(1)**	-
Net cash used in investing activities		**(926)**	(729)
Cash flows from financing activities			
Purchase of shares on-market for equity based remuneration		**(3)**	(2)
Proceeds from borrowings		**1,681**	3,338
Repayment of borrowings		**(1,883)**	(3,377)
Dividends paid	8	**(330)**	(121)
Capital contributed by non-controlling interests		**5**	3
Net cash used in financing activities		**(530)**	(159)
Net increase in cash and cash equivalents		**784**	24
Cash and cash equivalents at the beginning of the financial period		**148**	127
Effect of exchange rate changes on the balance of cash held in foreign currencies		**-**	(3)
Cash and cash equivalents at the end of the financial period	34(a)	**932**	148

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1. Segment information

Operating Segments

AGL manages its business in three key operating segments:

Segments

- **Customer Markets** comprises the Consumer and Business customer portfolios responsible for the retailing of electricity, gas, broadband/mobile/voice, solar and energy efficiency products and services to residential, small and large business customers. Customer Markets sources its energy from Integrated Energy at transfer prices that reflect wholesale energy costs in each state, along with other energy costs such as those arising from environmental schemes. Customer Markets also includes sales, marketing, brand, and AGL's customer contact and call centre operations.
- **Integrated Energy** operates AGL's power generation portfolio and other key assets, including coal, gas and renewable generation facilities, natural gas storage and production facilities, and development projects. Integrated Energy runs a large trading operation to manage price risk associated with procuring electricity and gas for AGL's customers, manages AGL's obligations in relation to renewable energy schemes, and controls the dispatch of AGL's owned and contracted generation assets, gas offtake agreements and associated portfolio of energy hedging products.
- **Investments** comprises AGL's interests in the ActewAGL Retail Partnership, Tilt Renewables, Energy Impact Partners Europe, Ovo Energy Australia Pty Ltd and other investments.

In the segment financial results, the 'Other' category consists of various Corporate activities. These are not considered to be reportable segments.

Segment financial results

The measurement of segment results is in line with the basis of information presented to the Board of Directors for internal management reporting purposes. The performance of each segment is measured based on their Underlying earnings before interest and tax (Underlying EBIT) contribution to AGL. Certain items of income and expense are excluded from the segment results to show a measure of underlying performance. These items include changes in fair value of financial instruments and significant items.

AASB 8 *Operating Segments* requires AGL to report segment information on the same basis as the internal management structure. As a result, the Customer Markets segment reports the revenue and margin associated with satisfying the gas, electricity and telecommunication requirements of AGL consumer and business customer portfolio and Integrated Energy reports the revenue, expenses and margin related to AGL's operating sites and AGL's wholesale energy portfolio.

1. Segment information (Continued)

2024 $m	Customer Markets	Integrated Energy	Investments	Other	Total
Revenue					
Total segment revenue	**9,319**	**8,407**	**93**	**-**	**17,819**
Inter-segment revenue	**(9)**	**(4,227)**	**-**	**-**	**(4,236)**
External revenue	**9,310**	**4,180**	**93**	**-**	**13,583**
Underlying earnings before interest, tax, depreciation and amortisation (Underlying EBITDA)	**384**	**2,177**	**(25)**	**(320)**	**2,216**
Depreciation and amortisation	**(117)**	**(559)**	**-**	**(71)**	**(747)**
Underlying EBIT	**267**	**1,618**	**(25)**	**(391)**	**1,469**
Net financing costs					**(312)**
Underlying profit before tax					**1,157**
Underlying income tax expense					**(353)**
Underlying profit after tax					**804**
Non-controlling interests					**8**
Underlying profit after tax (attributable to AGL shareholders)[1]					**812**
Segment assets	**2,991**	**8,693**	**447**	**203**	**12,334**
Segment liabilities	**1,201**	**4,068**	**40**	**210**	**5,519**
Other segment information					
Share of profits of associates and joint ventures	**-**	**-**	**14**	**-**	**14**
Investments in associates and joint ventures	**-**	**5**	**399**	**-**	**404**
Additions to non-current assets	**142**	**684**	**-**	**70**	**896**
Other non-cash expenses	**(126)**	**-**	**-**	**(28)**	**(154)**

[1] Underlying Profit is derived from Statutory Profit, as measured in accordance with Australian Accounting Standards, and excluding significant items and movements in the fair value of financial instruments. The use of Underlying Profit enhances comparability of results by excluding non-recurring events and transactions that materially affect the financial results of AGL for the reporting period.

1. Segment information (Continued)

2023 $m	Customer Markets	Integrated Energy	Investments	Other	Total
Revenue					
Total segment revenue	8,279	9,317	33	-	17,629
Inter-segment revenue	(27)	(3,445)	-	-	(3,472)
External revenue	8,252	5,872	33	-	14,157
Underlying earnings before interest, tax, depreciation and amortisation (Underlying EBITDA)	371	1,284	(8)	(286)	1,361
Depreciation and amortisation	(123)	(531)	-	(74)	(728)
Underlying EBIT	248	753	(8)	(360)	633
Net financing costs					(258)
Underlying profit before tax					375
Underlying income tax expense					(100)
Underlying profit after tax					275
Non-controlling interests					6
Underlying profit after tax (attributable to AGL shareholders)					281
Segment assets	2,865	8,307	418	207	11,797
Segment liabilities	772	3,749	17	173	4,711
Other segment information					
Share of losses of associates and joint ventures	-	-	(57)	-	(57)
Investments in associates and joint ventures	-	4	393	-	397
Additions to non-current assets	108	603	-	26	738
Other non-cash expenses	(100)	-	-	(21)	(121)

Segment revenue reconciliation to the Consolidated Statement of Profit or Loss

Reconciliation of segment revenue to total revenue from continuing operations is as follows:

	2024 $m	2023 $m
Segment revenue for reportable segments	**17,819**	17,629
Elimination of inter-segment revenue	**(4,236)**	(3,472)
Revenue for reportable segments	**13,583**	14,157
Total revenue	**13,583**	14,157

1. Segment information (Continued)

Revenue from major products and services

The following is an analysis of AGL's reportable segment revenue from continuing operations from its major products and services:

	2024 $m	2023 $m[1]
Electricity	**7,257**	6,116
Generation sales to pool	**3,035**	4,631
Gas	**2,353**	2,502
Telecommunication Services	**157**	114
EPC[2]	**66**	110
Other services	**254**	304
Other revenue	**461**	380
Total revenue	**13,583**	14,157

1. The comparative revenue streams have been restated for further disaggregation of Other revenue and Other services.
2. Revenue relating to Engineering, Procurement and Construction services

Segment Underlying EBIT reconciliation to the Consolidated Statement of Profit or Loss

Reconciliation of segment Underlying EBIT to profit before tax for continuing operations is as follows:

	2024 $m	2023 $m
Underlying EBIT for reportable segments	**1,860**	993
Other	**(391)**	(360)
	1,469	633
Amounts excluded from underlying results:		
- loss in fair value of financial instruments	**(53)**	(1,271)
- significant items	**(103)**	(943)
Finance income	**13**	10
Finance costs	**(325)**	(268)
Profit/(loss) before tax	**1,001**	(1,839)

Segment assets reconciliation to the Consolidated Statement of Financial Position

Reconciliation of segment assets to total assets is as follows:

	2024 $m	2023 $m
Segment assets for reportable segments	**12,131**	11,590
Other	**203**	207
	12,334	11,797
Cash and cash equivalents	**932**	148
Current tax assets	**-**	13
Deferred tax assets	**780**	926
Derivative financial instruments	**1,573**	2,346
Futures deposits and margin calls	**37**	-
Other	**5**	8
Total assets	**15,661**	15,238

1. Segment information (Continued)

Segment liabilities reconciliation to the Consolidated Statement of Financial Position

Reconciliation of segment liabilities to total liabilities is as follows:

	2024 $m	2023 $m
Segment liabilities for reportable segments	**5,309**	4,538
Other	**210**	173
	5,519	4,711
Borrowings	**2,728**	2,883
Current tax liabilities	**167**	-
Deferred tax liabilities	**-**	10
Derivative financial instruments	**1,715**	2,388
Deferred consideration	**101**	127
Total liabilities	**10,230**	10,119

Geographical information

AGL principally operates in one geographical area being Australia. All non-current assets and total external revenue from customers is attributed to Australia.

Information about major customers

No single customer amounts to 10 percent or more of AGL's total external revenue (2023: none).

2. Revenue

2024	Consumer $m	Business $m	Wholesale $m	Other $m	Total $m
Electricity	**5,498**	**1,475**	**284**	**-**	**7,257**
Generation sales to pool	**-**	**-**	**3,035**	**-**	**3,035**
Gas	**1,808**	**116**	**422**	**7**	**2,353**
Telecommunication Services	**157**	**-**	**-**	**-**	**157**
EPC[1]	**-**	**66**	**-**	**-**	**66**
Other services	**54**	**32**	**107**	**61**	**254**
Other revenue	**2**	**70**	**290**	**99**	**461**
Total revenue	**7,519**	**1,759**	**4,138**	**167**	**13,583**

1. Revenue relating to Engineering, Procurement and Construction services.

2023[1]	Consumer $m	Business $m	Wholesale $m	Other $m	Total $m
Electricity	4,462	1,417	237	-	6,116
Generation sales to pool	1	-	4,630	-	4,631
Gas	1,736	143	596	27	2,502
Telecommunication Services	114	-	-	-	114
EPC	-	110	-	-	110
Other services	55	49	141	59	304
Other revenue	2	90	202	86	380
Total revenue	6,370	1,809	5,806	172	14,157

1. The comparative revenue streams have been restated for further disaggregation of Other revenue and Other services.

2. Revenue (Continued)

MATERIAL ACCOUNTING POLICY

Revenue from contracts with customers

AGL's primary revenue streams relate to the retail sale of electricity and gas to residential (consumer) and business customers in Australia, the sale of electricity and gas to wholesale customers in Australia and the sale of generated electricity to the National Electricity Market (NEM) in Australia. Revenue from contracts with customers is recognised when control of the goods or services is transferred to a customer at an amount that reflects the consideration to which AGL expects to be entitled to receive in exchange for those goods or services.

The majority of contractual energy supply arrangements with customers have no fixed duration, generally require no minimum consumption by the customer and are able to be terminated by either party at any time without incurring significant penalty. Given this, the enforceable contracts are considered short term (less than 12 months) in nature. There are some longer term contracts particularly those with business and wholesale customers.

AGL has generally concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

AGL's primary performance obligations are the supply of energy (electricity or gas) over the contractual term. There are either individual contracts representing separate purchasing decisions of customers, or the units of supply of energy represent a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer and hence is considered one performance obligation satisfied over time. For the shorter term contracts, the performance obligations are considered to be satisfied, and revenue is recognised, as and when the units of energy are delivered. Additionally, in relation to AGL's longer term contracts, AGL determines that the right-to-invoice approach to measure the progress towards completion of the performance obligation is most appropriate as it represents AGL's performance. AGL uses the units of energy delivered to the customer as estimated as part of the unbilled process (and later verified by meter readings) or as indicated by the customer's energy meter (where these are known more frequently).

In most instances, the transaction price is determined by the relevant customer pricing plan. For some wholesale contracts, AGL also considers the effects of variable consideration and for some business sales, there is non-cash consideration and consideration payable to the customer relating to renewable energy certificates (RECs).

Electricity and Gas revenue

Consumer electricity and gas sales

Consumer energy sales relate to the sale of energy (electricity and gas) to retail customers. Consumer sales are classified as individual, short term, day-by-day contracts and are recognised as revenue on a day-by-day basis upon delivery of energy to customers.

Where the customers are eligible to receive additional discounts (e.g. pay on time discounts to encourage timely payment of energy invoices), AGL considers this to be variable consideration, which is estimated as part of the unbilled process.

Portfolio approach for consumer electricity and gas sales

AGL recognises revenue from contracts with its consumers at the electricity and gas portfolio levels. Furthermore, AGL has elected to apply the portfolio approach in accounting for the fair valuing of RECs, accounting for connection fees and sales commissions. Recognition at the portfolio level does not differ materially from applying the standard on a contract-by-contract basis.

Business electricity and gas sales

Business sales represent the sale of energy to business customers. Revenue recognition is largely consistent with consumer sales. These contracts are longer term in nature and represent a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer and are treated as one performance obligation satisfied over time based on the output delivered to the customer. For a large majority of business sales customers, revenue is recognised when AGL has the 'right to invoice' the customer for consideration that has been determined to correspond directly with the value of units of energy delivered to that customer.

Some business sales arrangements also include the transfer of RECs to the customer, which can, in some instances, represent a separate performance obligation.

Material right applicable to residential and business sales

Where a fixed fee (e.g. connection fee, distribution fee, capacity reservation charge, etc.) received from a customer does not represent a transfer of a good or service to a customer, but the customer is charged an upfront amount, the customer contract contains a material right in that the customer is effectively able to buy additional units of energy at a lower cost per unit.

The material right is valued based on its relative standalone selling price. If standalone selling prices are not directly observable, the price is estimated by taking into consideration the discount the customer would receive in a standalone transaction and the likelihood that the customer would exercise the option.

Revenue from a material right is recognised as and when the right is exercised by the customer or the right expires, whichever is earlier.

2. Revenue (Continued)

MATERIAL ACCOUNTING POLICY

Wholesale energy sales
Wholesale energy sales represent the sale of electricity and gas to wholesale customers. These involve a high volume of energy usually over an extended period of time. Supply of energy represents a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer and is the major performance obligation. It is treated as one performance obligation which is satisfied over time. In some instances, there is an additional performance obligation in these contracts by way of a material right.

Revenue is recognised for these arrangements when AGL has the 'right to invoice' the customer for consideration that has been determined to correspond directly with the value of units of energy delivered to that customer.

Some wholesale electricity arrangements may involve the transfer of RECs to the customer, which may represent a separate performance obligation.

Renewable energy certificates (RECs) applicable to business and wholesale sales
There are two main instances where RECs pass between AGL and its customers. These include those transferred under a self-surrender arrangement as part of the consideration for energy and those that are sold to customers.

Received from customer (self-surrender)
As a retailer, AGL incurs costs in relation to its renewable energy obligations for which RECs must be surrendered to the government. For most customers, the costs associated with meeting these renewable energy obligations is factored into the cost of energy (i.e. there is a REC cost component built into the price paid). For some customers, instead of paying for the cost of the energy in cash, they have the option to elect to pay for their energy usage in the form of cash and by self-surrendering RECs.

The obligation to remit RECs to the regulator remains with AGL, but the customer is choosing to meet part of its payment by way of surrendering its own RECs rather than paying for the cost of the RECs as part of the overall cost of the energy.

The transfer of RECs as consideration in exchange for energy is a form of non-cash consideration. AGL measures non-cash consideration at its fair value at the date of surrender (i.e. the date of transfer by the customer).

Transferred to the customer
For some customer contracts, AGL sells both energy and RECs to the customer. A customer may purchase RECs to meet its own REC obligations and/or where it wants actual title to the RECs.

The RECs sold to a customer represent a separate performance obligation, i.e. a good, as the customer can benefit from the RECs on their own and the promise to transfer RECs to the customer is separately identifiable from the other promises in the contract (e.g. promise to deliver energy).

AGL determines the portion of the transaction price that it allocates to the RECs using the relative standalone selling price method.

The transaction price is allocated to each performance obligation based on the proportion of the stand-alone selling price of each performance obligation to the sum of the stand-alone selling prices of all of the performance obligations in the contract.

Revenue is recognised as and when the control of the RECs are transferred to the customer, which occurs at a point in time. Where the customer is entitled to all the RECs generated at a specified power plant (e.g. in cases where power plants are located at the customer's site), transfer of control to the customer occurs as and when the RECs are generated. In other cases where the RECs are transferred to the customer from inventory, control of the RECs transfers upon receipt by the customer.

Pool revenue

Generation Sales to Pool
Pool generation sales and pool purchase costs relate to sales by AGL's generation assets to the NEM and purchases of energy on behalf of AGL's retail business. AGL has assessed it is acting as the principal in relation to such sales and purchases of energy to the pool and therefore the transactions are recognised on a 'gross' basis. Revenue from these arrangements is recognised at the spot price achieved when control of the energy passes to the NEM.

Variable consideration
If the consideration in a contract includes a variable amount, AGL estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Significant financing component
AGL applies the practical expedient in that it does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

2. Revenue (Continued)

MATERIAL ACCOUNTING POLICY

Costs to obtain a contract
Costs that are incurred regardless of whether a contract is obtained are expensed as incurred, unless those costs are explicitly chargeable to the customer. Discretionary bonuses paid to sales staff based on meeting annual sales targets, overall profitability and individual performance evaluations are expensed as incurred as they are not directly attributable to identifiable contracts and do not meet the criteria for capitalisation.

Costs to fulfil
The costs incurred by AGL to fulfil a contract with a customer, which may qualify for capitalisation include connection fees paid/incurred by AGL (including those charged by distribution businesses to provide such network services, or those incurred directly by AGL in connecting a customer). These costs do not fall within the scope of any other standard (i.e. the cost is not part of inventory, an intangible asset or property, plant and equipment). Therefore, these costs are capitalised as a contract cost (cost to fulfil) asset and amortised over the life of the customer contract or customer relationship, where material.

Cost sharing arrangements
AGL enters into cost sharing arrangements whereby the costs to operate and maintain assets that are shared with parties outside the AGL Group are recharged to the parties in accordance with their beneficial interest. These recharged amounts are recognised as revenue when the associated costs to which they relate impact the statement of profit or loss. Revenue is measured with reference to the fair value of the consideration received.

Government grants
Government grants are recognised when there is reasonable assurance that AGL will comply with the conditions of the grant and the grant will be received.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Variable consideration and constraints
AGL includes variable consideration in the transaction price as estimated at the inception of a contract. However, if it is considered 'highly probable' that a significant reversal of revenue recognised will occur in the future, the variable consideration is constrained and not included in the transaction price.

AGL's contractual arrangements contain a number of variable pricing elements including pay-on-time discounts, payment plans, and escalations. Some of these variable elements are resolved during the reporting period. Where they are not, management estimates the likelihood of the variable pricing element eventuating and recognises the variable pricing element to the extent it is not highly probable that it will reverse.

Revenue recognition
AGL recognises revenue from gas and electricity services once the gas and/or electricity has been consumed by the customer. Management estimates customer consumption between the last invoice date and the end of the reporting period when determining gas and electricity revenue for the financial period. Various assumptions and financial models are used to determine the estimated unbilled consumption. Refer to Note 9 for the key assumptions used in determining the estimated unbilled consumption.

3. Other income

	2024 $m	2023 $m
Sale of land	**-**	7
Sale of Wellington North Solar Development Rights[1]	**-**	17
Sale of Moranbah Gas Project[2]	**46**	-
Total other income	**46**	24

[1] Revenue related to deferred consideration received from the FY21 Wellington North Solar Farm sale due to a contractual milestone being met in 2023.

[2] AGL completed the disposal of Moranbah Gas Project in August 2023, resulting in a net gain on disposal of $46 million. Moranbah Gas Project consisted of upstream gas assets and liabilities relating to Moranbah and North Queensland Energy joint operations. Moranbah Gas Project sat within the Integrated Energy segment.

4. Expenses

	2024 $m	2023 $m
Cost of sales	**9,585**	11,262
Administrative expenses	**280**	245
Employee benefits expenses	**707**	650
Other expenses		
Revaluation of onerous contract provision[1]	**(1)**	(2)
Movement in environmental rehabilitation provision[2]	**19**	(47)
Impairment losses on assets held for sale[3]	**48**	-
Impairment losses on property plant & equipment[4]	**7**	991
Impairment losses on intangible assets[5]	**43**	-
Impairment losses on inventories	**-**	32
Reversal of impairment on property plant & equipment[4]	**(1)**	(51)
Retail transformation costs	**39**	-
Restructuring and integration costs	**-**	30
Separation and re-integration costs	**-**	14
Loss on fair value of financial instruments	**55**	1,146
Contracts and materials	**282**	282
Impairment loss on trade receivables (net of bad debts recovered)	**126**	100
Marketing expenses	**64**	49
Short term lease and outgoings expenses	**40**	34
Net loss/(gain) on disposal of property, plant and equipment	**9**	(1)
Other	**281**	243
Total expenses	**11,583**	14,977

1. Refer to Note 19.
2. Movement in environmental rehabilitation provision relates to changes in estimate recognised through the consolidated statement of profit or loss due to the associated rehabilitation asset being previously impaired. Refer to Note 19.
3. Impairment losses on assets held for sale relate to the Surat Gas Project. Surat Gas Project consists of upstream gas assets and liabilities located at Silver Springs and Wallumbilla. The sales process is ongoing and an impairment of $48 million was recognised during the year to reflect the expected consideration. Surat Gas Project is included in the Integrated Energy operating segment. Refer to Note 13.
4. Refer to Note 15.
5. Refer to Note 16.

5. Depreciation and amortisation

	2024 $m	2023 $m
Property, plant and equipment	**550**	525
Intangible assets	**197**	203
Total depreciation and amortisation	**747**	728

6. Net financing costs

	2024 $m	2023 $m
Finance income		
Interest income	**13**	10
Total financing income	**13**	10
Finance costs		
Interest expense[1]	**119**	100
Lease interest expense	**16**	14
Unwinding of discounts on provisions[2]	**163**	132
Unwinding of discount on deferred consideration	**14**	16
Other finance costs	**13**	6
Total financing costs	**325**	268
Net financing costs	**312**	258

1. Interest expense for the year ended 30 June 2024 is presented net of capitalised interest of $11 million (2023: $8 million).
2. Refer to Note 19.

The weighted average capitalisation rate on funds borrowed for finance costs capitalised is 5.66% (2023: 3.87%).

7. Income tax

Income tax recognised in the Consolidated Statement of Profit or Loss

The major components of income tax expense are:

	2024 $m	2023 $m
Current tax		
Current tax expense/(benefit) in respect of the current year	**150**	(3)
Deferred tax		
Relating to the origination and reversal of temporary differences	**148**	(566)
Total income tax expense/(benefit)	**298**	(569)

Numerical reconciliation between tax expense and pre-tax accounting profit

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

	2024 $m	2023 $m
Profit/(loss) before tax	**1,001**	(1,839)
Income tax expense/(benefit) calculated at the Australian tax rate of 30% (2023: 30%)	**300**	(552)
Non-deductible expenses	**1**	-
Recognition of previously derecognised capital losses	**-**	(5)
Adjustments in relation to current tax of prior years	**1**	(10)
Other	**(4)**	(2)
Total income tax expense/(benefit)	**298**	(569)

7. Income tax (Continued)

Income tax recognised in other comprehensive income

	2024 $m	2023 $m
Deferred tax		
Cash flow hedges	**(11)**	(7)
Remeasurement (loss)/gain on defined benefit plans	**(4)**	2
Fair value gain on the revaluation of equity instrument financial assets	**2**	-
Total income tax recognised in other comprehensive income	**(13)**	(5)

Deferred income tax recognised in the Consolidated Statement of Profit or Loss

	2024 $m	2023 $m
Temporary differences		
Tax losses	**86**	30
Provisions, payables and accruals	**(69)**	(58)
Allowance for expected credit losses	**(1)**	-
Defined benefit superannuation plans	**5**	1
Borrowings	**(5)**	(15)
Derivative financial instruments	**(16)**	(389)
Property, plant and equipment and intangible assets	**149**	(93)
Other	**(1)**	(42)
Total deferred income tax recognised in profit or loss	**148**	(566)

Current tax balances

	2024 $m	2023 $m
Current tax assets		
Income tax refund receivable	**-**	13
Current tax liabilities		
Income tax payable	**167**	-

7. Income tax (Continued)

Deferred tax balances

	2024 $m	2023 $m
Deferred tax assets/(liabilities) arise from the following:		
Tax losses	**240**	327
Provisions, payables and accruals	**820**	751
Allowance for expected credit losses	**55**	54
Defined benefit superannuation plans	**(9)**	(8)
Borrowings	**53**	48
Derivative financial instruments	**118**	91
Property, plant and equipment and intangible assets	**(563)**	(416)
Other	**66**	69
Net deferred tax assets/(liabilities)	**780**	916

Recognised in the Consolidated Statement of Financial Position as follows:		
Deferred tax assets	**780**	926
Deferred tax liabilities	**-**	(10)
Net deferred tax assets	**780**	916

Deferred tax assets of $22 million (2023: $28 million) remain unrecognised.

AGL has adopted the voluntary Tax Transparency Code as endorsed by the Board of Taxation and the Australian Taxation Office.

MATERIAL ACCOUNTING POLICY

Income tax

Tax consolidation

AGL Energy Limited (the Parent Entity) and its wholly-owned Australian resident subsidiaries formed a tax-consolidated group pursuant to Australian taxation law with effect from 25 October 2006 and are therefore taxed as a single entity from that date. AGL Energy Limited is the head entity in the tax-consolidated group.

On 23 July 2012, AGL Generation Holdco Pty Ltd, a subsidiary 99.99% owned by AGL Energy Limited, and AGL Generation Pty Ltd elected to form a tax-consolidated group with Loy Yang Marketing Holdings Pty Limited and its wholly-owned subsidiary, in addition to the existing group. On 27 July 2012, Great Energy Alliance Corporation Pty Limited (GEAC) and its wholly-owned subsidiaries joined the new tax-consolidated group. AGL Generation Holdco Pty Ltd is the head entity in the new tax-consolidated group.

Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'standalone taxpayer' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the tax-consolidated group are recognised by the head entity in each tax consolidated group.

The members of each of the tax-consolidated group have entered into a tax sharing and tax funding agreement. The tax funding agreement requires payments to/from the head entity equal to the current tax liability/asset assumed by the head entity and any tax loss deferred tax asset assumed by the head entity. The payments are recorded as intercompany receivables/payables.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Deferred tax assets relating to tax losses

AGL recognises a deferred tax asset relating to tax losses. The recoverability of this deferred tax asset is dependent on the generation of sufficient taxable income, to utilise those tax losses. Management judgements and estimates are required in the assessment of this recoverability, including forecasting sufficient future taxable income.

8. Dividends

Recognised amounts

	2024 $m	2023 $m
Final dividend		
Final dividend for 2023 of 23.0 cents per share, unfranked, paid 22 September 2023 (2023: Final dividend for 2022 of 10.0 cents per share, unfranked, paid 27 September 2022).	**155**	67
Interim dividend		
Interim dividend for 2024 of 26.0 cents per share, unfranked, paid 22 March 2024 (2023: Interim dividend for 2023 of 8.0 cents per share, unfranked, paid 24 March 2023).	**175**	54
Dividends paid as per the Consolidated Statement of Cash Flows	**330**	121

Unrecognised amounts

Since the end of the financial year, the Directors have declared a final dividend for 2024 of 35.0 cents per share, unfranked, payable 24 September 2024 (2023: 23.0 cents per share, unfranked, paid 22 September 2023).	**235**	155

Dividend franking account

	2024 $m	2023 $m
Adjusted franking account balance	**140**	(32)

MATERIAL ACCOUNTING POLICY

Dividends represent a distribution of profits that holders of ordinary shares receive from time to time. Dividends are not accrued as a liability until a dividend declaration is made by the Board of Directors. The liability is reduced when the dividend is paid. The Board of Directors takes into consideration factors including AGL's relative capital strength and the existing dividend payout ratio guidelines in determining the amount of dividends to be paid.

9. Trade and other receivables

	2024 $m	2023 $m
Current		
Trade receivables	**1,491**	1,159
Unbilled revenue	**869**	832
Allowance for expected credit loss	**(185)**	(183)
	2,175	1,808
Other receivables	**29**	32
Total current trade and other receivables	**2,204**	1,840
Non-current		
Other receivables	**53**	17
Loans to Joint Ventures	**14**	4
Total non-current trade and other receivables	**67**	21
Allowance for expected credit loss		
Balance as at 1 July	**183**	183
Impairment losses recognised on receivables	**217**	133
Amounts written off as uncollectible	**(215)**	(133)
Balance at end of the financial year	**185**	183

The allowance for expected credit loss associated with unbilled revenue and the ageing of trade receivables at the reporting date is detailed below:

	2024		2023	
	Total $m	Allowance $m	Total $m	Allowance $m
Unbilled revenue	**869**	**(40)**	832	(45)
Not past due	**1,134**	**(11)**	854	(11)
Past due 0 – 30 days	**105**	**(13)**	84	(13)
Past due 31 – 60 days	**42**	**(14)**	43	(13)
Past due 61 – 90 days	**38**	**(14)**	25	(8)
Past 90 days	**172**	**(93)**	153	(93)
Total	**2,360**	**(185)**	1,991	(183)

MATERIAL ACCOUNTING POLICY

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are recognised at amortised cost, less an allowance for expected credit loss. AGL's policy requires customers to pay in accordance with agreed payment terms. Depending on the customer segment, trade receivables are generally due for settlement within 30 days.

AGL assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income (FVOCI). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, unbilled revenue, and other receivables, AGL applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Unbilled revenue

Unbilled revenue represents estimated gas and electricity services supplied to customers but unbilled at the end of the reporting period. Unbilled gas and electricity revenue is not collectible until such time as customers' meters are read and bills rendered.

9. Trade and other receivables (Continued)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Expected credit loss on trade receivables and unbilled revenue

AGL uses an allowance matrix to measure expected credit losses of trade receivables and unbilled revenue from its customers. Trade receivable amounts are disaggregated into customer segments.

Loss rates are estimated in each age category and are based on the probability of a receivable progressing through to write-off. Factors to estimate the loss rate are based on risk assessment performed for each customer segment and economic factors such as wholesale electricity forward curves, commodity fuel forward curves and prevailing macro-economic information.

Unbilled revenue

AGL recognises revenue from gas and electricity sales once the gas and/or electricity has been consumed by the customer. Management estimates customer consumption between the last invoice date and the end of the reporting period when determining gas and electricity revenue for the financial period. Various assumptions and financial models are used to determine the estimated unbilled consumption.

Key accounting assumptions and estimates include:

- Volume and timing of energy consumed by the customers
- Various pricing plans prevalent and allocation of the estimated volume to such pricing plans
- Loss factors
- Behavioural discounts.

10. Inventories

	2024 $m	2023 $m
Current		
Raw materials and stores - at cost	**271**	276
Finished goods - at cost	**52**	70
Total current inventories	**323**	346

MATERIAL ACCOUNTING POLICY

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out or weighted average basis. Net realisable value represents the estimated selling price for inventories less the estimated costs necessary to sell the inventory.

11. Other financial assets

	2024 $m	2023 $m
Current		
Derivative financial instruments - at fair value		
Interest rate swap contracts - cash flow hedges	**30**	38
Forward foreign exchange contracts - cash flow hedges	**-**	1
Energy derivatives - economic hedges	**919**	1,686
	949	1,725
Futures deposits and margin calls	**37**	-
Other	**2**	6
Total current other financial assets	**988**	1,731
Non-current		
Derivative financial instruments - at fair value		
Cross currency swap contracts - cash flow and fair value hedges	**59**	55
Interest rate swap contracts - cash flow hedges	**59**	76
Forward foreign exchange contracts - cash flow hedges	**-**	1
Energy derivatives - economic hedges	**506**	484
Other	**-**	5
	624	621
Equity instrument financial assets - at fair value through other comprehensive income		
Unlisted equity securities	**15**	8
Unlisted investment funds	**11**	7
	26	15
Other	**3**	2
Total non-current other financial assets	**653**	638

Refer to Note 35 for AGL's financial assets critical accounting estimates and assumptions.

12. Other assets

	Note	2024 $m	2023 $m
Current			
Green commodities scheme certificates and instruments		**236**	228
Prepayments		**94**	84
Total current other assets		**330**	312
Non-current			
Defined benefit superannuation plan asset	32	**80**	81
Total non-current other assets		**80**	81

12. Other assets (Continued)

MATERIAL ACCOUNTING POLICY

Green commodity scheme certificates

AGL participates in a number of renewable energy and energy efficiency schemes administered by the Commonwealth and State governments. AGL holds green commodity scheme certificates in order to satisfy its surrender obligations under the various schemes.

AGL has elected to account for green commodity scheme certificates as inventory. The initial cost is calculated at either the weighted average cost of internally generated assets or at the cost paid to third parties when the green certificates are purchased. Subsequent to initial recognition, green commodity scheme certificates are recorded at the lower of cost or net realisable value.

13. Assets & Liabilities classified as held for sale

Surat Gas Project consists of upstream gas assets and liabilities located at Silver Springs and Wallumbilla. AGL is in the process of divesting this project. The expected completion of this transaction is within 12 months from 30 June 2024. The project was included in the Integrated Energy operating segment.

Asset classified as held for sale

	2024 $m	2023 $m
Assets classified as held for sale	**83**	185

The major classes of assets of Surat Gas Project classified as held for sale as at 30 June are as follows:

Assets	2024 $m	2023 $m
Trade and other receivables	**-**	4
Inventories	**47**	50
Property, plant and equipment	**36**	131
Assets classified as held for sale	**83**	185

Liabilities classified as held for sale

	2024 $m	2023 $m
Liabilities classified as held for sale	**83**	220

The major classes of liabilities of Surat Gas Project classified as held for sale as at 30 June are as follows:

Liabilities	2024 $m	2023 $m
Trade and other payables	**1**	16
Provisions	**82**	190
Other liabilities	**-**	14
Liabilities classified as held for sale	**83**	220

14. Investments in associates and joint ventures

	2024 $m	2023 $m
Investments in joint ventures - unlisted	**404**	397
Total investments in associates and joint ventures	**404**	397

Reconciliation of movements in investments in associates and joint ventures

	2024 $m	2023 $m
Balance at beginning of financial year	**397**	426
Additions[1]	**14**	67
Share of profits/(losses)	**14**	(57)
Dividends received	**(26)**	(17)
Fair value gain/(loss) on financial instruments	**5**	(22)
Balance at end of financial year	**404**	397

1. Additions relate to capital injections into Tilt Renewables of $13 million and initial investment of $1 million in Gippsland Skies (2023: Tilt Renewables $63 million and Pottinger Renewables $4 million).

		Ownership interest		Carrying value	
	Principal activities	2024 %	2023 %	2024 $m	2023 $m
Associates					
Solar Analytics Pty Ltd[1]	Solar PV monitoring	**-**	31.2	**-**	-
Joint ventures					
ActewAGL Retail Partnership	Gas and electricity retailer	**50**	50	**38**	38
Central Queensland Pipeline Pty Ltd[2]	Gas pipeline development	**-**	50	**-**	-
Tilt Renewables	Development and owner of renewable energy generation projects	**20**	20	**361**	355
Pottinger Renewables	Development and owner of renewable energy generation projects	**50**	50	**4**	4
Muswellbrook Pumped Hydro	Pumped hydro energy generation project	**50**	50	**-**	-
Gippsland Skies	Offshore wind energy generation project	**20**	-	**1**	-
Total investments in associates and joint ventures				**404**	397

1. AGL divested its ownership interest in Solar Analytics on 28th June 2024, for nominal consideration.
2. Central Queensland Pipeline Pty Ltd was a dormant joint venture entity which was deregistered in September 2023.

All the above entities are incorporated and operate in Australia.

Aggregate information of joint ventures

	2024 $m	2023 $m
Current assets	**407**	456
Non-current assets	**4,653**	4,420
Total assets	**5,060**	4,876
Current liabilities	**533**	1,019
Non-current liabilities	**2,646**	2,018
Total liabilities	**3,179**	3,037
Net assets	**1,881**	1,839
Revenue	**1,062**	987
Expenses	**(1,067)**	(1,319)

14. Investments in associates and joint ventures (Continued)

	2024 $m	2023 $m
AGL's share of joint ventures' profit/(losses) after income tax	**14**	(57)

Commitments and contingent liabilities

AGL's share of commitments and contingent liabilities of associates and joint ventures are disclosed in Notes 24(b) and 25 respectively.

15. Property, plant and equipment

2024	Plant and equipment $m	Right-of-use plant and equipment $m	Other Right-of-use assets $m	Other $m[1]	Total $m
Balance at 1 July 2023, net of accumulated depreciation and impairment	**5,084**	**99**	**149**	**86**	**5,418**
Additions	**695**	**8**	**34**	**1**	**738**
Impairment loss recognised in profit or loss	**(7)**	**-**	**-**	**-**	**(7)**
Change in estimate related to provision for environmental rehabilitation[2]	**126**	**-**	**-**	**-**	**126**
Disposals	**(9)**	**-**	**-**	**-**	**(9)**
Reversal of impairment[3]	**-**	**-**	**1**	**-**	**1**
Depreciation expense	**(530)**	**(8)**	**(12)**	**-**	**(550)**
Balance at 30 June 2024, net of accumulated depreciation and impairment	**5,359**	**99**	**172**	**87**	**5,717**

[1] Includes land, buildings and leasehold improvements.

[2] Refer to Note 19.

[3] The reversal of impairment of other right-of-use assets relates to the Collins Street right-of-use asset that was previously impaired.

Balance at 1 July 2023					
Cost (gross carrying amount)	**10,543**	**115**	**303**	**109**	**11,070**
Accumulated depreciation and impairment	**(5,459)**	**(16)**	**(154)**	**(23)**	**(5,652)**
Net carrying amount	**5,084**	**99**	**149**	**86**	**5,418**

Balance at 30 June 2024					
Cost (gross carrying amount)	**11,266**	**115**	**280**	**110**	**11,771**
Accumulated depreciation and impairment	**(5,907)**	**(16)**	**(108)**	**(23)**	**(6,054)**
Net carrying amount	**5,359**	**99**	**172**	**87**	**5,717**

15. Property, plant and equipment (Continued)

2023	Plant and equipment $m	Right-of-use plant and equipment $m	Other Right-of-use assets $m	Other $m	Total $m
Balance at 1 July 2022, net of accumulated depreciation and impairment	5,762	3	164	84	6,013
Additions	496	103	2	3	604
Impairment loss recognised in profit or loss	(987)	-	(4)	-	(991)
Change in estimate related to provision for environmental rehabilitation	399	-	-	-	399
Disposals	(2)	-	-	-	(2)
Reversal of impairment[1]	51	-	-	-	51
Reclassified to held for sale	(130)	-	-	(1)	(131)
Depreciation expense	(505)	(7)	(13)	-	(525)
Balance at 30 June 2023, net of accumulated depreciation and impairment	5,084	99	149	86	5,418

[1] The reversal of impairment of PPE relates to assets previously impaired for the Moranbah Gas Project. The expected consideration relating to the divestment of the Moranbah Gas Project supported the partial reversal of previous impairment. Following the reversal of impairment, the PPE relating to Moranbah Gas Project was reclassified to assets held for sale.

Balance at 1 July 2022					
Cost (gross carrying amount)	10,578	12	301	107	10,998
Accumulated depreciation and impairment	(4,816)	(9)	(137)	(23)	(4,985)
Net carrying amount	5,762	3	164	84	6,013

Balance at 30 June 2023					
Cost (gross carrying amount)	10,543	115	303	109	11,070
Accumulated depreciation and impairment	(5,459)	(16)	(154)	(23)	(5,652)
Net carrying amount	5,084	99	149	86	5,418

Property, plant and equipment under construction

The net carrying amount of property, plant and equipment disclosed includes expenditure recognised in relation to plant and equipment which is in the course of construction of $573 million (2023: $440 million).

MATERIAL ACCOUNTING POLICY

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Finance costs related to the acquisition or construction of qualifying assets are capitalised. Cost may also include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Depreciation is calculated on a straight-line basis so as to write off the cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are amortised over the period of the relevant lease or estimated useful life, whichever is the shorter. Land is not depreciated.

The estimated useful lives, residual values and depreciation method are reviewed, and adjusted if appropriate at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- Leasehold improvements – lesser of lease period or up to 50 years
- Plant and equipment – Up to 50 years

15. Property, plant and equipment (Continued)

MATERIAL ACCOUNTING POLICY

Right-of-use assets (ROU assets)

A ROU asset is subsequently measured using the cost model less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. AGL does not apply the revaluation model but instead carries all ROU assets at cost. The ROU asset is depreciated over the shorter of the useful life of the asset and the lease term. Where the ROU asset is adjusted due to changes in the lease liability, the depreciation for the ROU asset is adjusted on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation on ROU assets:

- Plant and equipment – ROU assets: lesser of lease period or up to 15 years
- Other – ROU assets: lesser of lease period or up to 50 years

Short-term and low value leases as lessee

AGL has elected to apply the practical expedients available for short-term leases (i.e. where the lease period is 12 months or less) and low-value asset leases. As a result of application of these practical expedients, the measurement requirements of accounting standards do not apply and the expense for these leases is recognised on a straight-line basis.

Impairment of non-financial assets excluding goodwill

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Refer to Note 16 for further details on the impairment assessment during the period.

16. Intangible assets

2024	Goodwill $m	Software $m	Licences $m	Other $m	Total $m
Balance at 1 July 2023, net of accumulated amortisation and impairment	**2,446**	**405**	**266**	**65**	**3,182**
Additions	**-**	**151**	**2**	**5**	**158**
Amortisation expense	**-**	**(165)**	**(8)**	**(24)**	**(197)**
Impairment loss recognised in profit or loss	**-**	**(22)**	**-**	**(21)**	**(43)**
Balance at 30 June 2024, net of accumulated amortisation and impairment	**2,446**	**369**	**260**	**25**	**3,100**

Balance at 1 July 2023					
Cost (gross carrying amount)	**3,073**	**1,616**	**311**	**336**	**5,336**
Accumulated amortisation and impairment	**(627)**	**(1,211)**	**(45)**	**(271)**	**(2,154)**
Net carrying amount	**2,446**	**405**	**266**	**65**	**3,182**

Balance at 30 June 2024					
Cost (gross carrying amount)	**3,073**	**1,768**	**314**	**107**	**5,262**
Accumulated amortisation and impairment	**(627)**	**(1,399)**	**(54)**	**(82)**	**(2,162)**
Net carrying amount	**2,446**	**369**	**260**	**25**	**3,100**

16. Intangible assets (Continued)

2023	Goodwill $m	Software $m	Licences $m	Other $m	Total $m
Balance at 1 July 2022, net of accumulated amortisation and impairment	2,446	447	275	84	3,252
Additions	-	128	-	5	133
Amortisation expense	-	(170)	(9)	(24)	(203)
Balance at 30 June 2023, net of accumulated amortisation and impairment	2,446	405	266	65	3,182
Balance at 1 July 2022					
Cost (gross carrying amount)	3,073	1,488	311	331	5,203
Accumulated amortisation and impairment	(627)	(1,041)	(36)	(247)	(1,951)
Net carrying amount	2,446	447	275	84	3,252
Balance at 30 June 2023					
Cost (gross carrying amount)	3,073	1,616	311	336	5,336
Accumulated amortisation and impairment	(627)	(1,211)	(45)	(271)	(2,154)
Net carrying amount	2,446	405	266	65	3,182

Intangible assets under development

The net carrying amount of intangible assets disclosed includes expenditure recognised in relation to intangible assets which are in the course of development of $42 million (2023: $67 million).

Impairment testing for goodwill and intangibles with indefinite useful lives

Goodwill, that is significant in comparison to AGL's total carrying amount of intangible assets with indefinite lives, has been allocated to cash-generating units (CGUs) for the purpose of impairment testing as follows:

	2024 $m	2023 $m
Customer Markets	**1,093**	1,093
Wholesale Gas	**1,353**	1,353
Generation Fleet	**-**	-
Flexible Generation	**-**	-
Total goodwill and intangibles with indefinite useful lives	**2,446**	2,446

MATERIAL ACCOUNTING POLICY

Intangible assets

Except for goodwill, intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is recognised as an expense on a straight-line basis over the period during which economic benefits are expected to be received.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of amortisation for intangible assets with finite lives:

- Customer relationships and contracts – 3 to 20 years
- Software – 3 to 7 years
- Licences – 3 to 35 years

Goodwill is carried at cost less accumulated impairment losses, if any.

16. Intangible assets (Continued)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Impairment assessment for the year ended 30 June 2024

AGL regularly reviews the carrying values of its assets to test for any impairment. An assessment of indications of impairment for each cash generating unit (CGU) is performed at each reporting period end, and if indications exist, a subsequent recoverable value assessment is performed. Notwithstanding the above, the recoverable value of a CGU containing goodwill, intangible assets with indefinite useful lives or intangible assets in development is determined at least annually. These annual assessments are performed in December each year.

AGL's main CGUs are:

- Generation Fleet
- Customer Markets
- Wholesale Gas
- Flexible Generation

Impairment testing methodology

AGL is subject to a number of external factors that impact the performance of its CGUs. This includes, but is not limited to, market prices, external regulatory and social factors that may impact the life of assets, competitor behaviour and new entrants and technological change. To respond to the range of potential outcomes that can result from these factors, AGL applies a scenario analysis approach when determining the recoverable value of assets. Each of the scenarios are assigned a probability weighting to estimate the recoverable value of the CGU overall. The scenarios modelled represent a range of outcomes including differing wholesale market prices, expected generation volume, station closure dates, asset lives, and operating costs.

Estimates and assumptions underlying impairment testing are reviewed on an ongoing basis and are consistent with AGL's climate-related commitments, including AGL's announced closure dates for its thermal assets.

If the recoverable amount of a CGU is estimated to be less than the carrying amount, the carrying amount of the CGU is reduced to its recoverable amount with any impairment recognised immediately in the statement of profit or loss.

Generation Fleet CGU

For AGL's fleet of finite life generation assets, cash flow forecasts are based on discrete and long-term cash flow forecasts that reflect the life of the assets. The long-term modelling reflects AGL's view of the cash flows anticipated from operations, factoring in both known events such as planned outages and expectations, and allows for quantification of sensitivities and scenarios.

The key assumptions applied in the determination of the recoverable amount of the Generation Fleet CGU at 31 December 2023 include:

- Three scenarios of forecast electricity pool prices over the life of the relevant station based on short term market forecasts for electricity pricing and longer term external and internal modelled pricing outlook, including the scenario where there is a decrease in the long-term electricity pool price as a result of the Capacity Investment Scheme (CIS);
- Three station closure date scenarios; one consistent with those announced in the Climate Transition Action Plan, and two other scenarios whereby Bayswater and Loy Yang A close earlier than announced as a result of an oversupply of new generation;
- A post-tax Weighted Average Cost of Capital (WACC) discount rate of 9.5% (FY23: 8.5%);
- Generation volumes for each relevant station based on historical and forecast generation and availability including planned outages; and
- Assumptions associated with regulatory outcomes impacting upon operations.

The derived recoverable amount resulted in no impairment charge to the carrying value of the CGU nor a requirement to reverse previously recognised impairment at 31 December 2023.

Sensitivity analysis

In the prior year impairment assessment at 31 December 2022, AGL reduced the carrying amount of the Generation Fleet CGU to its recoverable amount resulting in a pre-tax impairment loss of $1,008 million. Accordingly, any further reduction in the recoverable amount driven by a small change in assumptions could result in further impairment. When considering variables in isolation, AGL's Generation Fleet CGU recoverable amount estimate is most sensitive to changes in electricity pool price. There is a high degree of uncertainty when forecasting pool price over long-term periods where long-run secular changes can impact supply. Based on historical pool prices, a reasonably possible change of $10 per MWh has been observed. In the annual impairment assessment performed at 31 December 2023, a sustained decrease of $10 per MWh in the pool price, whilst holding all other assumptions constant, could result in further impairment of the Generation Fleet CGU. Equally, a sustained increase of $10 per MWh would result in the partial reversal of any previously recognised impairment losses, up to the depreciated carrying amount.

The recoverable amount estimate is also sensitive to changes in expected generation volumes. The relationship between generation volume and the flow on impact on the recoverable amount is complex and interdependent, particularly as Australia transitions away from coal-fired baseload to intermittent renewable power generation. During periods of excess generation, pool prices are often negative, and in such instances AGL may limit or curtail the generation volume to reduce exposure to negative

16. Intangible assets (Continued)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

pricing. It is possible that limiting and curtailing generation volume in this instance can have a counterintuitive impact of increasing the recoverable amount. However, based on the assumptions utilised in the annual impairment assessment at 31 December 2023, a sustained decrease of 2% in generation volume whilst holding all other assumptions constant could result in further impairment.

The analysis above is to some extent limited by the fact that changes in variables are rarely mutually exclusive and the relationships and interactions between those changes are highly complex. Alterations in the external operational landscape, such as closure of major electricity consumers, substantial additions to generation capacity, postponements in the closure of power stations not owned by AGL, or modifications to government policies, have the potential to bring about fluctuations in pool prices. Additionally, these changes may decrease the operational lifespan of AGL's assets, possibly leading to additional impairments.

At 30 June 2024, an impairment indicators assessment was performed for the Generation Fleet CGU to determine if there were any indicators of impairment since the assessment performed at 31 December 2023. The assessment has not identified any internal or external indicators that the asset within this CGU is further impaired or the previous impairment expense recognised should be reversed. Accordingly, no further recoverable value assessment was required.

Customer Markets CGU

The following key assumptions were applied to determine the recoverable amount of the Customer Markets CGU at 31 December 2023:

- Gross margin outcomes based on actual regulatory decisions for the current reporting period, which are publicly available, together with AGL's expectations of regulated network prices and regulated pricing (Victorian Default Market Offer/Default Market Offer) beyond the current reset period;
- Future gross margin in unregulated markets is determined with reference to historically achieved revenue rates, AGL's expectations of future price changes and impact of expected customer discounts;
- Customer numbers and consumption volumes are estimated based on historical experience, marketing strategies for the retention and winning of customers and the expected competition from new entrants;
- A post-tax WACC discount rate of 8.25% (FY23: 7.5%); and
- Terminal growth rate of 2.75% (FY23: 2.5%).

The recoverable amount of the Customer Markets CGU exceeded the carrying value at 31 December 2023. There were no reasonable possible changes in assumptions that would result in an impairment.

At 30 June 2024, an impairment indicators assessment was performed for the Customer Markets CGU. The assessment has not identified any internal or external indicator that the assets within this CGU are impaired and accordingly, no further recoverable value assessment was required.

Wholesale Gas CGU

The following key assumptions were applied to determine the recoverable amount of the Wholesale Gas CGU at 31 December 2023:

- Gas sales volumes, pricing and procurement costs are estimated based on the actual contract portfolio, together with an estimate of future market margins and volumes beyond the period of the actual contracted portfolio;
- A post-tax WACC discount rate of 8.25% (FY23: 7.5%);
- Terminal growth rate range between 0% to 1.5% (FY23: 2.5%); and
- Various scenarios with different assumptions regarding the operational life of the CGU were evaluated.

The recoverable amount of the Wholesale Gas CGU exceeded the carrying value at 31 December 2023 and consequently no impairment loss was recognised in relation to this CGU.

At 30 June 2024, an impairment indicators assessment was performed for the Wholesale Gas CGU. The assessment has not identified any internal or external indicator that the assets within this CGU are impaired and accordingly, no further recoverable value assessment was required.

Sensitivity analysis

The recoverable amount is sensitive to reasonably possible changes in the forecast gas margin assumption. At 31 December 2023, the recoverable amount of the CGU would equal its carrying amount if the long-term gas margin forecast was reduced by $0.5/GJ in isolation for each of the forecast periods.

The Wholesale Gas CGU benefits from favourable supply costs associated with existing contractual arrangements. The recoverable amount assessment of the Wholesale Gas CGU is calculated on a probability-based approach across various scenarios, including scenarios where these favourable supply contracts lapse, and costs reset to terms more consistent with current market conditions. As these contracts lapse and costs reset to terms more consistent with current market conditions, the recoverable amount of the Wholesale Gas CGU could potentially decrease. A decrease in the recoverable amount could potentially give rise to an impairment loss in future periods to the extent it is lower than the carrying amount.

16. Intangible assets (Continued)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Flexible Generation CGU

The following key assumptions were applied to determine the recoverable amount of the Flexible Generation CGU at 31 December 2023:

- Assumed cap prices derived from internal and external market modelling to reflect the ability to capture prices during high demand events;
- Useful life of the generation assets, which includes gas peaker stations and renewable generation and storage assets;
- A post-tax WACC discount rate of 8.25% (FY23: 7.5%);
- Generation volumes for each relevant asset based on historical and forecast generation and availability including planned maintenance; and
- Terminal growth rate of 2.75% (FY23: 2.5%).

The recoverable amount exceeded the carrying value of the CGU at 31 December 2023. There were no reasonable possible changes in assumptions that would result in an impairment.

At 30 June 2024, an impairment indicators assessment was performed for the Flexible Generation CGU to determine if there were any indicators of impairment since December 2023. The assessment has not identified any internal or external indicator that the assets within this CGU are impaired and accordingly, no further recoverable value assessment was required.

17. Trade and other payables

	2024 $m	2023 $m
Current		
Trade payables and accrued expenses	**1,277**	1,100
Accrued distribution costs	**473**	434
Green commodity scheme obligations	**311**	263
Other	**40**	30
Total trade and other payables	**2,101**	1,827

Trade payables are unsecured and are generally settled within 32 days from end of month of the date of recognition.

MATERIAL ACCOUNTING POLICY

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to AGL prior to the end of the reporting period that are unpaid and arise when AGL becomes obliged to make future payments in respect of the purchase of these goods and services.

Green commodity scheme obligations

Green commodity scheme obligations represent liabilities to satisfy surrender obligations under the various renewable energy and energy efficiency schemes administered by the Commonwealth and State governments. Liability is recognised as energy is consumed by our customers and assets. Given the schemes are surrendered on a calendar year basis, the liability is calculated based on the best estimated unit cost at the time of expected surrender.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Accrued distribution costs

AGL recognises distribution costs once the gas and electricity has been delivered to the customer and is measured through a regular review of usage meters. Management estimates customer consumption between the last invoice date for distribution costs and the end of the reporting period when determining distribution costs for the financial period. Various assumptions and financial models are used to determine the estimated unbilled consumption. Refer to Note 9 for the key assumptions used in determining the estimated unbilled consumption.

18. Borrowings

	2024 $m	2023 $m
Current		
CPI bonds - unsecured	**13**	12
Lease liabilities	**22**	35
Total current borrowings	**35**	47
Non-current		
Bank loans - unsecured	**853**	1,483
USD senior notes - unsecured	**1,604**	1,133
CPI bonds - unsecured	**28**	40
Lease liabilities	**225**	196
Deferred transaction costs	**(17)**	(16)
Total non-current borrowings	**2,693**	2,836

Financing facilities

AGL has access to the following committed bank facilities:

	Total facilities		Amounts used	
	2024 $m	2023 $m	2024 $m	2023 $m
USD senior notes - unsecured (after effect of cross currency swaps)	**1,577**	1,109	**1,577**	1,109
Bank loans - unsecured	**2,113**	2,578	**853**	1,483
CPI bonds - unsecured	**42**	52	**41**	52
Bank guarantees - unsecured	**1,055**	955	**819**	718
Total financing facilities	**4,787**	4,694	**3,290**	3,362

USD senior notes

- On 20 November 2023, AGL issued A$468 million (USD $100 million and AUD $313 million) of fixed rate unsecured senior notes in the US private placement market, with maturity ranging from 10 to 12 years.
- On 8 June 2023, AGL issued A$386 million (USD $131 million and AUD $188 million) of fixed rate unsecured senior notes in the US private placement market, with maturity ranging from 7 to 15 years.
- On 8 December 2016, AGL issued A$572 million (USD $395 million and AUD $50 million) of fixed rate unsecured senior notes in the US private placement market, maturing between 2026 and 2031.
- On 8 September 2010, AGL issued A$152 million (USD $135 million) of fixed rate unsecured senior notes in the US private placement market, maturing in 2025.
- All USD senior notes are converted back to AUD through cross currency interest rate swaps.

Bank loans

- On 14 December 2023, AGL executed a A$510 million Asian term loan facility, with maturity ranging from 5 to 7 years. As of 30 June 2024, $470 million of this was utilised.
- On 28 April 2023, AGL executed a A$1.2 billion syndicated facility, which includes a $500 million green capital expenditure facility. The facility tranches has maturities ranging from 3 to 7 years. As of 30 June 2024, $383 million of this was utilised.
- AGL terminated its $410 million Club facility in December 2023 and its A$600 million Sustainability Linked Loan in April 2024.
- The remaining A$395 million of bank debt facilities comprises of bilateral facilities, with the full amount remaining unutilised at 30 June 2024.

CPI bonds

- CPI bonds rank pari passu with other unsecured debt and will mature in May 2027.

18. Borrowings (Continued)

MATERIAL ACCOUNTING POLICY

Borrowings

Interest bearing liabilities

All loans and borrowings are initially recognised at fair value, being the amount received less attributable transaction costs. After initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

Lease liabilities

In contracts where AGL is a lessee, AGL recognises a right-of-use asset and a lease liability at the commencement date of the lease for all leases other than short-term or low-value asset leases.

AGL has elected to apply the practical expedients available for short-term leases (i.e. where the lease term is less than 12 months) and low-value asset leases. As a result of application of these practical expedients, the measurement requirements of accounting standards do not apply and the expense for these leases is recognised on a straight-line basis.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Leases

Lease term

Where lease arrangements contain options to extend the term or terminate the contract, AGL assesses whether it is ‘reasonably certain’ that the option to extend or terminate the contract will be made. Consideration is given to the prevalence of other contractual arrangements and/or the economic circumstances relevant to the lease contract, that may indicate the likelihood of the option being exercised. Lease liabilities and ROU assets are measured using the reasonably certain contract term.

19. Provisions

	2024 $m	2023 $m
Current		
Employee benefits	**239**	220
Environmental rehabilitation	**96**	86
Restructuring	**32**	37
Onerous contracts	**90**	17
Other	**9**	6
Total current provisions	**466**	**366**
Non-current		
Employee benefits	**5**	6
Environmental rehabilitation	**1,469**	1,316
Onerous contracts	**757**	776
Total non-current provisions	**2,231**	2,098

19. Provisions (Continued)

Movements in each class of provision, except employee benefits, are set out below:

	Environmental rehabilitation $m	Restructuring $m	Onerous contracts $m[1]	Total $m
Balance at 1 July 2023	**1,402**	**37**	**793**	**2,232**
Changes in estimated provision	**145**	**-**	**(13)**	**132**
Additional provisions recognised	**-**	**-**	**12**	**12**
Provisions utilised and derecognised	**(78)**	**(5)**	**(12)**	**(95)**
Unwinding of discount	**96**	**-**	**67**	**163**
Balance at 30 June 2024	**1,565**	**32**	**847**	**2,444**

1. Movement in onerous contract provision in Note 4 consist of both the change in estimated provision and additional provisions recognised during the period.

MATERIAL ACCOUNTING POLICY

Provisions

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by AGL in respect of services provided by employees up to the end of the reporting period.

Environmental rehabilitation

The provision for future rehabilitation costs is the best estimate of the present value of the expenditure required to settle the rehabilitation obligation at the end of the reporting period, based on current legal requirements and current technology. Future rehabilitation costs are reviewed periodically and any changes are reflected in the provision at the end of each reporting period.

The initial estimate of the environmental rehabilitation provision is capitalised into the cost of the related asset and depreciated/ amortised on the same basis as the related asset. Changes in the estimate of the provision for environmental rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Restructuring

A restructuring provision is recognised when AGL has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. Future operating losses are not provided for.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Provision for environmental rehabilitation

AGL estimates the future removal and rehabilitation costs of electricity generation assets, oil and gas production facilities, wells, pipelines, mine and related assets at the time of installation of the assets.

In most instances, removal of assets will occur many years into the future. The requirement for rehabilitation is also subject to community and regulatory expectations which may evolve over time and in practice, negotiation is required to arrive at a practical rehabilitation strategy. The calculation of this provision requires management to make assumptions regarding the removal date, application of environmental legislation, the extent of rehabilitation activities required, and available technologies. The assumptions are highly judgemental and represents management's best estimate of the present value of the expenditure required to settle the obligation, given known facts and circumstances at a point in time.

For the period ended 30 June 2024, a comprehensive assessment of the environmental rehabilitation provision was performed across AGL's assets. The assessment performed include determining the nature and timing of

19. Provisions (Continued)

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

rehabilitation activities to be undertaken for each site including technical aspects for demolition, remediation and rehabilitation as well as determining closure tasks and associated periods, quantities and rates to prepare the cash flow model, and then discounting the cashflows back to net present value at 30 June 2024. The assessment was completed with inputs from third-party subject matter experts and further externally peer reviewed.

At 30 June 2024, the critical judgements and assumptions included in the estimation of the environmental rehabilitation provision consist of the following:

- Commencement date of rehabilitation activities is consistent with the announced closure dates of AGL's thermal generation assets;
- The operating life of wind generation assets is extended by 10 years based on available technical feasibility performed for similar assets and as a result, the associated rehabilitation activities are deferred by 10 years until the end of the extended operating life;
- Where AGL intends on repurposing thermal generation sites as "Energy Hubs", rehabilitation activities may be deferred where there is no associated regulatory or legal requirement to immediately remediate;
- During the operating phase of generation assets, costs that are mandatory for the operation of the assets are classified as operational costs. Post closure and where appropriate, these costs are only classified as rehabilitation costs to the extent that they are unavoidable during the period where rehabilitation activities are undertaken and subsequent to completion of remediation activities, where AGL retains ownership or lease of the associated site; and
- A pre-tax discount rate of 6.86% (FY23: 6.86%).

In line with AGL's accounting policy, the provisions for environmental rehabilitation are reviewed regularly.

Provision for onerous contracts

AGL recognises a number of legacy power purchase agreements as onerous. Under these legacy power purchase agreements, AGL makes periodic payments for the electricity and green certificates generated by these assets. The agreements were primarily entered between 2006 and 2012 to support the development of the renewables sector at that time. These offtake agreements were entered at prices significantly higher than current and forecast prices for electricity and renewable energy certificates today.

Provision for onerous contracts includes the following key assumptions;

- Long-term electricity and renewable energy certificate prices;
- Generation volume; and
- A discount rate of 7.7% (FY23: 7.5%).

In line with AGL's accounting policy, the onerous contract provisions are reviewed on a regular basis.

20. Other financial liabilities

	2024 $m	2023 $m
Current		
Derivative financial instruments - at fair value		
Cross currency swap contracts - cash flow and fair value hedges	**20**	21
Forward foreign exchange contracts - cash flow hedges	**2**	-
Energy derivatives - economic hedges	**1,206**	1,620
	1,228	1,641
Deferred consideration	**29**	26
Total current other financial liabilities	**1,257**	1,667
Non-current		
Derivative financial instruments - at fair value		
Cross currency swap contracts - cash flow and fair value hedges	**19**	8
Interest rate swap contracts - cash flow hedges	**2**	-
Energy derivatives - economic hedges	**466**	739
	487	747
Deferred consideration	**72**	101
Total non-current other financial liabilities	**559**	848

21. Other liabilities

	Note	2024 $m	2023 $m
Current			
Deferred revenue[1]		**448**	55
Other		**-**	5
Total current other liabilities		**448**	60
Non-current			
Defined benefit superannuation plan liability	31	**49**	43
Other		**141**	97
Total non-current other liabilities		**190**	140

1. Deferred revenue increased compared to prior period due to a government contribution received in June 2024 to be applied against customer bills in FY25.

22. Issued capital

	2024		2023	
	Total $m	Number of shares	Total $m	Number of shares
Balance at beginning of reporting period	**5,918**	**672,747,233**	5,918	672,747,233
Balance at reporting date	**5,918**	**672,747,233**	5,918	672,747,233

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Parent Entity in proportion to the number of shares held. Every shareholder present at a general meeting of the Parent Entity, in person or by proxy is entitled to one vote per ordinary share held.

MATERIAL ACCOUNTING POLICY

Issued capital

Ordinary shares are classified as equity. Ordinary shares issued by AGL are recorded at the proceeds received, less transaction costs directly attributable to the issue of new shares, net of any tax effects.

23. Earnings per share

	2024	2023
Statutory earnings per share		
Basic earnings per share	**105.7 cents**	(187.9 cents)
Diluted earnings per share	**105.4 cents**	(187.9 cents)
Underlying earnings per share		
Basic earnings per share	**120.7 cents**	41.8 cents
Diluted earnings per share	**120.4 cents**	41.6 cents

Earnings used in calculating basic and diluted earnings per share attributable to AGL shareholders

	2024 $m	2023 $m
Statutory earnings used to calculate basic and diluted earnings per share attributable to AGL shareholders	**711**	(1,264)
Significant items after income tax	**64**	655
Loss in fair value of financial instruments after income tax	**37**	890
Underlying earnings used to calculate basic and diluted earnings per share	**812**	281

Weighted average number of ordinary shares

	30 June 2024 Number	30 June 2023 Number
Number of ordinary shares used in the calculation of basic earnings per share	**672,747,233**	672,747,233
Effect of dilution - LTIP share performance rights	**1,926,596**	2,298,674
Number of ordinary shares used in the calculation of diluted earnings per share	**674,673,829**	675,045,907

24. Commitments

24.a Capital expenditure commitments

	2024 $m	2023 $m
Not later than one year	**416**	126
Later than one year and not later than five years	**63**	22
	479	148

There are nil (2023: nil) joint operations capital commitments and AGL's share of associates' commitments is nil (2023: nil).

24.b Joint venture commitments

AGL's share of commitments made jointly with other investors relating to its joint ventures is $1 million (2023: $13 million).

25. Contingent assets and liabilities

Regulatory reviews and investigations

AGL and its businesses are subject to a range of laws and regulations and AGL is subject to reviews and investigations by the government and regulatory bodies from time to time. Regulatory investigations and reviews may result in enforcement action, litigation, and penalties. Consideration has been given to such matters and whilst at this stage a present obligation may be possible, at this time, it is expected that the resolution of these contingent events will not have a material impact on the financial position of AGL.

Legal actions and claims

Certain entities in AGL are party to various legal actions and claims which have arisen in the ordinary course of business. Any liabilities arising from such legal actions and claims are not expected to have a material adverse effect on AGL.

26. Remuneration of auditors

Auditor of the Parent Entity

	2024 $000	2023 $000
Deloitte Touche Tohmatsu Australia		
Audit and review of financial reports		
Group	**2,095**	1,852
Controlled entities	**101**	177
Total Audit and Review	**2,196**	2,029
Other regulatory audit services	**184**	192
Other assurance services	**160**	170
Total regulatory and other assurance	**344**	362
Other services	**30**	147
Total other services	**30**	147
Total Deloitte Touche Tohmatsu Australia	**2,570**	**2,538**
Deloitte Touche Tohmatsu related practices		
Audit of subsidiary financial reports	**74**	28
Other	**-**	12
Total remuneration of auditors	**2,644**	2,578

The auditor of AGL Energy Limited is Deloitte Touche Tohmatsu Australia.

27. Subsidiaries

			Ownership interest and voting power held	
Name of subsidiary	Note	Country of incorporation	30 June 2024 %	30 June 2023 %
AGL Limited	(d)	New Zealand	**-**	100
AGL ACT Retail Investments Pty Limited	(a)	Australia	**100**	100
AGL Australia Pty Limited	(f)	Australia	**100**	100
AGLA Vic Hydro Assets Pty Limited	(f)	Australia	**100**	100
AGL Barker Inlet Pty Limited	(a)	Australia	**100**	100
Barker Inlet Trust		Australia	**100**	100
AGL Community Legacy Program Pty Limited	(b)	Australia	**-**	100
AGL Corporate Services Pty Limited	(a)	Australia	**100**	100
AGL Electricity (VIC) Pty Limited	(a)	Australia	**100**	100
Ovo Energy Pty Ltd	(a)(e)	Australia	**100**	51
Victorian Energy Pty Limited	(a)	Australia	**100**	100
AGL Sales Pty Limited	(a)	Australia	**100**	100
AGL Sales (Queensland) Pty Limited	(a)	Australia	**100**	100
AGL Sales (Queensland Electricity) Pty Limited	(a)	Australia	**100**	100
AGL Torrens Island Holdings Pty Limited	(a)	Australia	**100**	100
AGL SA Generation Pty Limited	(a)	Australia	**100**	100
AGL Torrens Island Pty Limited	(a)	Australia	**100**	100
AGL South Australia Pty Limited	(a)	Australia	**100**	100
AGL APG Holdings Pty Limited	(a)	Australia	**100**	100
Australian Power and Gas Company Limited	(a)	Australia	**100**	100
AGL Australia Markets Pty Limited	(a)	Australia	**100**	100
APG Operations Pty Ltd	(f)	Australia	**100**	100
Australian Power and Gas (NSW) Pty Ltd	(a)	Australia	**100**	100
AGL Torrens Island Battery Pty Limited	(a)	Australia	**100**	100
AGL Dalrymple Pty Limited	(a)	Australia	**100**	100
IQ Energy Services Pty Ltd	(c)	Australia	**-**	100
Energy 360 Pty Ltd	(a)	Australia	**100**	100
Carbon Green Pty Ltd	(f)	Australia	**100**	100
Access Way SPV Pty Ltd	(f)	Australia	**100**	100
Epho Holding Pty Limited	(a)	Australia	**100**	100
Epho Services Pty Limited	(f)	Australia	**100**	100
Epho Pty Limited	(a)	Australia	**100**	100
Epho Asset Management Pty Limited	(a)	Australia	**100**	100
BTPS 1 Pty Limited	(f)	Australia	**100**	100
SEGH Pty Limited	(a)	Australia	**100**	100
Sustainable Business Energy Solutions Pty Ltd	(a)	Australia	**100**	100
Sol Install Pty Limited	(f)	Australia	**100**	100
Sol Distribution Pty Limited	(a)	Australia	**100**	100
Sunlease Pty Limited	(f)	Australia	**100**	100
Solarserve Pty Limited	(f)	Australia	**100**	100
AGL Energy Limited	(d)	New Zealand	**-**	100
AGL Energy Sales & Marketing Limited	(a)	Australia	**100**	100
AGL Energy Services Pty Limited	(a)	Australia	**100**	100
AGL Financial Energy Solutions Pty Limited	(a)	Australia	**100**	100
AGL Gas Developments (Hunter) Pty Limited	(b)	Australia	**-**	100
AGL Gas Developments (PNG) Pty Limited	(b)	Australia	**-**	100

27. Subsidiaries (Continued)

			Ownership interest and voting power held	
Name of subsidiary	Note	Country of incorporation	30 June 2024 %	30 June 2023 %
AGL Gas Developments (Sydney) Pty Limited	(b)	Australia	**-**	100
AGL Generation Holdco Pty Ltd		Australia	**99.99**	99.99
AGL Loy Yang Pty Ltd		Australia	**75**	75
AGL Loy Yang Partnership		Australia	**75**	75
AGL Loy Yang Projects Pty Ltd		Australia	**75**	75
AGL Generation Proprietary Limited		Australia	**100**	100
AGL Loy Yang Pty Ltd		Australia	**25**	25
AGL Loy Yang Partnership		Australia	**25**	25
AGL Loy Yang Projects Pty Ltd		Australia	**25**	25
Loy Yang Marketing Holdings Pty Limited		Australia	**100**	100
AGL Loy Yang Marketing Pty Ltd		Australia	**100**	100
Great Energy Alliance Corporation Pty Limited	(f)	Australia	**100**	100
GEAC Operations Pty Limited	(f)	Australia	**100**	100
AGL LYP 1 Pty Ltd	(f)	Australia	**100**	100
AGL LYP 2 Pty Ltd	(f)	Australia	**100**	100
AGL LYP 3 Pty Ltd	(f)	Australia	**100**	100
AGL Gloucester MG Pty Ltd	(b)	Australia	**-**	100
AGL HP1 Pty Limited	(a)	Australia	**100**	100
AGL Hydro Partnership		Australia	**49.5**	49.5
AGL Southern Hydro (NSW) Pty Limited	(a)	Australia	**100**	100
AGL HP2 Pty Limited	(a)	Australia	**100**	100
AGL Hydro Partnership		Australia	**20**	20
AGL HP3 Pty Limited	(a)	Australia	**100**	100
AGL Hydro Partnership		Australia	**30.5**	30.5
AGL LNG Pty Limited	(c)	Australia	**-**	100
AGL Macquarie Pty Limited	(a)	Australia	**100**	100
AGL New Energy Pty Limited	(a)	Australia	**100**	100
AGL New Energy ACP Pty Limited	(a)	Australia	**100**	100
AGL New Energy EIF Pty Limited	(a)	Australia	**100**	100
AGL New Energy Investments Pty Limited	(a)	Australia	**100**	100
AGL PARF NSW Pty Ltd	(a)	Australia	**100**	100
AGL PARF QLD Pty Limited	(a)	Australia	**100**	100
AGL Power Generation Pty Limited	(a)	Australia	**100**	100
AGL Power Generation (Wind) Pty Limited	(a)	Australia	**100**	100
Australia Plains Wind Farm Pty Ltd	(c)	Australia	**-**	100
AGL Energy Hubs Pty Ltd	(a)	Australia	**100**	100
Box Hill Wind Farm Pty Limited	(c)	Australia	**-**	100
Crows Nest Wind Farm Pty Ltd	(f)	Australia	**100**	100
Highfields Wind Farm Pty Limited	(f)	Australia	**100**	100
Worlds End Wind Farm Pty Ltd	(f)	Australia	**100**	100
AGL PV Solar Holdings Pty Limited	(a)	Australia	**100**	100
AGL PV Solar Developments Pty Limited	(a)	Australia	**100**	100
AGL Retail Energy Limited	(a)	Australia	**100**	100
AGL Share Plan Pty Limited	(c)	Australia	**-**	100
AGL (SG) (Camden) Operations Pty Limited	(b)	Australia	**-**	100
AGL (SG) (Hunter) Operations Pty Limited	(b)	Australia	**-**	100

27. Subsidiaries (Continued)

Name of subsidiary	Note	Country of incorporation	Ownership interest and voting power held 30 June 2024 %	30 June 2023 %
AGL (SG) Operations Pty Limited	(b)	Australia	**-**	100
AGL Australia Services Pty Limited	(f)	Australia	**100**	100
AGL Upstream Gas (Mos) Pty Limited	(a)	Australia	**100**	100
AGL Cooper Basin Pty Ltd	(b)	Australia	**-**	100
AGL Gas Storage Pty Ltd	(a)	Australia	**100**	100
AGL Upstream Infrastructure Investments Pty Limited	(a)	Australia	**100**	100
AGL Upstream Investments Pty Limited	(a)	Australia	**100**	100
AGL Wholesale Gas Limited	(a)	Australia	**100**	100
AGL Wholesale Gas (SA) Pty Limited	(a)	Australia	**100**	100
Barn Hill Wind Farm Pty Ltd	(a)	Australia	**100**	100
Click Energy Group Holdings Pty Limited	(a)	Australia	**100**	100
Click Energy Pty Ltd	(a)	Australia	**100**	100
On the Move Pty Ltd	(a)	Australia	**100**	100
A.C.N 133 799 149 Pty Limited	(b)	Australia	**-**	100
M2C Services Pty Ltd	(c)	Australia	**-**	100
Connect Now Pty Ltd	(a)	Australia	**100**	100
Coopers Gap Wind Farm Pty Ltd	(a)	Australia	**100**	100
Digital Energy Exchange Australia Pty Ltd	(c)	Australia	**-**	100
Geogen Victoria Pty Ltd	(c)	Australia	**-**	100
GRCI Australia Pte Ltd		Singapore	**100**	100
H C Extractions Pty Limited	(c)	Australia	**-**	100
AGL Newcastle Power Station Pty Limited	(a)(g)	Australia	**100**	100
NGSF Finance Pty Limited	(c)	Australia	**-**	100
NGSF Operations Pty Limited	(f)	Australia	**100**	100
Perth Energy Holdings Pty Ltd	(a)	Australia	**100**	100
Perth Energy Pty Ltd	(a)	Australia	**100**	100
WA Power Exchange Pty Ltd	(a)	Australia	**100**	100
Western Energy Holdings Pty Ltd	(a)	Australia	**100**	100
Western Energy Pty Ltd	(a)	Australia	**100**	100
Powerdirect Pty Ltd	(a)	Australia	**100**	100
Silverton Wind Farm Holdings Pty Limited	(f)	Australia	**100**	100
Silverton Wind Farm Developments Pty Limited	(f)	Australia	**100**	100
Silverton Wind Farm Transmission Pty Limited	(f)	Australia	**100**	100
Southern Phone Company Limited	(a)	Australia	**100**	100
AGL Liddell BESS Pty Ltd	(a)	Australia	**100**	100
The Australian Gas Light Company	(a)	Australia	**100**	100

Names inset indicate that shares are held by the company immediately above the inset.

(a) Parties to a Deed of Cross Guarantee with AGL Energy Limited.

(b) These entities were liquidated on 28 May 2024.

(c) These entities were liquidated on 29 May 2024.

(d) These entities were deregistered on 20 December 2023.

(e) On 3 April 2024 AGL Electricity (VIC) Pty Limited, a subsidiary of AGL acquired the remaining shares in Ovo Energy Pty Ltd.

(f) These entities are in the process of being liquidated.

(g) AGL Newcastle Power Station Pty Limited changed its name to Tomago BESS Pty Limited on 30 July 2024.

28. Acquisition and disposal of subsidiaries and businesses

2024

Acquisition of remaining shares of Ovo Energy Australia
In April 2024, AGL acquired the remaining 49% non-controlling interest of Ovo Energy Australia, AGL now owns 100% of Ovo Energy Australia.

Capital Contribution to Tilt Renewables
During the financial year, AGL made a $13 million capital contribution to Tilt Renewables to fund the development of the Rye Park Wind Farm.

Investment in Kaluza
In June 2024, AGL entered into an agreement to acquire 20% preference shareholding in Kaluza (a UK-based entity). The completion of the transaction is subject to conditions precedent, with no impact to FY24 results.

Disposal of Moranbah Gas Project
AGL completed the disposal of Moranbah Gas Project in August 2023, resulting in a net gain on disposal of $46 million.

2023

Capital Contribution to Tilt Renewables
During the financial year, AGL made a $63 million capital contribution to Tilt Renewables to fund the development of the Rye Park Wind Farm.

Investments in Joint Ventures
During the period, AGL entered into a number of investments in joint ventures namely: Muswellbrook Joint Venture and Pottinger Renewables Joint Venture.

29. Joint operations

		Interest	
Joint operation	Principal activities	2024 %	2023 %
Bowen Basin - Queensland			
Moranbah Gas Project - PL 191, PL 196, PL 222, PL 223 & PL 224[1]	Gas production and exploration	**-**	50
Spring Gully Project - ATP 592P, PL 195, PL 203 & PL 417	Gas production and exploration	**0.75**	0.75
Spring Gully Project - ATP 701, PL 204	Gas production	**0.0375**	0.0375
Surat Basin - Queensland			
ATP 1190 (Bainbilla Block)	Oil and gas exploration	**75.252**	75.252
ATP 1190 (Spring Grove #2 sole risk)	Oil and gas exploration	**52.752**	52.752
ATP 1190 (Weribone)	Oil and gas exploration	**28.71**	28.71
PL 1 (Cabawin)	Oil production	**16.67**	16.67
PL 15	Gas production	**75**	75
PL 30 (Riverslea)	Oil production	**10**	10
PL 74 (Major)	Oil production	**16**	16
Others			
North Queensland Energy Joint Venture[2]	Sale of gas and electricity	**-**	50

1. Moranbah Gas Project was disposed of during the period, refer to Note 28.
2. North Queensland Energy Joint Venture was disposed of during the period, refer to Note 28.

AGL's share of capital expenditure commitments and contingent liabilities of joint operations are disclosed in Notes 24 and 25 respectively.

30. Deeds of cross guarantee

On 13 December 2023, AGL terminated AGL Generation Pty Limited Deed of Cross Guarantee (DoCG).

The following wholly-owned subsidiaries became a party to the AGL Energy Limited DoCG during the year ended 30 June 2024:

- Ovo Energy Pty Ltd

AGL already owned and controlled Ovo Energy Pty Ltd prior to the company joining the DoCG. Ovo Energy Pty Ltd was added to the DoCG following the acquisition of the remaining 49% of the issued share capital in April 2024 (refer to Note 28). Ovo Energy Pty Ltd results have been included in 2024 as if they were in the DoCG since the beginning of the financial year. Prior year comparatives do not include Ovo Energy Pty Ltd.

The wholly-owned Australian subsidiaries identified in Note 27 have entered into a DoCG with AGL Energy Limited in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and are relieved from the *Corporations Act 2001* requirement to prepare and lodge an audited financial report and directors' report. The effect of the deed is that each party guarantees the debts of the others.

Set out below is the statement of profit or loss, statement of comprehensive income, statement of financial position and a summary of movements in retained earnings of the entities party to a DoCG.

Statement of profit or loss

	AGL Energy Limited	
	2024 $m	2023 $m
Revenue	**11,783**	11,782
Other income	**46**	208
Expenses	**(10,510)**	(14,273)
Share of profits of associates and joint ventures	**43**	273
Profit/(loss) before net financing costs, depreciation and amortisation	**1,362**	(2,010)
Depreciation and amortisation	**(466)**	(472)
Profit/(loss) before net financing costs	**896**	(2,482)
Finance income	**7**	61
Finance costs	**(386)**	(324)
Net financing costs	**(379)**	(263)
Profit/(loss) before tax	**517**	(2,745)
Income tax (expense)/benefit	**(164)**	884
Profit/(loss) for the year	**353**	(1,861)
Profit/(loss) is attributable to:		
Deed of Cross Guarantee Group	**361**	(1,861)
Non-controlling interest	**(8)**	-
	353	(1,861)

30. Deeds of cross guarantee (Continued)

Statement of comprehensive income

	AGL Energy Limited	
	2024 $m	2023 $m
Profit/(loss) for the period	**353**	(1,861)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement (loss)/gain on defined benefit plans	**(9)**	4
Fair value gain on the revaluation of equity instrument financial assets	**8**	2
Income tax relating to items that will not be reclassified subsequently	**-**	(1)
	(1)	5
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges		
Gain in fair value of cash flow hedges	**11**	23
Reclassification adjustments transferred to profit or loss	**(48)**	(24)
Share of profit/(loss) attributable to joint ventures	**5**	(22)
Cost of hedging subject to basis adjustment	**(3)**	(1)
Income tax relating to items that may be reclassified subsequently	**12**	7
	(23)	(17)
Other comprehensive loss for the year, net of income tax	**(24)**	(12)
Total comprehensive income/(loss) for the year	**329**	(1,873)

30. Deeds of cross guarantee (Continued)

Statement of financial position

	AGL Energy Limited 2024 $m	 2023 $m
Current assets		
Cash and cash equivalents	**913**	134
Trade and other receivables	**1,942**	1,662
Inventories	**237**	270
Current tax assets	**-**	28
Other financial assets	**486**	988
Other assets	**107**	83
Assets classified as held for sale	**83**	185
Total current assets	**3,768**	3,350
Non-current assets		
Trade and other receivables	**106**	241
Other financial assets	**2,813**	2,706
Investments in associates and joint ventures	**405**	397
Property, plant and equipment	**2,704**	2,218
Intangible assets	**2,847**	2,919
Deferred tax assets	**756**	912
Other assets	**32**	32
Total non-current assets	**9,663**	9,425
Total assets	**13,431**	12,775
Current liabilities		
Trade and other payables	**1,806**	1,550
Borrowings	**18**	75
Provisions	**304**	284
Current tax liabilities	**12**	-
Other financial liabilities	**929**	1,058
Other liabilities	**441**	14
Liabilities classified as held for sale	**83**	220
Total current liabilities	**3,593**	3,201
Non-current liabilities		
Borrowings	**2,605**	2,881
Provisions	**736**	583
Deferred tax liabilities	**-**	7
Other financial liabilities	**4,343**	3,938
Other liabilities	**87**	40
Total non-current liabilities	**7,771**	7,449
Total liabilities	**11,364**	10,650
Net assets	**2,067**	2,125
Equity		
Issued capital	**5,918**	5,918
Reserves	**(1,067)**	(1,005)
Accumulated losses	**(2,784)**	(2,788)
Total equity	**2,067**	2,125

30. Deeds of cross guarantee (Continued)

Summary of movements in (accumulated losses)/retained earnings

	AGL Energy Limited	
	2024 $m	2023 $m
Accumulated losses at beginning of financial year	**(2,788)**	(809)
Ovo Energy Australia opening accumulated losses	**(21)**	-
Profit/(loss) for the year	**361**	(1,861)
Dividends paid	**(330)**	(121)
Remeasurement (loss)/gain on defined benefit plans, net of tax	**(6)**	3
Accumulated losses at end of financial year	**(2,784)**	(2,788)

31. Defined benefit superannuation plans

AGL contributes to superannuation plans that provide defined benefit members a lump sum on retirement, death, disablement and withdrawal. Some defined benefit members are eligible for pension benefits in some cases. Lump sum benefits are calculated based on years of service and final average salary. The defined benefit plans are closed to new members.

The plans are the Equipsuper Fund (EF), Electricity Industry Superannuation Scheme (EISS), State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS) and the State Authorities Non-contributory Superannuation Scheme (SANCS).

The Superannuation Industry Supervision (SIS) legislation governs the superannuation industry and provides the framework within which superannuation plans operate. The SIS regulations require an actuarial valuation to be performed for each defined benefit plan every three years, or every year if the plan pays defined benefit pensions.

The plans' trustees are responsible for the governance of the plans. The trustees have a legal obligation to act solely in the best interests of plan beneficiaries. The trustees have the following roles: administration of the plans and payment to the beneficiaries from plan assets when required in accordance with the plan rules; management and investment of the plan assets; and compliance with other applicable regulations.

There are a number of risks to which the plans expose AGL. The most significant risks are investment risk, salary growth risk, inflation risk, interest rate risk, legislative risk and changes in the life expectancy for members.

AGL also contributes to defined contribution superannuation plans for employees, which are also provided by these plans. Contributions made to these defined contribution plans are expensed as incurred.

Amounts recognised in profit or loss

	2024 $m	2023 $m
Current service cost	**11**	12
Net interest (income)	**(2)**	(1)
Expense recognised in profit or loss as part of employee benefits expenses	**9**	11

Amounts recognised in other comprehensive income

Remeasurements		
Return on plan assets (excluding amounts included in net interest income/expense)	**(13)**	(24)
Actuarial loss arising from changes in demographic assumptions	**7**	3
Actuarial loss/(gain) arising from changes in financial assumptions	**16**	(8)
Actuarial loss/(gain) arising from experience	**-**	11
Adjustment for effect of asset ceiling	**2**	11
Remeasurement loss/(gain) on defined benefit plans recognised in other comprehensive income	**12**	(7)

31. Defined benefit superannuation plans (Continued)

Amounts included in the Consolidated Statement of Financial Position

	Note	2024 $m	2023 $m
Present value of funded defined benefit obligations		**575**	560
Fair value of plan assets		**(619)**	(609)
Adjustment for effect of asset ceiling		**13**	11
Net defined benefit (asset)/liability		**(31)**	(38)
Recognised in the Consolidated Statement of Financial Position as follows:			
Defined benefit superannuation plan asset	12	**(80)**	(81)
Defined benefit superannuation plan liability	21	**49**	43
Net defined benefit (asset)/liability		**(31)**	(38)
Net (asset)/liability at beginning of year		**(38)**	(31)
Transfer to defined contribution superannuation plans		**-**	2
Expense recognised in the statement of profit or loss as part of employee benefits expense		**9**	11
Amount recognised in retained earnings		**12**	(7)
Employer contributions		**(14)**	(13)
Net (surplus)/liability at end of financial year		**(31)**	(38)

Movements in the present value of defined benefit obligations

Opening defined benefit obligations	**560**	600
Current service cost	**11**	12
Interest expense	**30**	31
Contributions by plan participants	**5**	7
Actuarial loss/(gain) arising from changes in demographic assumptions	**7**	3
Actuarial loss/(gain) arising from changes in financial assumptions	**16**	(8)
Actuarial loss/(gain) arising from experience	**-**	11
Benefits paid	**(49)**	(89)
Taxes and premiums paid	**(3)**	(5)
Contributions to accumulation section	**(2)**	(2)
Closing defined benefit obligations	**575**	560

Movements in the fair value of plan assets

Opening fair value of plan assets	**609**	631
Interest income	**32**	32
Actual return on plan assets less interest income	**13**	23
Employer contributions	**14**	13
Contributions by plan participants	**5**	6
Benefits paid	**(49)**	(89)
Taxes and premiums paid	**(3)**	(5)
Contributions to accumulation section	**(2)**	(2)
Closing fair value of plan assets	**619**	609

31. Defined benefit superannuation plans (Continued)

Categories of plan assets

The major categories of plan assets as a percentage of the fair value of total plan assets at the end of the reporting period are as follows:

2024	EF %	EISS %	SSS, SASS, and SANCS %
Australian equities	**16**	**24**	**16**
International equities	**21**	**28**	**40**
Fixed interest securities	**16**	**16**	**3**
Property	**6**	**9**	**6**
Cash	**10**	**7**	**7**
Alternatives/other	**31**	**16**	**28**

2023			
Australian equities	16	24	26
International equities	22	23	38
Fixed interest securities	16	13	4
Property	6	11	2
Cash	7	6	14
Alternatives/other	33	23	16

All plan assets are held within investment funds which do not have a quoted market price in an active market.

The fair value of plan assets include no amounts relating to any of AGL's own financial instruments, or any property occupied by, or other assets used by AGL.

Principal actuarial assumptions

The principal actuarial assumptions at the end of the reporting period (expressed as weighted averages) were as follows:

2024	EF %	EISS %	SSS, SASS, & SANCS %
Discount rate active members	**5.5**	**5.6**	**5.6**
Discount rate pensioners	**5.5**	**5.6**	**-**
Expected salary increase rate	**3.5**	**3.0**	**3.8**
Expected pension increase rate	**2.6**	**2.7**	**-**

2023			
Discount rate active members	5.6	5.6	5.7
Discount rate pensioners	5.6	5.6	-
Expected salary increase rate	3.0	3.8	3.2
Expected pension increase rate	2.8	2.9	-

31. Defined benefit superannuation plans (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	Defined benefit obligation			
	Increase 2024 $m	Decrease 2024 $m	Increase 2023 $m	Decrease 2023 $m
Discount rate (0.5 percentage point movement)	**(28)**	**30**	(27)	29
Expected salary increase rate (0.5 percentage point movement)	**10**	**(9)**	10	(9)
Expected pension increase rate (0.5 percentage point movement)	**9**	**(8)**	9	(9)

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analyses from prior years.

Funding arrangements and employer contributions

Employer contributions are determined based on actuarial advice and are set to target the assets of the plans exceeding the total of members' vested benefits. Funding levels are reviewed regularly. Where assets are less than vested benefits, a management plan must be established to restore the coverage to at least 100%.

AGL expects to contribute $15 million to the defined benefit plans during the year ending 30 June 2025.

The weighted average duration of the defined benefit obligation as at 30 June 2024 was EF 9 years; EISS 10 years; and SSS, SASS and SANCS 12 years.

Defined contribution superannuation plans

AGL makes contributions to a number of defined contribution superannuation plans. The amount recognised as an expense for the year ended 30 June 2024 was $54 million (2023: $46 million).

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Defined benefit superannuation plans

Various actuarial assumptions are utilised in the determination of AGL's defined benefit obligations. AGL uses external actuarial experts to determine these assumptions. Key accounting assumptions include the discount rate, salary increase rate and pension increase rate.

32. Share-based payment plans

AGL operates the following share-based payment plans:

- The Share Reward Plan; and
- The Long-Term Incentive plan.

AGL has the following other equity arrangements:

- The Share Purchase Plan; and
- The Restricted Equity Plan.

Share Reward Plan (SRP)

The SRP is AGL's complying broad-based employee share plan that enables eligible employees to be granted up to $1,000 of ordinary shares in AGL for no consideration each financial year. The SRP is governed by the AGL General Employee Share Plan Rules. The grant of shares is subject to the achievement of performance metrics and can therefore be scaled down in years where all objectives are not met. Shares granted pursuant to the SRP are subject to a trading restriction of the earlier of three years or the participant's cessation of employment.

Eligible participants include all AGL employees with at least 12 months service at the eligibility date (generally 1 September following the financial year end). Participants in the long-term incentive plan are excluded from any SRP grant.

Details of share movements in the SRP during the year are set out below:

Grant date	Balance at 1 July Number	Granted during the year Number	Fair Value per share $	Released during the year Number	Balance at 30 June Number
2024					
30 September 2023	**-**	**233,100**	**10.71**	**(13,690)**	**219,410**
30 September 2022	**298,200**	**-**	**-**	**(23,940)**	**274,260**
28 September 2021	**207,583**	**-**	**-**	**(14,774)**	**192,809**
28 September 2020	**149,385**	**-**	**-**	**(149,385)**	**-**
Total Share Reward Plan shares	**655,168**	**233,100**		**(201,789)**	**686,479**
2023					
30 September 2022	-	329,700	$6.58	(31,500)	298,200
30 September 2021	234,973	-	-	(27,390)	207,583
28 September 2020	167,532	-	-	(18,147)	149,385
28 September 2019	100,251	-	-	(100,251)	-
Total Share Reward Plan shares	502,756	329,700		(177,288)	655,168

The expense recognised in profit or loss, as part of employee benefits expense during the year in relation to the SRP, was $2 million (2023: $2 million).

Long-Term Incentive (LTI) Plan

The LTI plan provides for a grant of performance rights to eligible participants subject to AGL's performance against pre-determined metrics over a four-year performance period (prior to FY20, a three-year performance period applied). The LTI is governed by the AGL Energy Limited Share Plan Rules. Participation is determined annually at the discretion of the Board.

Generally, performance rights are forfeited on cessation of employment. The Board has discretion with reference to the relevant facts and circumstances of the cessation to vest all or part of the balance, or to authorise a portion of the award to be retained and assessed post-employment.

32. Share-based payment plans (Continued)

Current LTI Plans

For the FY24 plan, the performance rights are subject to two performance hurdles, based on:

- Relative Total Shareholder Return (Relative TSR) - 70% weighted; and
- Carbon Transition metrics - 30% weighted

For the FY23 and FY22 plan, the performance rights are subject to two performance hurdles, based on:

- Relative TSR- 75% weighted; and
- Carbon Transition metrics - 25% weighted

For the FY21 plan, the performance rights are subject to three performance hurdles, based on:

- Relative TSR - 33.4% weighted;
- Return on Equity (ROE) - 33.3% weighted; and
- Carbon Transition metrics - 33.3% weighted

Relative TSR is calculated by ranking AGL's TSR on a relative basis against the peer group, being S&P/ASX100 companies.

ROE measures the amount of Underlying Profit returned as a percentage of average monthly shareholders' equity.

Carbon Transition is calculated through three transition metrics. These metrics are based off emissions intensity, renewable capacity and green energy and carbon neutral revenue.

The performance period for the outstanding LTI plans as at 30 June 2024 are as follows:

- FY24: Four years from 1 July 2023 to 30 June 2027
- FY23: Four years from 1 July 2022 to 30 June 2026
- FY22: Four years from 1 July 2021 to 30 June 2025
- FY21: Four years from 1 July 2020 to 30 June 2024

The number of shares vested are determined by the vesting schedules detailed in the tables below.

Relative TSR vesting schedule

AGL's TSR ranking against comparator group	Percentage of performance rights which vest			
LTI Plan	FY24	FY23	FY22	FY21
Below 50th percentile	Nil	Nil	Nil	Nil
50th – 75th percentile	50 – 100%	50 – 100%	50 – 100%	50 – 100%
At or above 75th percentile	100%	100%	100%	100%

ROE vesting schedule

Percentage of performance rights which vest	AGL's average ROE per LTI plan			
LTI plan	FY24	FY23	FY22	FY21
Nil	N/A	N/A	N/A	Less than 5.0%
50 – 90%	N/A	N/A	N/A	5.0% - 6.5%
90 – 100%	N/A	N/A	N/A	6.5% - 8.0%
100%	N/A	N/A	N/A	At or above 8.0%

Carbon Transition vesting schedule

The units of measurement for each of the carbon transition FY24 metrics are:

- Emissions intensity of electricity supplied;
- New renewable and firming capacity from 1 July 2022 onwards; and
- Revenue uplift of green energy and carbon neutral products and services from FY19 base

The units of measurement for each of the carbon transition FY23 and FY22 metrics are:

- Operated and contracted generation intensity;
- Operated and contracted renewable and electricity storage capacity; and
- Percentage of total revenue derived from green energy and carbon neutral products and services

32. Share-based payment plans (Continued)

FY24 plan percentage of performance rights which vest:

Emissions intensity of electricity supplied in FY27		New total firming and renewable capacity from 1 July 2022 at 30 June 2027		Revenue uplift of green energy and carbon neutral products & services in FY27 from FY19 base	
0%	More than 0.907	0%	Less than 1.5 GW	0%	Less than 75%
25 - 50%	0.907 - 0.884	25 - 50%	1.5 GW - 1.9 GW	25 - 50%	75% - 85%
50 - 90%	0.884 - 0.871	50 - 80%	1.9 GW - 2.1 GW	50 - 100%	85% - 95%
90 - 100%	0.871 - 0.868	80 - 100%	2.1 GW - 2.4 GW	100%	More than 95%
100%	Less than 0.868	100%	More than 2.4 GW		

FY23 plan percentage of performance rights which vest:

	Operated and contracted generation intensity in FY26	% Operated and contracted renewable & electricity storage capacity at 30 June 2026	Green & carbon neutral products & services in FY26
0%	More than 0.875	Less than 30.8%	Less than 22.2%
50 - 100%	0.875 - 0.800	30.8% - 39.8%	22.2% - 27.0%
100%	Less than 0.800	More than 39.8%	More than 27.0%

FY22 plan percentage of performance rights which vest:

	Operated and contracted generation intensity in FY25	% Operated and contracted renewable & electricity storage capacity at 30 June 2025	Green & carbon neutral products & services in FY25
0%	More than 0.885	Less than 29.4%	Less than 16.5%
50 - 100%	0.885 - 0.823	29.4% - 36.9%	16.5% - 22.1%
100%	Less than 0.823	More than 36.9%	More than 22.1%

FY21 plan percentage of performance rights which vest:

	Operated and contracted generation intensity in FY24	% Operated and contracted renewable & electricity storage capacity at 30 June 2024	Green & carbon neutral products & services in FY24
0%	More than 0.895	Less than 28%	Less than 15.5%
50 - 100%	0.895 - 0.845	28% - 34%	15.5% - 20%
100%	Less than 0.845	More than 34%	More than 20%

Details of performance rights movements in the FY24 LTI Plan during the year are set out below:

Grant date	Performance hurdle	Balance at 1 July Number	Granted during the year Number	Fair value per SPR at grant date $	Vested during the year Number	Forfeited/ lapsed during the year Number	Balance at 30 June Number
2024							
FY24 LTI – 24 November 2023	**Relative TSR**	**-**	**660,580**	**$5.54**	**-**	**(14,580)**	**646,000**
FY24 LTI – 24 November 2023	**Carbon Transition**	**-**	**283,106**	**$8.72**	**-**	**(6,248)**	**276,858**
Total share rights		**-**	**943,686**	**$6.49**	**-**	**(20,828)**	**922,858**

32. Share-based payment plans (Continued)

Details of performance rights movements in the FY23 LTI Plan during the year are set out below:

Grant date	Performance hurdle	Balance at 1 July Number	Granted during the year Number	Fair value per SPR at grant date $	Vested during the year Number	Forfeited/ lapsed during the year Number	Balance at 30 June Number
2024							
FY23 LTI – 8 November 2022	**Relative TSR**	**606,843**	**-**	**$3.73**	**-**	**(20,152)**	**586,691**
FY23 LTI – 8 November 2022	**Carbon Transition**	**202,280**	**-**	**$6.63**	**-**	**(6,717)**	**195,563**
Total share rights		**809,123**	**-**	**$4.46**	**-**	**(26,869)**	**782,254**
2023							
FY23 LTI – 8 November 2022	Relative TSR	-	650,207	$3.73	-	(43,364)	606,843
FY23 LTI – 8 November 2022	Carbon Transition	-	216,735	$6.63	-	(14,455)	202,280
Total share rights		-	866,942	$4.46	-	(57,819)	809,123

Details of performance rights movements in the FY22 LTI Plan during the year are set out below:

Grant date	Performance hurdle	Balance at 1 July Number	Granted during the year Number	Fair value per SPR at grant date $	Vested during the year Number	Forfeited/ lapsed during the year Number	Balance at 30 June Number
2024							
FY22 LTI – 29 Oct 2021	**Relative TSR**	**605,084**	**-**	**$1.59**	**-**	**-**	**605,084**
FY22 LTI – 29 Oct 2021	**Carbon Transition**	**201,690**	**-**	**$4.80**	**-**	**-**	**201,690**
Total share rights		**806,774**	**-**	**$2.39**	**-**	**-**	**806,774**
2023							
FY22 LTI – 29 Oct 2021	Relative TSR	997,991	-	$1.59	-	(392,907)	605,084
FY22 LTI – 29 Oct 2021	Carbon Transition	332,659	-	$4.80	-	(130,969)	201,690
Total share rights		1,330,650	-	$2.39	-	(523,876)	806,774

Details of performance rights movements in the FY21 LTI Plan during the year are set out below:

Grant date	Performance hurdle	Balance at 1 July Number	Granted during the year Number	Fair value per SPR at grant date $	Vested during the year Number	Forfeited/ lapsed during the year Number	Balance at 30 June Number
2024							
FY21 LTI – 28 Oct 2020	**Relative TSR**	**117,418**	**-**	**$3.86**	**-**	**(117,418)**	**-**
FY21 LTI – 28 Oct 2020	**ROE**	**117,215**		**$10.64**	**(116,043)**	**(1,172)**	**-**
FY21 LTI – 28 Oct 2020	**Carbon Transition**	**117,215**	**-**	**$10.64**	**(71,110)**	**(46,105)**	**-**
Total share rights		**351,848**	**-**	**$8.38**	**(187,153)**	**(164,695)**	**-**
2023							
FY21 LTI – 28 Oct 2020	Relative TSR	159,221	-	$3.86	-	(41,803)	117,418
FY21 LTI – 28 Oct 2020	ROE	158,935	-	$10.64	-	(41,720)	117,215
FY21 LTI – 28 Oct 2020	Carbon Transition	158,935	-	$10.64	-	(41,720)	117,215
Total share rights		477,091	-	$8.38	-	(125,243)	351,848

32. Share-based payment plans (Continued)

Performance rights grant

The fair value of performance rights granted are measured by reference to the fair value. The estimate of the fair value is measured based on the Monte Carlo simulation method. The contractual life of the performance rights is used as an input into this model. Expected volatility is based on the historical share price volatility over the past three years.

	2024	2023	2022	2021
	FY24 LTI	FY23 LTI	FY22 LTI	FY21 LTI
Grant date	24 November 2023	8 November 2022	29 October 2021	28 October 2020
Weighted average fair value at grant date	$6.49	$4.46	$2.39	$8.38
Share price at grant date	$9.96	$7.56	$5.72	$12.93
Expected volatility	30.0%	31.0%	27.0%	23.0%
Expected dividend yield	3.7%	3.6%	6.0%	5.3%
Risk free interest rate (based on government bonds)	4.2%	3.6%	0.7%	0.2%

The expense recognised in profit or loss as part of employee benefits expense during the year in relation to performance rights granted to executives under the LTI Plan was ($3) million (2023: ($1) million).

Shares purchased on-market

During the financial year ended 30 June 2024, 233,100 (2023: 329,700) AGL shares were purchased on-market at an average of $11.06 (2023: $6.58) per share, for a total consideration of $2,577,376 (2023: $2,169,739), to satisfy employee entitlements pursuant to the SRP.

Other equity arrangements

Share Purchase Plan (SPP)

The SPP is AGL's salary sacrifice plan that enables eligible employees to contribute up to $5,000 per financial year from their ongoing fixed remuneration and/or short-term incentive (STI) award into acquiring ordinary shares in AGL. The SPP is governed under the AGL General Employee Share Plan Rules. Shares granted pursuant to the SPP are subject to a trading restriction of the earlier of four years (from the start of the financial year in which they are acquired) or the participant's cessation of employment. The holding lock is in place to provide for a deferral of income tax for participants.

Eligible participants include all permanent AGL employees. Non-Executive Directors, the Managing Director and Chief Executive Officer, and members of the executive team are excluded from SPP participation.

Details of share movements in the SPP during the year are set out below:

Share movements	Balance at 1 July Number	Granted during the year Number	Fair Value per share $	Released during the year Number	Balance at 30 June Number
2024					
Employees	**691,547**	**242,023**	**9.99**	**(236,297)**	**697,273**
Total share purchase plan shares	**691,547**	**242,023**		**(236,297)**	**697,273**
2023					
Employees	665,444	201,623	7.79	(175,520)	691,547
Total share purchase plan shares	665,444	201,623		(175,520)	691,547

Restricted Equity Plan (REP)

The REP provides for a grant of restricted shares, either as the deferral component of STI awards for executives, or for other purposes (for example, sign-on or retention awards).

Generally, restricted shares are forfeited on cessation of employment. The Board has discretion with reference to the relevant facts and circumstances of the cessation to vest all or part of the balance, or to authorise a portion of the award to be retained and vest post-employment.

32. Share-based payment plans (Continued)

Details of share movements in the REP during the year are set out below:

Share movements	Balance at 1 July Number	Granted during the year Number	Weighted average fair value per share $	Released/ forfeited during the year Number	Balance at 30 June Number
2024					
Current Managing Director and Chief Executive Officer - Damien Nicks	**11,928**	**26,737**	**11.19**	**-**	**38,665**
Employees	**82,640**	**42,393**	**11.19**	**(51,776)**	**73,257**
Total restricted equity plan shares	**94,568**	**69,130**		**(51,776)**	**111,922**
2023					
Current Managing Director and Chief Executive Officer - Damien Nicks	3,960	68,633	7.05	(60,665)	11,928
Former Managing Director and Chief Executive Officer - Graeme Hunt	17,975	-	-	(17,975)	-
Former Managing Director and Chief Executive Officer - Brett Redman	21,255	-	-	(21,255)	-
Employees	28,318	123,074	7.05	(68,752)	82,640
Total restricted equity plan shares	71,508	191,707		(168,647)	94,568

Shares purchased on-market

During the financial year ended 30 June 2024, 264,969 (2023: 393,329) AGL shares were purchased on-market at an average price of $10.09 (2023: $7.45) per share, for a total consideration of $2,674,660 (2023: $2,908,850), to satisfy employee entitlements pursuant to the SPP and REP.

33. Related party disclosures

Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of AGL, directly or indirectly, including the Directors of the Parent Entity.

The aggregate remuneration made to key management personnel is set out below:

	2024 $000	2023 $000
Short-term employee benefits	**8,090**	7,787
Post-employment benefits	**331**	281
Termination benefits	**-**	1,189
Share-based payments	**2,343**	1,412
Total remuneration to key management personnel	**10,764**	10,669

Further details are contained in the Remuneration Report attached to and forming part of the Directors' Report.

33. Related party disclosures (Continued)

Amounts owing by joint ventures and joint operations

	2024 $000	2023 $000
ActewAGL Retail Partnership	**55,902**	50,503
Tilt Renewables	**12**	372
Pottinger Renewables Joint Venture	**7,000**	1,000
Muswellbrook Pumped Hydro Joint Venture	**7,315**	3,237

The amount owing is unsecured, interest free and will be settled in cash. No expense has been recognised in the current or the prior period for bad or doubtful debts in respect of the amounts owed by joint ventures.

Amounts owing to joint ventures and joint operations

	2024 $000	2023 $000
Tilt Renewables	**15,650**	17,136

The amount owing is unsecured, interest free and will be net settled in cash.

Trading transactions with joint ventures and joint operations

	2024 $000	2023 $000
ActewAGL Retail Partnership		
AGL sold gas, electricity and environmental products to the ActewAGL Retail Partnership on normal commercial terms and conditions.		
Net amounts received	**324,797**	281,178
Tilt Renewables		
AGL sells/purchases electricity and environmental products with Tilt on normal commercial terms and conditions.		
Net amounts (paid)/received	**(18,479)**	(132,372)
AGL received management fees from Tilt for overseeing the operation and construction of its generation assets.		
Net amounts received	**1,534**	5,807
North Queensland Energy Joint Venture		
North Queensland Energy Joint Venture (NQE) pays management fees to AGL as the operator of NQE.[1]		
Net amounts received	**167**	375

1. North Queensland Energy Joint Venture was disposed of during the period, this amount represents management fees paid up until disposal.

34. Cash and cash equivalents

34.a Reconciliation to cash flow statement

Cash and cash equivalents at the end of the reporting period as shown in the Consolidated Statement of Cash Flows can be reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	2024 $m	2023 $m
Cash at bank and on hand	**492**	141
Short-term deposits	**440**	7
Total cash and cash equivalents	**932**	148

34.b Reconciliation of profit for the year to net cash flows from operating activities

	2024 $m	2023 $m
Profit/(loss) before tax	**703**	(1,270)
Share of (profits)/losses of associates and joint ventures	**(14)**	57
Dividends received from joint ventures	**26**	17
Depreciation and amortisation	**747**	728
Share-based payment expense	**4**	1
Loss in fair value of financial instruments	**55**	1,201
Net loss/(gain) on disposal of property, plant and equipment	**9**	(1)
Non-cash finance costs	**186**	159
Capitalised finance costs	**(11)**	(8)
Onerous contract expenses	**(1)**	(2)
Impairment expenses	**98**	1,023
Reversal of impairment	**(1)**	(51)
Net gain on the sale of Moranbah Gas Project	**(46)**	-
Other non-cash expenses	**-**	3
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	**(412)**	1,360
Decrease/(increase) in inventories	**26**	(13)
Decrease/(increase) in derivative financial instruments	**5**	(70)
(Increase) in other financial assets	**(34)**	(109)
(Increase) in other assets	**(16)**	(12)
Increase/(decrease) in trade and other payables	**298**	(1,325)
(Decrease) in provisions	**(59)**	(213)
Increase in other liabilities	**382**	5
Decrease/(increase) in net tax assets	**295**	(568)
Net cash provided by operating activities	**2,240**	912

34.c Reconciliation of changes in liabilities arising from financing activities

Year ended 30 June 2024	Balance at beginning of financial year $m	Net proceeds/ (repayments) $m	Non-cash movements $m	Balance at end of financial year $m
Liabilities arising from financing activities				
USD senior notes	**1,133**	**468**	**3**	**1,604**
Bank loans	**1,483**	**(630)**	**-**	**853**
CPI bonds	**52**	**(11)**	**-**	**41**
Lease liabilities	**231**	**(22)**	**38**	**247**
Deferred transaction costs	**(16)**	**(7)**	**6**	**(17)**
	2,883	**(202)**	**47**	**2,728**

34. Cash and cash equivalents (Continued)

Year ended 30 June 2023	Balance at beginning of financial year $m	Net proceeds/ (repayments) $m	Non-cash movements $m	Balance at end of financial year $m
Liabilities arising from financing activities				
USD senior notes	1,005	200	(72)	1,133
Bank loans	1,670	(187)	-	1,483
CPI bonds	60	(10)	2	52
Lease liabilities	150	(28)	109	231
Deferred transaction costs	(7)	(14)	5	(16)
	2,878	(39)	44	2,883

MATERIAL ACCOUNTING POLICY

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash. The carrying amount represents fair value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above net of outstanding bank overdrafts and accounts relating to dividend payments held in escrow.

35. Financial instruments

35.a Classes and categories of financial instruments and their fair values

The following table combines information about:

- Classes of financial instruments based on their nature and characteristics;
  - Amortised cost
  - Fair value through profit or loss ('FVTPL')
  - Fair value through other comprehensive income ('FVOCI')
- The carrying amounts of financial instruments;
- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- Fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

	Carrying value								
	Financial assets				Financial liabilities				
2024 $m	FVTPL	FVOCI	Amortised cost	Hedges	FVTPL	FVOCI	Amortised cost	Hedges	Total
Cash and cash equivalents	**-**	**-**	**932**	**-**	**-**	**-**	**-**	**-**	**932**
Other financial assets	**-**	**29**	**2**	**-**	**-**	**-**	**-**	**-**	**31**
Trade and other receivables	**-**	**-**	**2,271**	**-**	**-**	**-**	**-**	**-**	**2,271**
Future deposits and margin calls	**-**	**-**	**37**	**-**	**-**	**-**	**-**	**-**	**37**
Derivative financial instruments	**1,425**	**-**	**-**	**148**	**(1,672)**	**-**	**-**	**(43)**	**(142)**
Borrowings	**-**	**-**	**-**	**-**	**(1,054)**	**-**	**(1,427)**	**-**	**(2,481)**
Finance lease liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**(247)**	**-**	**(247)**
Trade and other payables	**-**	**-**	**-**	**-**	**-**	**-**	**(2,101)**	**-**	**(2,101)**
Deferred consideration	**-**	**-**	**-**	**-**	**-**	**-**	**(101)**	**-**	**(101)**
Total	**1,425**	**29**	**3,242**	**148**	**(2,726)**	**-**	**(3,876)**	**(43)**	**(1,801)**

35. Financial instruments (Continued)

	Carrying value								
	Financial assets				Financial liabilities				
2023 $m	FVTPL	FVOCI	Amortised cost	Hedges	FVTPL	FVOCI	Amortised cost	Hedges	Total
Cash and cash equivalents	-	-	148	-	-	-	-	-	148
Other financial assets	-	15	8	-	-	-	-	-	23
Trade and other receivables	-	-	1,861	-	-	-	-	-	1,861
Derivative financial instruments	2,170	5	-	171	(2,359)	-	-	(29)	(42)
Borrowings	-	-	-	-	(896)	-	(1,756)	-	(2,652)
Finance lease liabilities	-	-	-	-	-	-	(231)	-	(231)
Trade and other payables	-	-	-	-	-	-	(1,827)	-	(1,827)
Deferred consideration	-	-	-	-	-	-	(127)	-	(127)
Total	2,170	20	2,017	171	(3,255)	-	(3,941)	(29)	(2,847)

35.b Fair value measurements

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no material transfers between Level 1 and Level 2 during the year.

2024	Carrying Amount $m	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets					
Equity instruments at FVOCI					
Unlisted equity securities	**15**	**-**	**-**	**15**	**15**
Unlisted investment funds	**11**	**-**	**-**	**11**	**11**
Other	**3**	**-**	**-**	**3**	**3**
Derivative financial instruments					
Cross currency swap contracts - cash flow and fair value hedges	**59**	**-**	**59**	**-**	**59**
Interest rate swap contracts - cash flow hedges	**89**	**-**	**89**	**-**	**89**
Energy derivatives - economic hedges	**1,425**	**383**	**291**	**751**	**1,425**
Total financial assets	**1,602**	**383**	**439**	**780**	**1,602**
Financial liabilities					
Derivative financial instruments					
Cross currency swap contracts - cash flow and fair value hedges	**(40)**	**-**	**(40)**	**-**	**(40)**
Interest rate swap contracts - cash flow hedges	**(1)**	**-**	**(1)**	**-**	**(1)**
Forward foreign exchange contracts - cash flow hedges	**(2)**	**-**	**(2)**	**-**	**(2)**
Energy derivatives - economic hedges	**(1,672)**	**(351)**	**(374)**	**(947)**	**(1,672)**
Total financial liabilities	**(1,715)**	**(351)**	**(417)**	**(947)**	**(1,715)**

35. Financial instruments (Continued)

2023	Carrying Amount $m	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets					
Equity instruments at FVOCI					
Unlisted equity securities	8	-	-	8	8
Unlisted investment funds	7	-	-	7	7
Derivative financial instruments					
Cross currency swap contracts - cash flow and fair value hedges	55	-	55	-	55
Interest rate swap contracts - cash flow hedges	114	-	114	-	114
Forward foreign exchange contracts - cash flow hedges	2	-	2	-	2
Energy derivatives - economic hedges	2,170	1,022	433	715	2,170
Other	5	-	-	5	5
Total financial assets	2,361	1,022	604	735	2,361
Financial liabilities					
Derivative financial instruments					
Cross currency swap contracts - cash flow and fair value hedges	(29)	-	(29)	-	(29)
Energy derivatives - economic hedges	(2,359)	(747)	(553)	(1,059)	(2,359)
Total financial liabilities	(2,388)	(747)	(582)	(1,059)	(2,388)

Management has assessed that the carrying value of financial assets and financial liabilities to be comparable to fair value.

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments:

- Receivables/payables with a remaining life of less than six months, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value if the effect of discounting is material.
- The fair value of forward foreign exchange contracts, interest rate and cross currency swaps is calculated as the present value of expected future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates that reflect the credit risk of various counterparties.
- The fair value of borrowings, energy derivatives and deferred consideration is determined as the present value of future contracted cash flows and credit adjustments. Cash flows are discounted using standard valuation techniques at applicable market yield having regard to timing of cash flows.
- The fair value of lease liabilities is estimated as the present value of future cash flows discounted where the effect of discounting is material.

The following table provides a reconciliation of fair value movements in Level 3 financial instruments.

	2024 $m	2023 $m
Opening balance	**(324)**	(801)
Total gains or losses recognised in profit or loss		
Settlements during the year	**(194)**	(579)
Changes in fair value	**373**	842
Transfer from Level 3 to Level 2[1]	**-**	253
Premiums	**(23)**	(40)
Purchases	**1**	1
Closing balance	**(167)**	(324)

[1] Contract fell into observable market curve during the financial year.

35. Financial instruments (Continued)

The total gains or losses for the year included a gain of $373 million relating to energy derivative Level 3 contracts held at the end of the reporting period (2023: a gain of $842 million). Fair value gains or losses on energy derivatives are included in other expenses in the line item 'Gain on fair value of financial instruments' in Note 4.

The sensitivity of Level 3 contracts with significant unobservable inputs, where the inputs are higher by 10 percent is $(191) million and lower by 10 percent is $191 million (profit after tax (decrease)/increase)). Input changes were applied to forward prices with references to electricity market and emissions schemes, cost-based indexes, contract volumes and management's assumptions on long-term commodity curves.

35.c Capital risk management

AGL's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an appropriate capital structure of debt and equity.

In order to maintain or adjust the capital structure, AGL may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. AGL's overall capital management strategy remains unchanged from 2022.

The capital structure of AGL consists of net debt (borrowings offset by cash and cash equivalents) and total equity (comprising issued capital, reserves and retained earnings).

AGL monitors capital on the basis of the gearing ratio and funds from operations (FFO) to interest expense cover.

The gearing ratio is calculated as net debt divided by adjusted total capital. Net debt is calculated as total borrowings, adjusted for cross currency swap hedges and deferred borrowing costs, less cash and cash equivalents. Adjusted total capital is calculated as total equity less the hedge reserve plus net debt. The gearing ratio at the end of the reporting period was as follows:

	2024 $m	2023 $m
Current borrowings	**35**	47
Non-current borrowings	**2,693**	2,836
Total borrowings	**2,728**	2,883
Adjustment for cross currency swap hedges	**(27)**	(24)
Adjusted total borrowings	**2,701**	2,859
Cash and cash equivalents	**(932)**	(148)
Net debt	**1,769**	2,711
Total equity	**5,431**	5,119
Hedge reserve	**(39)**	(62)
Adjusted equity	**5,392**	5,057
Net debt	**1,769**	2,711
Adjusted total capital	**7,161**	7,768
Gearing ratio	**24.7%**	34.9%

35.d Financial risk management

AGL's activities expose it to a variety of financial risks, including market risk (interest rate risk, foreign currency risk and energy price risk), credit risk and liquidity risk. AGL's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on its financial performance. AGL uses a range of derivative financial instruments to hedge these risk exposures.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management policy and framework. The Board has established the Audit & Risk Management Committee (the Committee), which is responsible for approving AGL's risk management policy and framework for identifying, assessing and managing risk. The Committee is also responsible for reviewing and updating the risk profile, monitoring the effectiveness of the risk management framework and reviewing at least annually the implementation of the risk management policy and framework. The Committee reports regularly to the Board of Directors on its activities.

AGL has written policies covering specific areas, such as interest rate risk, foreign currency risk, energy price risk, credit risk, liquidity risk, and the use of derivative and non-derivative financial instruments. Compliance with policies and exposure limits is reviewed on a continuous basis.

35. Financial instruments (Continued)

35.e Interest rate risk management

AGL is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts or other hedging instruments.

AGL regularly analyses its interest rate exposure, by taking into consideration forecast debt positions, refinancing, renewals of existing positions, alternative financing, hedging positions and the mix of fixed and floating interest rates.

At the end of the reporting period, AGL had the following financial assets and liabilities exposed to floating interest rate risk:

Floating rate instruments	2024 $m	2023 $m
Financial assets		
Cash and cash equivalents	**932**	148
Total financial assets	**932**	148
Financial liabilities		
USD senior notes (after effect of cross currency swaps)	**1,027**	872
Bank loans	**853**	1,483
Interest rate swap contracts	**(1,250)**	(1,450)
Total financial liabilities	**630**	905

Interest rate swap contracts - cash flow hedges

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period:

Outstanding hedging instruments cash flow hedge - receive floating, pay fixed contracts	Average contracted fixed interest rate		Notional principal amount		Carrying value of outstanding hedging instruments	
	2024 %	2023 %	2024 $m	2023 $m	2024 $m	2023 $m
Less than 1 year	**0.94**	1.63	**150**	400	**2**	8
1 to 2 years	**1.24**	0.94	**50**	150	**2**	8
2 to 3 years	**1.50**	1.24	**500**	50	**30**	3
3 to 4 years	**1.26**	1.50	**175**	500	**17**	39
4 to 5 years	**3.74**	1.26	**125**	175	**3**	21
5 years or more	**2.72**	2.74	**405**	425	**30**	35
Total			**1,405**	1,700	**84**	114

	Financial year	2024 $m	2023 $m
Aggregate notional amount of variable rate borrowings		**1,405**	1,700
Aggregate notional principal of the outstanding interest rate swaps		**1,405**	1,700
Included in this amount:			
Forward interest rate swap contracts		**155**	250
Of which:			
Commences in	**2024**	**-**	200
Commences in	**2025**	**50**	50
Commences in	**2026**	**-**	-
Commences in	**2027**	**105**	-

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the Australian Bank Bill Swap (BBSW) reference rate. AGL will settle the difference between the fixed and floating interest rate on a net basis. During the year, no hedges were de-designated. All underlying forecast transactions remain highly probable.

35. Financial instruments (Continued)

Interest rate sensitivity

The following sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At the end of the reporting period, if interest rates had been 50 basis points higher or lower and all other variables were held constant, AGL's profit after tax and other comprehensive income would have been affected as follows:

	Profit/(loss) after tax increase/(decrease)		Other comprehensive income increase/(decrease)	
	2024 $m	2023 $m	2024 $m	2023 $m
Interest rates +0.5% (50 basis points)	**1**	(3)	**6**	3
Interest rates -0.5% (50 basis points)	**(1)**	3	**(6)**	(3)

35.f Foreign currency risk management

AGL undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Foreign currency risk arises primarily from overseas term borrowings and firm commitments for the purchase of plant and equipment which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts and cross currency swap contracts.

Forward foreign exchange contracts - cash flow hedges

AGL's Corporate Treasury policy requires the hedging of foreign currency risk using forward foreign exchange contracts. The Corporate Treasury's policy is to hedge currency exposures of anticipated cash flows in excess of $3 million and to not enter into forward foreign exchange contracts until a firm commitment is in place. The forward foreign exchange contracts are designated as cash flow hedges. During the year, no hedges were de-designated and all underlying forecast transactions remain highly probable as per original forecast.

There were $167 million of forward foreign exchange contracts outstanding at the end of the reporting period (2023: $26 million). The fair value of those contracts was $2 million liability (2023: $1 million asset).

The following tables detail the Forward foreign exchange contracts outstanding at the end of the reporting period, as well as information regarding their related hedged items. Forward foreign exchange contracts assets and liabilities are presented in the line 'Derivative financial instruments' (either as assets or as liabilities) within the statement of financial position:

	Average exchange rate		Contract value (foreign currency)		Contract value (local currency)		Carrying value of outstanding hedging instruments	
Cash Flow Hedge - Outstanding contracts	2024	2023	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Buy GBP								
6 to 12 months	**0.52**	-	**79**	-	**151**	-	**(2)**	-
Buy Euro								
0 to 6 months	**0.64**	0.64	**5**	5	**8**	7	**-**	-
6 to 12 months	**0.64**	0.66	**2**	1	**3**	2	**-**	-
1 to 5 years	**0.63**	0.64	**3**	11	**5**	17	**-**	1

Cross currency swap contracts

Under cross currency swap contracts, AGL has agreed to exchange specified foreign currency loan principal and interest amounts at agreed future dates at fixed exchange rates. Such contracts enable AGL to eliminate the risk of movements in foreign exchange rates related to foreign currency denominated borrowings.

The fair value of cross currency swaps at 30 June 2024 was an asset of $19 million (2023: asset of $26 million), of which $115 million (2023: $117 million) is in a cash flow hedge relationship, $(96) million (2023: $(94) million) is in a fair value hedge relationship and $0.3 million (2023: $3 million) relates to the currency basis of the cross currency swaps.

35. Financial instruments (Continued)

The following tables detail the cross currency swap contracts in hedges outstanding at the end of the reporting period:

	Average interest rate		Average exchange rate		Contract value (foreign currency)		Contract value (local currency)		Fair value/ carrying amount	
Outstanding contracts	2024 %	2023 %	2024	2023	2024 $m	2023 $m	2024 $m	2023 $m	2024 $m	2023 $m
Buy US dollars										
1 to 5 years	**6.95**	6.04	**0.814**	0.888	**285**	135	**350**	152	**46**	44
5 years or more	**7.55**	6.36	**0.703**	0.731	**476**	526	**677**	720	**(28)**	(18)

Foreign currency exchange rate sensitivity

The following sensitivity analysis has been determined based on the exposure to foreign currency exchange rates for both derivative and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

At the end of the reporting period, if the Australian dollar had weakened or strengthened by 10% against the respective foreign currencies where all other variables remain constant, AGL's profit after tax and other comprehensive income would have been affected as follows:

	Profit/(loss) after tax increase/(decrease)		Other comprehensive income increase/(decrease)	
	2024 $m	2023 $m	2024 $m	2023 $m
AUD exchange rates +10.0%	**-**	-	**3**	1
AUD exchange rates -10.0%	**-**	-	**(4)**	(1)

35.g Energy price risk management

AGL is exposed to energy price risk associated with the purchase and/or sale of electricity, gas, oil and environmental products. AGL manages energy risk through an established risk management framework consisting of policies to place appropriate risk limits on overall energy market exposures and transaction limits for approved energy commodities, requirements for delegations of authority on trading, regular reporting of exposures and segregation of duties.

It is AGL's policy to actively manage the energy price exposure arising from both forecast energy supply and customer energy load. AGL's risk management policy for energy price risk is to hedge forecast future positions for up to five years into the future.

Exposures to fluctuations in the wholesale market energy prices are managed through the use of various types of hedge contracts including derivative financial instruments.

Energy derivatives – economic hedges

AGL has entered into certain derivative instruments for economic hedging purposes under the Board-approved risk management policies, which do not satisfy the requirements for hedge accounting under AASB 9 *Financial Instruments*. These derivatives are therefore required to be categorised as held for trading and are classified in the Consolidated Statement of Financial Position as economic hedges. Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss as part of (loss)/gain on fair value of financial instruments.

Energy price sensitivity

The following table details the sensitivity to a 10 percent increase or decrease in the energy contract market forward prices. A sensitivity of 10 percent has been used as this is considered reasonably possible, based on historical data relating to the level of volatility in market prices.

At the end of the reporting period, if the forward prices had been 10 percent higher or lower and all other variables were held constant, AGL's profit after tax and other comprehensive income would have been affected as follows:

	Profit/(loss) after tax increase/(decrease)		Other comprehensive income increase/(decrease)	
	2024 $m	2023 $m	2024 $m	2023 $m
Energy forward price +10%	**(204)**	(115)	**-**	-
Energy forward price -10%	**204**	113	**-**	-

The movement in profit after tax is mainly attributable to an increase/decrease in the fair value of certain energy derivative instruments which are not hedge accounted by AGL. The movement in other comprehensive income is due to the reclassification and/or amortisation of historical hedge accounted derivatives.

35. Financial instruments (Continued)

35.h Hedge effectiveness

The following table details the effectiveness of the hedging relationships and the amounts reclassified from hedging reserve to profit or loss:

	Cash flow hedges				Fair Value Hedges
2024	USD CCIRS $m	IRS $m	FX $m	Energy $m	USD CCIRS $m
Carrying amount of the hedging instrument					
- Assets	**116**	**88**	**-**	**-**	**-**
- Liabilities	**-**	**(1)**	**(2)**	**-**	**(96)**
Total carrying amount of the hedging instrument	**116**	**87**	**(2)**	**-**	**(96)**
Change in value of hedging instrument	**(1)**	**(27)**	**(3)**	**-**	**(2)**
Change in value of hedged item	**1**	**27**	**3**	**-**	**3**
Change in value of the hedging instrument recognised in reserve	**(15)**	**7**	**-**	**-**	**n/a**
Amount recognised in profit or loss on discontinued hedge relationships	**-**	**(1)**	**-**	**-**	**-**
Hedge ineffectiveness recognised in profit or loss[1]	**-**	**2**	**-**	**-**	**(1)**
Amount reclassified from hedge reserve to profit or loss[2]	**14**	**(34)**	**-**	**-**	**n/a**
Balance in cash flow hedge reserve for continuing hedges	**(5)**	**91**	**(2)**	**-**	**n/a**

1. Included in the line item 'Gain on fair value of financial instruments' within other expenses in the Consolidated Statement of Profit or Loss.
2. The profit or loss from foreign exchange movement of hedging instrument is largely offset by the profit or loss from the foreign exchange movement of the borrowings in an effective hedge relationship.

	Cash flow hedges				Fair Value Hedges
2023	USD CCIRS $m	IRS $m	FX $m	Energy $m	USD CCIRS $m
Carrying amount of the hedging instrument					
- Assets	117	114	2	-	-
- Liabilities	-	-	-	-	(94)
Total carrying amount of the hedging instrument	117	114	2	-	(94)
Change in value of hedging instrument	(26)	(6)	2	-	(46)
Change in value of hedged item	26	6	(2)	-	44
Change in value of the hedging instrument recognised in reserve	(8)	19	2	-	n/a
Amount recognised in profit or loss on discontinued hedge relationships	-	(1)	-	-	-
Hedge ineffectiveness recognised in profit or loss[1]	-	2	-	-	2
Amount reclassified from hedge reserve to profit or loss[2]	(18)	(25)	-	-	n/a
Balance in cash flow hedge reserve for continuing hedges	(3)	122	2	-	n/a

1. Included in the line item 'Gain on fair value of financial instruments' within other expenses in the Consolidated Statement of Profit or Loss.
2. The profit or loss from foreign exchange movement of hedging instrument largely offsets by the profit or loss from the foreign exchange movement of the borrowings in an effective hedge relationship.

35.i Credit risk management

AGL manages its exposure to credit risk using credit risk management policies which provide credit exposure limits and contract maturity limits based on the credit worthiness of counterparties. AGL's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties.

Trade and other receivables consist of approximately 3.95 million residential, small business and large commercial and industrial services to customers, in New South Wales, Victoria, South Australia, Queensland and Western Australia. Ongoing credit evaluation is performed on the

35. Financial instruments (Continued)

financial condition of customers and, where appropriate, an allowance for expected credit loss is raised. AGL does not have any significant credit risk exposure to any single customer or any group of customers.

AGL limits its exposure to credit risk by investing surplus funds and entering into derivative financial instruments only with approved financial institutions that have a credit rating of at least A from Standard & Poor's and within credit limits assigned to each financial institution. Derivative counterparties are limited to high creditworthy financial institutions and other organisations in the energy industry. AGL also utilises International Swaps and Derivative Association (ISDA) agreements with derivative counterparties in order to limit exposure to credit risk through the netting of amounts receivable from and amounts payable to individual counterparties.

At the end of the reporting period, there was a significant concentration of credit risk with certain counterparties in relation to energy derivatives undertaken in accordance with the AGL's hedging and risk management activities. The carrying amount of the financial assets recognised in the financial statements, which is net of impairment losses, represents the maximum exposure to credit risk.

AGL does not hold any collateral or other credit enhancements to cover this credit risk.

35.j Liquidity risk management

Liquidity risk is the risk that AGL will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have established an appropriate liquidity risk management framework for the management of AGL's short, medium and long-term funding and liquidity management requirements.

AGL manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details AGL's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amounts are based on the undiscounted cash flows of financial liabilities on the earliest date on which AGL can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

2024	Less than 1 year $m	1 - 2 years $m	2 - 5 years $m	More than 5 years $m	Total $m
Non-derivative financial liabilities					
Trade and other payables[1]	**2,101**	**-**	**-**	**-**	**2,101**
USD senior notes	**89**	**286**	**504**	**1,397**	**2,276**
Bank loans	**53**	**50**	**667**	**341**	**1,111**
CPI bonds	**14**	**15**	**15**	**-**	**44**
Lease liabilities	**26**	**32**	**94**	**352**	**504**
Deferred consideration	**40**	**41**	**42**	**-**	**123**
	2,323	**424**	**1,322**	**2,090**	**6,159**

1. Trade payables are generally settled within 32 days of the date of recognition.

2023	Less than 1 year $m	1 - 2 years $m	2 - 5 years $m	More than 5 years $m	Total $m
Non-derivative financial liabilities					
Trade and other payables	1,827	-	-	-	1,827
USD senior notes	63	63	412	1,211	1,749
Bank loans	89	745	896	-	1,730
CPI bonds	14	15	31	-	60
Lease liabilities	39	36	57	304	436
Deferred consideration	39	40	84	-	163
	2,071	899	1,480	1,515	5,965

The following table details AGL's liquidity analysis for its derivative financial instruments. The amounts are based on the undiscounted net cash inflows and outflows on those derivatives instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. For interest rate swaps, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

35. Financial instruments (Continued)

2024	Less than 1 year $m	1 - 2 years $m	2 - 5 years $m	More than 5 years $m	Total $m
Derivative financial instruments					
Gross settled					
Cross currency swap contracts - pay leg	**(77)**	**(218)**	**(385)**	**(880)**	**(1,560)**
Cross currency swap contracts - receive leg	**58**	**254**	**367**	**912**	**1,591**
Net receive/(pay)	**(19)**	**36**	**(18)**	**32**	**31**
Net settled					
Energy derivatives	**(1,217)**	**(828)**	**(596)**	**(527)**	**(3,168)**
	(1,236)	**(792)**	**(614)**	**(495)**	**(3,137)**

2023	Less than 1 year $m	1 - 2 years $m	2 - 5 years $m	More than 5 years $m	Total $m
Derivative financial instruments					
Gross settled					
Cross currency swap contracts - pay leg	(66)	(64)	(306)	(878)	(1,314)
Cross currency swap contracts - receive leg	47	47	316	954	1,364
Net receive/(pay)	(19)	(17)	10	76	50
Net settled					
Energy derivatives	(1,503)	(781)	(796)	(151)	(3,231)
	(1,522)	(798)	(786)	(75)	(3,181)

MATERIAL ACCOUNTING POLICY

Financial assets

Non-derivative financial assets

Classification

AGL classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on AGL's business model for managing financial assets and the contractual terms of the cash flows.

Equity instruments

All of AGL's equity financial instruments are classified as FVOCI. Dividends from such investments continue to be recognised in profit or loss as other income when AGL's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Fair value of financial instruments

Management uses their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices and rates.

36. Parent entity information

The accounting policies of the Parent Entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

Financial position

	2024 $m	2023 $m
Assets		
Current assets	**950**	942
Non-current assets	**12,559**	11,452
Total assets	**13,509**	12,394
Liabilities		
Current liabilities	**285**	365
Non-current liabilities	**8,963**	8,527
Total liabilities	**9,248**	8,892
Equity		
Issued capital	**5,918**	5,918
Reserves		
Loss reserve	**(2,191)**	(2,191)
Employee equity benefits reserve	**4**	-
Hedge reserve	**37**	62
Retained earnings	**493**	(287)
Total equity	**4,261**	3,502

Financial performance

Profit/(loss) for the year	**1,111**	(1,144)
Other comprehensive income	**28**	13
Total comprehensive income/(loss) for the year	**1,139**	(1,131)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The Parent Entity has entered into a Deed of Cross Guarantee with the effect that it guarantees the debts in respect of its wholly owned Australian subsidiaries. Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed, are disclosed in Notes 27 and 30 respectively.

Contingent liabilities
The Parent Entity is a party to various legal actions and claims which have arisen in the ordinary course of business. The Parent Entity has provided warranties and indemnities to certain third parties in relation to the performance of contracts by various wholly owned subsidiaries.

Capital expenditure commitments
As at 30 June 2024, the Parent Entity had commitments for the acquisition of property, plant and equipment of nil (2023: nil) and its share of joint operations capital commitments was nil (2023: nil).

37. Other material accounting policies

AGL Energy Limited (the Parent Entity) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX). The address of its registered office is Level 24, 200 George Street, Sydney NSW 2000 Australia.

The consolidated financial statements comprise the Parent Entity and its controlled entities (together referred to as AGL). For the purposes of preparing the consolidated financial statements, the Parent Entity is a for-profit entity.

The principal activities of AGL are described in Note 1.

37. Other material accounting policies (Continued)

37.a Statement of compliance

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The consolidated financial statements were authorised for issue by the Directors on 14 August 2024.

37.b Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for derivative financial instruments and equity instrument financial assets, which are measured at fair value. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, which is the functional and presentation currency of AGL, unless otherwise noted.

The Parent Entity is a company of the kind referred to in ASIC Corporations Instrument 2016/191, dated 24 March 2016, and in accordance with that Instrument, amounts in the financial statements are rounded off to the nearest million dollars, unless otherwise indicated.

37.c Adoption of new and revised accounting standards and Interpretations

AGL has applied the required amendments to Standards and Interpretations that are relevant to its operations and effective for the current reporting period for the first time for the financial year commencing 1 July 2023.

Material impact relates to AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates.* The amendment requires the disclosure of material rather than significant accounting policy information in the financial statements.

37.d Standards and Interpretations on issue not yet adopted

The following accounting standards, accounting standard amendments and interpretations are due for adoption for the year ending 30 June 2025 or later:

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128;
- AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections;
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections;
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current;
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date;
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants;
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback;
- AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements; and
- AASB 2023-5 Amendments to Australian Accounting Standards –Lack of Exchangeability.

The standards and interpretations listed above are not expected to have a material impact on AGL's financial results or financial position on adoption.

AASB 18 *Presentation and Disclosure in Financial Statements* was also issued which is due for adoption for the year ending 30 June 2028. It will not change the recognition and measurement of items in the financial statements but will affect presentation and disclosure in the consolidated financial statements.

38. Subsequent events

On 14 August 2024, AGL announced it has entered into a binding agreement for the acquisition of 100% of the shares and units in Firm Power and Terrain Solar for a total consideration of approximately $250 million. Firm Power is a Battery Energy Storage System (BESS) developer with 21 projects in development, and Terrain Solar is a solar project developer with 6 projects in development. Completion of the acquisition is anticipated in calendar year 2024 subject to fulfillment of conditions.

Apart from the matter identified above and in the financial statements or notes thereto, there has not been any other matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of AGL, the results of those operations, or the state of affairs of AGL in future financial periods.

Consolidated Entity Disclosure Statement

As at 30 June 2024

		Body corporates		Tax residency	
Entity name	**Entity type**	**Place formed or incorporated**	**% of share capital held**	**Australian or foreign**	**Foreign jurisdiction**
AGL Energy Limited (the Company)	Body Corporate	Australia		Australian	N/A
AGL ACT Retail Investments Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Australia Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
AGLA Vic Hydro Assets Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
AGL Barker Inlet Pty Limited[2]	Body Corporate	Australia	100	Australian	N/A
Barker Inlet Trust	Trust	Australia	Trustee	Australian	N/A
AGL Corporate Services Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Electricity (VIC) Pty Limited	Body Corporate	Australia	100	Australian	N/A
Ovo Energy Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Victorian Energy Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Sales Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Sales (Queensland) Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Sales (Queensland Electricity) Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Torrens Island Holdings Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL SA Generation Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Torrens Island Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL South Australia Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL APG Holdings Pty Limited	Body Corporate	Australia	100	Australian	N/A
Australian Power and Gas Company Limited	Body Corporate	Australia	100	Australian	N/A
AGL Australia Markets Pty Limited	Body Corporate	Australia	100	Australian	N/A
APG Operations Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Australian Power and Gas (NSW) Pty Ltd	Body Corporate	Australia	100	Australian	N/A
AGL Torrens Island Battery Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Dalrymple Pty Limited	Body Corporate	Australia	100	Australian	N/A
Energy 360 Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Carbon Green Pty Ltd[1]	Body Corporate	Australia	100	Australian	N/A
Access Way SPV Pty Ltd[1]	Body Corporate	Australia	100	Australian	N/A
Epho Holding Pty Limited	Body Corporate	Australia	100	Australian	N/A
Epho Services Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
Epho Pty Limited	Body Corporate	Australia	100	Australian	N/A
Epho Asset Management Pty Limited	Body Corporate	Australia	100	Australian	N/A
BTPS 1 Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
SEGH Pty Limited	Body Corporate	Australia	100	Australian	N/A
Sustainable Business Energy Solutions Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Sol Install Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
Sol Distribution Pty Limited	Body Corporate	Australia	100	Australian	N/A
Sunlease Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
Solarserve Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
AGL Energy Sales & Marketing Limited	Body Corporate	Australia	100	Australian	N/A
AGL Energy Services Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Financial Energy Solutions Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Generation Holdco Pty Ltd[3]	Body Corporate	Australia	99.99	Australian	N/A
AGL Loy Yang Pty Ltd	Body Corporate	Australia	75	Australian	N/A
AGL Loy Yang Partnership	Partnership	Australia	75	Australian	N/A
AGL Loy Yang Projects Pty Ltd	Body Corporate	Australia	75	Australian	N/A
AGL Generation Proprietary Limited[3]	Body Corporate	Australia	100	Australian	N/A
AGL Loy Yang Pty Ltd	Body Corporate	Australia	25	Australian	N/A

Consolidated Entity Disclosure Statement

As at 30 June 2024

		Body corporates		Tax residency	
Entity name	**Entity type**	**Place formed or incorporated**	**% of share capital held**	**Australian or foreign**	**Foreign jurisdiction**
AGL Loy Yang Partnership	Partnership	Australia	25	Australian	N/A
AGL Loy Yang Projects Pty Ltd	Body Corporate	Australia	25	Australian	N/A
Loy Yang Marketing Holdings Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Loy Yang Marketing Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Great Energy Alliance Corporation Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
GEAC Operations Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
AGL LYP 1 Pty Ltd[1]	Body Corporate	Australia	100	Australian	N/A
AGL LYP 2 Pty Ltd[1]	Body Corporate	Australia	100	Australian	N/A
AGL LYP 3 Pty Ltd[1]	Body Corporate	Australia	100	Australian	N/A
AGL HP1 Pty Limited[4]	Body Corporate	Australia	100	Australian	N/A
AGL Hydro Partnership	Partnership	Australia	49.5	Australian	N/A
AGL Southern Hydro (NSW) Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL HP2 Pty Limited[4]	Body Corporate	Australia	100	Australian	N/A
AGL Hydro Partnership	Partnership	Australia	20	Australian	N/A
AGL HP3 Pty Limited[4]	Body Corporate	Australia	100	Australian	N/A
AGL Hydro Partnership	Partnership	Australia	30.5	Australian	N/A
AGL Macquarie Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL New Energy Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL New Energy ACP Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL New Energy EIF Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL New Energy Investments Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL PARF NSW Pty Ltd	Body Corporate	Australia	100	Australian	N/A
AGL PARF QLD Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Power Generation Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Power Generation (Wind) Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Energy Hubs Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Crows Nest Wind Farm Pty Ltd[1]	Body Corporate	Australia	100	Australian	N/A
Highfields Wind Farm Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
Worlds End Wind Farm Pty Ltd[1]	Body Corporate	Australia	100	Australian	N/A
AGL PV Solar Holdings Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL PV Solar Developments Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Retail Energy Limited	Body Corporate	Australia	100	Australian	N/A
AGL Australia Services Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
AGL Upstream Gas (Mos) Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Gas Storage Pty Ltd	Body Corporate	Australia	100	Australian	N/A
AGL Upstream Infrastructure Investments Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Upstream Investments Pty Limited	Body Corporate	Australia	100	Australian	N/A
AGL Wholesale Gas Limited	Body Corporate	Australia	100	Australian	N/A
AGL Wholesale Gas (SA) Pty Limited	Body Corporate	Australia	100	Australian	N/A
Barn Hill Wind Farm Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Click Energy Group Holdings Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Click Energy Pty Ltd	Body Corporate	Australia	100	Australian	N/A
On the Move Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Connect Now Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Coopers Gap Wind Farm Pty Ltd	Body Corporate	Australia	100	Australian	N/A
GRCI Australia Pte. Ltd.	Body Corporate	Singapore	100	Foreign	Singapore
AGL Newcastle Power Station Pty Limited[5]	Body Corporate	Australia	100	Australian	N/A
NGSF Operations Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
Perth Energy Holdings Pty. Ltd.	Body Corporate	Australia	100	Australian	N/A

Consolidated Entity Disclosure Statement

As at 30 June 2024

		Body corporates		Tax residency	
Entity name	**Entity type**	**Place formed or incorporated**	**% of share capital held**	**Australian or foreign**	**Foreign jurisdiction**
Perth Energy Pty Ltd	Body Corporate	Australia	100	Australian	N/A
WA Power Exchange Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Western Energy Holdings Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Western Energy Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Powerdirect Pty Ltd	Body Corporate	Australia	100	Australian	N/A
Silverton Wind Farm Holdings Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
Silverton Wind Farm Developments Pty Limited[1]	Body Corporate	Australia	100	Australian	N/A
Silverton Wind Farm Transmission Pty Ltd[1]	Body Corporate	Australia	100	Australian	N/A
Southern Phone Company Limited	Body Corporate	Australia	100	Australian	N/A
AGL Liddell BESS Pty Ltd	Body Corporate	Australia	100	Australian	N/A
The Australian Gas Light Company	Body Corporate	Australia	100	Australian	N/A

1. These entities are in the process of being liquidated.
2. Trustee of Barker Inlet Trust which is consolidated in the consolidated financial statements.
3. These entities are partners in Loy Yang Partnership which is consolidated in the consolidated financial statements.
4. These entities are partners in Hydro Partnership which is consolidated in the consolidated financial statements.
5. AGL Newcastle Power Station Pty Limited changed its name to Tomago BESS Pty Limited on 30 July 2024.

Names inset indicate that shares are held by the company immediately above the inset.

Directors' Declaration

For the year ended 30 June 2024

In accordance with a resolution of the Directors of AGL Energy Limited, the Directors declare that:

a. in their opinion, there are reasonable grounds to believe that AGL Energy Limited will be able to pay its debts as and when they fall due and payable;

b. the financial statements and notes thereto are in compliance with International Financial Reporting Standards, as stated in Note 37(a) to the financial statements;

c. in their opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the consolidated entity's financial position and performance for the year ended 30 June 2024;

d. there are reasonable grounds to believe that AGL Energy Limited and the subsidiaries identified in Note 27 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee between the Parent Entity and those subsidiaries pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785; and

e. the Directors have received the declarations required by s.295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2024.

f. in the directors' opinion, the attached Consolidated Entity Disclosure Statement is true and correct.

Signed on behalf of the Board.

P. McKenzie

Patricia McKenzie
Chair
14 August 2024

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000

Phone: +61 2 9322 7000
www.deloitte.com.au

The Board of Directors
AGL Energy Limited
200 George Street
Sydney NSW 2000

14 August 2024

Dear Board Members,

Auditor's Independence Declaration to AGL Energy Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of AGL Energy Limited.

As lead audit partner for the audit of the financial report of AGL Energy Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

H Fortescue
Partner
Chartered Accountants

Independent Auditor's Report of the Financial Report

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the Members of AGL Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AGL Energy Limited ("AGL" or the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the Consolidated Entity Disclosure Statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's consolidated financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key Audit Matters	The key audit matters that we have identified in the current year were: • Potential financial reporting impacts of climate change related risk; • Provision for environmental rehabilitation; • Carrying value of property, plant and equipment and intangible assets; • Unbilled revenue and accrued distribution costs; and • Derivative financial instruments.

Independent Auditor's Report of the Financial Report

	All key audit matters are consistent with those we identified in the prior year and the developments in fact patterns of these previously identified key audit matters are explained in the respective sections below.
Materiality	The materiality that we used for the audit of the Group financial report was $55 million which was determined based on 4.8% of underlying profit before tax.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the audit engagement team.

Throughout the course of our audit, we identify risks of material misstatement ("risks"). We consider both the likelihood of a risk and the potential magnitude of a misstatement in making the assessment. Certain risks are classified as 'significant' or 'higher' depending on their severity. The category of the risk determines the level of evidence we seek in providing assurance that the associated financial statement item is not materially misstated.

The matters described below were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Potential financial reporting impacts of climate change related risk (impacting property, plant and equipment, intangible assets and provisions) – Note 15, 16 and 19

Key audit matter description	Climate change related risk is pervasive to AGL's overall financial position and performance given the industry in which AGL operates. It represents a strategic challenge and a key focus of management and the Board of Directors. The related risks that we have assessed for our audit are as follows: • Forecast assumptions used in assessing whether the recoverable amounts of property, plant and equipment and intangible assets exceed the carrying values within AGL's consolidated statement of financial position. In particular, that forecast price and volume assumptions and their interrelationship with forecast emissions costs and energy procurement costs, may not appropriately reflect actual changes in supply and demand due to the impact of climate change. The estimation of future energy prices is subject to increased uncertainty given climate change, the global energy transition, macroeconomic factors and disruption in global supply due to ongoing geo-political conflicts. There is a risk that management do not forecast reasonable 'best estimate' price forecasts or scenarios when assessing cash generating units ("CGUs") for impairment expense and/or impairment reversal, leading to material misstatements. These price assumptions are highly judgmental and are pervasive inputs to AGL's CGU valuation models, as well as being consistently applied elsewhere in the financial report to determine the carrying values of onerous contract provisions and financial instruments (see 'Derivative financial instruments' below), where applicable. • AGL announced the revised planned closure dates for Loy Yang Power Station, Bayswater Power Station and Torrens Island A Station as part of the release of its 'Climate Transition Action Plan' and outlined its intention to develop a decarbonisation pathway to achieve its ambition of being 'net zero' for Scope 1 and 2 greenhouse gas emissions following the closure of all of AGL's coal fired power stations, and for Scope 3 greenhouse gas emissions by 2050. The useful economic lives of AGL's generation assets for the purpose of calculating depreciation expense, preparing discounted cash flow value in use models and timing of environmental rehabilitation cash flows are consistent with the announced planned closure dates. The targeted useful lives of electricity generation assets, oil and gas production facilities, wells, pipelines, mine and related assets may be further shortened as Australian federal and state governments and society moves towards 'net zero' emissions targets. As a consequence in future periods, the depreciation expense associated with these assets may be materially increased, a material impairment of property, plant and equipment may be required and the present value of the provision for environmental rehabilitation may need to be materially increased due to the potential acceleration of timing of cash outflows relating to site environmental rehabilitation activities.

	• AGL reviews current and future water impacts, risks, and opportunities. These reviews consider the quantity of water required, any regulatory requirements and the potential for water scarcity due to climate change. Thermal coal assets use considerable quantities of water and as the likelihood of droughts increase with rising temperatures, water availability and security become increasing risks. AGL holds water rights that reduce the impact of these events. In the event that water rights or supply security changes, a material impairment of property, plant and equipment may be required and the present value of the provision for environmental rehabilitation may need to be materially increased if water scarcity were to impact targeted useful lives of electricity generation assets and/or environmental rehabilitation activities required for those assets. The above considerations were a significant focus of management during the year which led to this being a matter that we communicated to the Audit and Risk Management Committee, and which had a significant effect on the overall audit strategy. We therefore identified this as a key audit matter.
How the scope of our audit responded to the key audit matter	We have considered the areas of AGL's financial report whereby climate change related risk could have a financial reporting impact and determined audit procedures to specifically respond to this. Our procedures included, amongst others, the following: In respect of forecast assumptions used by management in assessing the recoverable amount of property, plant and equipment and intangible assets, in conjunction with our valuation specialists, our procedures included, but were not limited to: • assessing and challenging the key assumptions for forecast price and volume inputs used in the CGU valuation models, including obtaining an understanding of the process flows and key controls associated with the valuation models used to estimate the recoverable amount of each CGU and impairment expense, where applicable; • challenging management's scenario analysis and probability weighting of those scenarios, including further sensitivity analyses in terms of future energy prices. We compared these assumptions to historical results and third party economic data and industry forecasts, considering the impact of climate change related risk, where applicable. In doing this, we obtained third party outlook reports and information assessing the National Electricity Market and gas market outlook, which included information related to energy pricing, emissions costs, procurement costs, supply, demand, government policy and targeted thermal coal power station closure dates. This included the Australian Energy Market Operator's 2024 Integrated System Plan and other third party National Electricity Market outlook reports as well as the ACCC Gas inquiry June 2024 interim report; and • assessing management's historical forecasting accuracy through retrospective analysis by comparing to actual results and whether the estimates had been determined and applied on a consistent basis. In respect of the targeted useful lives adopted by management, our procedures included, but were not limited to: • assessing and determining whether the planned closure dates of AGL's thermal coal power stations has been appropriately reflected in the value in use discounted cash flow modelling, as well as the calculation of depreciation expense; and • assessing and challenging management's assertion at 30 June 2024 that no further changes were required to useful lives of thermal coal power stations as a consequence of the potential impact of climate change related risk. We compared the assertions to third party outlook reports and information evaluating the National Electricity Market which included expected thermal coal power station closure dates. In respect of assumptions of water availability and cost adopted by management, our procedures included, but were not limited to: • assessing and challenging water rights and security of supply where changes would impact the recoverability of thermal coal generation assets and associated provision for environmental rehabilitation by comparing to regulatory requirements and third party agreements. We read the other information included in the Annual Report and considered (a) whether there was any material inconsistency between the other information and the financial statements; or (b) whether

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	there was any material inconsistency between the other information and our understanding of the business based on audit evidence obtained and conclusions reached in the audit.
Provision for environmental rehabilitation – Note 19	
Key audit matter description	As disclosed in Note 19, AGL has recognised a provision for environmental rehabilitation of $1,565 million (FY23: $1,402 million) in respect of the future removal and rehabilitation costs of electricity generation assets (including the coal mine associated with Loy Yang Power Station), oil and gas production facilities, wells, pipelines and related assets. In most instances, removal of these assets and remediation of the associated sites will occur many years into the future. The estimation of provision for environmental rehabilitation is a highly judgemental area as it involves several key estimates including: • Forecasting future costs which are impacted by: o the extent of environmental rehabilitation activities required; o available technologies; o application of environmental legislation and ongoing communication with regulatory bodies; o mining licenses and ownership agreements; and o quantity and rate estimation for environmental rehabilitation activities, including the assessment of applicable contingencies. • Assumptions in relation to classifying costs as operational rather than progressive environmental rehabilitation; • Timing of future cash outflows which is impacted by the targeted useful lives of the existing assets, renewable asset re-energisation assumptions and closure dates as announced to the market; and • Inflation and discount rate assumptions. AGL has set out its plans to convert existing coal fired power generation sites into low carbon industrial ‘Energy Hubs’, to bring together renewable energy production and storage with energy-intensive industries. To the extent that this results in environmental rehabilitation activities being deferred (where, for example, there is no regulatory requirement to immediately remediate the site post closure of the thermal coal generation), this assumed deferral can have a material impact on the net present value of the environmental rehabilitation provision. Significant judgement is also required in estimating the quantum of ongoing costs associated with sites once remediation activities have been completed, for items such as site security and monitoring whilst this responsibility remains with AGL as the land owner or lessee. In most cases these costs will be incurred several decades into the future which increases the level of judgement associated with estimating the liability. In the current year, AGL has engaged third party experts to assist with assessing the environmental rehabilitation requirements and expected quantum and timing of costs in respect of remediation across each of AGL’s generation sites. These estimates have been used as the basis by management to determine the environmental rehabilitation provision at 30 June 2024, and the key assumptions associated with the determination of the provision have been disclosed in Note 19. AGL used a discount rate of 6.86% in calculating the provision for environmental rehabilitation as at 30 June 2024.
How the scope of our audit responded to the key audit matter	Our procedures included, but were not limited to: • obtaining an understanding of the process flows and key controls management has in place to determine the estimate of the provision for environmental rehabilitation; • assessing the competence, capability and objectivity of management’s third party expert; • in conjunction with our internal rehabilitation specialists: o evaluating AGL’s closure and rehabilitation plans with regard to applicable regulatory and legislative requirements;

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  - understanding and evaluating the methodology used by the third party expert against industry practice;
  - assessing the reasonableness of the assumptions and technical solutions used to inform the cash flow estimates against industry practice;
  - understanding the relevant data sources of the forecast cash flows including use of estimates from third party experts, by:
    - assessing and challenging quantity and rate estimation in respect of environmental rehabilitation activities, including applicable contingencies, for evidence of supporting and/or contradictory evidence, with reference to internal AGL and appropriate third party data;
    - where relevant, agreeing cash flow estimates to contractual arrangements for environmental rehabilitation activities; and
  - assessing the completeness of environmental rehabilitation activities required based on the rehabilitation plan and relevant legislation, including ensuring all electricity generation assets, oil and gas production facilities, wells, pipelines, mine and related assets were considered in the estimation of the provision for environmental rehabilitation.

- evaluating AGL's assessment of significant changes in future cost estimates from the prior year, with a focus on the impact of the timing and quantum of expenditure required;
- assessing and challenging the classification of costs as operational rather than progressive rehabilitation considering operational plans and through inquiry of operational personnel and management's third party experts;
- assessing and challenging renewable asset re-energisation and other cost deferral assumptions in comparison to operational plans and global market practice;
- comparing forecast timing of environmental rehabilitation cash flows to targeted closure dates of relevant assets as announced to the market and industry practice and cross checking alignment with targeted closure dates in other areas, including testing property, plant and equipment and intangible assets for impairment;
- understanding and challenging discount rates and inflation rates applied to the forecast cash flows against relevant market data; and
- verifying the accuracy of the calculation of the rehabilitation provision.

We have also assessed the appropriateness of the disclosure included in Note 19.

Carrying value of property, plant and equipment and intangible assets – Note 15 and 16

Key audit matter description

As disclosed in Note 15 and 16, property, plant and equipment totaling $5,717 million and intangible assets totaling $3,100 million, including goodwill of $2,446 million, are included in the consolidated statement of financial position at 30 June 2024.

Where a CGU contains goodwill, management conducts annual impairment tests (or more frequently if impairment indicators exist) to assess the recoverable amount of property, plant and equipment and intangible assets. This assessment is performed through the preparation of discounted cash flow value-in-use models. The annual impairment assessment for the year ended 30 June 2024 was carried out at 31 December 2023 which resulted in no impairment expense being recognised, and management has considered whether indicators of impairment are present at 30 June 2024 and concluded that there are none. The evaluation of the recoverable amount requires significant judgement by management in determining the key assumptions supporting the forecast cash flows of each CGU.

Given the long timeframes involved, certain CGU impairment assessments are sensitive to the discount rates applied to the forecast cash flows. Discount rates should reflect the return required by the market and the risks inherent in the cash flows being discounted. There is a risk that management does not assume reasonable discount rates, adjusted as applicable to the asset specific risks inherent in each CGU, leading to material misstatements. Determining a reasonable discount rate is highly judgmental, and is a pervasive input across AGL's CGU recoverable amount assessments. Management has revised AGL's discount rate assumptions for value-in-use impairment tests in the current year to reflect current macro-economic and market conditions and as disclosed in Note 15 and 16 to the financial statements a discount rate of 9.5% has been applied to the Generation Fleet CGU (which predominantly includes

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ageing thermal coal electricity generation assets) and a discount rate of 8.25% has been applied to all other CGUs.

AGL's electricity and gas pricing assumptions have a significant impact on all of the CGU impairment assessments, and are inherently uncertain given the volatility in energy markets and impact of the energy transition on supply and demand. There is a risk that management do not forecast reasonable 'best estimate' price forecasts or scenarios when assessing CGUs for impairment expense and/or impairment reversal, leading to material misstatements (see 'Potential financial reporting impacts of climate change related risk' above).

Management has used a finite life discounted cash flow value in use model for the Generation Fleet CGU as the related electricity generation assets have finite lives and targeted closure dates. There is a risk that the targeted closure dates in the finite life models are not appropriate (see 'Potential financial reporting impacts of climate change related risks' above). For the Wholesale Gas CGU management has used a combination of finite life and terminal value probability weighted scenarios to reflect the ongoing uncertainty over the future of gas markets in Australia, and for the Flexible Generation and Customer Markets CGUs, terminal value discounted cash flow models have been used to determine the recoverable amounts of the individual CGUs. Terminal value models assume a level of business continuity of operations and there is a risk that future changes in the entity's operation or strategy in response to society or macroeconomic factors results in terminal value models no longer being appropriate.

As disclosed in Note 15 and Note 16 to the financial statements, based on the impairment assessment carried out at 31 December 2023, management has determined the following reasonably possible changes of assumptions that could lead to further impairment or reversal of impairment of CGUs:

- Generation Fleet CGU – electricity pool price and generation volumes
- Wholesale Gas CGU – forecast gas margin
- Customer Markets CGU – no reasonably possible changes
- Flexible Generation Fleet CGU – no reasonably possible changes

There is a risk that not all reasonably possible changes in assumptions for impairment expense and/or impairment reversal are disclosed.

Assessments of the carrying values of property, plant and equipment and intangible assets remain a key audit matter because recoverable amounts and determination of impairment expense and/or impairment reversal are reliant on forecasts that are inherently judgmental and complex for management to estimate, and the magnitude of the potential misstatement risk is material to AGL.

How the scope of our audit responded to the key audit matter

Our procedures included, but were not limited to:

- obtaining an understanding of the process flows and key controls associated with the valuation models, prepared by management and approved by the AGL Board, used to estimate the recoverable amount of each CGU and impairment expense or impairment reversal, where applicable;
- evaluating management's methodologies and their documented basis for key assumptions utilised in the discounted cash flow valuation models, which are disclosed in Note 16 to the financial statements;
- in conjunction with our valuation specialists, assessing and challenging:
  - the identification of each CGU;
  - the use of finite life or terminal value, value in use models for each CGU;
  - the identification and allocation of cash flows for the purposes of assessing the recoverable amount of each CGU;
  - the key assumptions for forecasting energy prices and demand used in the forecast cash flows (see 'Potential financial reporting impact of climate change related risk' above); and

	o the discount rate applied by comparing to our independent estimate, third party evidence and broker consensus data taking into account whether asset specific risks of each CGU were reasonably reflected by management. • comparing the term of forecast cash flows included in the valuation models to the targeted closure dates of thermal coal power stations as announced to the market; • checking the mechanics and mathematical accuracy of the cash flow models; • agreeing forecast cash flows including capital expenditure to the latest forecasts approved by the AGL Board; • assessing management's historical forecasting accuracy through retrospective analysis by comparing to actual results and whether the estimates had been determined and applied on a consistent basis; • challenging the scenarios and probability weighting of those scenarios, including further sensitivity analyses in terms of future energy prices and the discount rate applied; and • assessing and challenging the consideration by management of reasonably possible changes in key assumptions that would be required for each CGU to be impaired and/or impairment reversal and considering the likelihood of such movement in those key assumptions arising. We have also assessed the appropriateness of the disclosures included in Note 15 and Note 16 to the financial statements.
Unbilled revenue and accrued distribution costs – Note 2, 9 and 17	
Key audit matter description	Unbilled revenue of $869 million, as disclosed in Note 9 to the financial statements, represents the estimated value of electricity and gas supplied to customers between the date of the last meter reading and 30 June 2024 where no invoice has been issued to the customer at the end of the reporting period. Accrued distribution costs of $473 million, as disclosed in Note 17 to the financial statements, represents the estimated distribution costs related to energy consumption between the date of the last invoice from the distributor and 30 June 2024. Significant management judgment is required in the calculation of unbilled revenue and accrued distribution costs, including estimation of allowance for expected credit losses. Management exercise this judgement in the calculation of: • consumption profile for electricity and gas retail portfolios; • pricing applicable to customers between the last invoice date and the end of the reporting period; and • application of consumption profiles of portfolios against relevant published distribution tariff rates. There is a risk that any of the above assumptions individually or in combination are not appropriate, leading to material misstatements.
How the scope of our audit responded to the key audit matter	Our procedures included, but were not limited to: • obtaining an understanding of the process flows and key controls management has in place to determine the estimate of unbilled revenue, related allowance for expected credit losses and accrued distribution costs; • understanding and challenging management's assumptions relating to volume, customer pricing and distribution tariff rates used in determining unbilled revenue and accrued distribution costs by: o on a sample basis, agreeing data underlying the calculation of the estimated volume to supporting systems, having performed testing of the key controls in those systems; o comparing the prices applied to customer consumption with historical and current data; and o comparing the distribution tariff rates applied to relevant published distribution tariff rates. • assessing and challenging the allowance for expected credit loss estimates applied to unbilled revenue by:

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	o evaluating management's forward-looking macroeconomic assumptions and scenario weightings; o testing the completeness and accuracy of critical data elements used in the expected credit loss models; and o testing the recoverability of debtors through subsequent cash collection analysis. • in conjunction with our data analytics specialists: o calculating an independent estimate of the expected unbilled revenue at 30 June 2024 using historical customer consumption, purchase volumes and pricing data, and comparing this to the reported unbilled revenue; and o calculating an independent estimate of the expected accrued distribution costs at 30 June 2024 utilising information supplied by distributors and tariff data and comparing this to the reported accrued distribution costs. We have also assessed the appropriateness of the disclosures in Note 2, Note 9 and Note 17 to the financial statements.
Derivative financial instruments – Note 11, 20 and 35	
Key audit matter description	AGL enters into various financial instruments including derivative financial instruments, which are recorded at fair value, to economically hedge the Group's exposure to variability in interest rates, foreign exchange movements and energy prices. These derivative financial instruments include long term energy purchase and supply contracts which in some cases have significant contractual volumes and/or pricing linked to commodity prices. Where these contracts are economic hedges, such as in the case of power purchase and power sale agreements, hedge accounting is not applied and therefore can result in significant unrealised gains and losses arising in the consolidated statement of profit or loss on account of the fair value movements in the associated derivative assets and liabilities. At 30 June 2024, derivative financial assets totaled $1,573 million (current assets of $949 million and non-current assets of $624 million), as disclosed in Note 11 to the financial statements, and derivative financial liabilities totaled $1,715 million (current liabilities of $1,228 million and non-current liabilities of $487 million), as disclosed in Note 20 to the financial statements. For level 1 derivatives AGL has adopted a 'market approach' and a 'discounted cash flow' approach for level 2 and treasury derivatives, applying observable market inputs in the valuations. For level 3 energy derivative valuations, AGL has adopted a 'discounted cash flow' approach, applying inputs, assumptions and considerations which a market participant would consider when pricing similar contracts under current market conditions. Significant judgement is required by management in the valuation of and accounting for these derivative financial instruments including: • understanding and applying contract terms; • forecasting of energy prices in the short and long term; • forecasting of emissions trading outcomes and prices; and • applying appropriate discount rates. Determining the fair value of derivative assets and liabilities can be complex and subjective, particularly where the valuation is dependent on significant inputs which are not observable and are classified as level 3 in the fair value hierarchy set out in AASB 13 *Fair Value Measurement* ("AASB 13"). This degree of subjectivity also makes such fair value estimates liable to potential fraud by management incorporating bias in the inputs used in determining fair values. Given the significant judgements, sensitivity to management assumptions, and the absolute value associated with these positions, we have identified a significant risk in respect of certain financial instruments where the valuation is dependent on significant unobservable inputs.

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How the scope of our audit responded to the key audit mater	Our procedures included, but were not limited to: • obtaining an understanding of the internal risk management process and the systems and key controls associated with the origination and maintenance of complete and accurate information relating to contracts containing derivative financial instruments, and the valuation of derivative financial instruments; • obtaining an understanding of the relevant contract terms in derivative financial instruments to assess the appropriateness of the relevant accounting applied; and • in conjunction with our treasury and capital markets specialists, testing on a sample basis the valuation of derivative financial instruments including: o assessing hedge documentation and effectiveness where appropriate; o evaluating the integrity of the valuation models; and o assessing the incorporation of the contract terms and the key assumptions into the valuation models, including emissions trading outcomes, future energy prices (see 'Potential financial reporting impact of climate change related risk' above), future energy demand used in the forecast cash flows, and discount rates by comparing to market data. We have also assessed the appropriateness of the disclosures included in Note 11, Note 20 and Note 35 to the financial statements.

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be change or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our audit work.

Based on our professional judgment, we determined materiality, performance materiality and the error reporting threshold for the financial statements as a whole as follows:

Materiality	The materiality that we used for the FY24 group financial statements was $55 million.
Basis for determining materiality	Consistent with the prior year we concluded that it is appropriate to use underlying profit before tax as a materiality benchmark. FY24 materiality was determined to be $55 million, which is 5.5% of statutory profit before tax and 4.8% of underlying profit before tax.
Rationale for the benchmark applied	We conducted an assessment of which line items are the most important to investors and analysts by reading analyst reports and AGL's communications to shareholders and lenders, as well as the communications of peer companies. Profit before tax is the benchmark ordinarily considered by us when auditing listed entities. It provides comparability against companies across all sectors but has limitations when auditing companies whose earnings are strongly correlated to energy prices, which can be volatile from one year to the next, and therefore may not be representative of the volume of transactions and the overall size of the business in the year. This resulted in us selecting underlying profit before tax as the most appropriate benchmark for our audit of AGL. We further note that the non-IFRS measure underlying profit before tax is one of the key metrics communicated by management in AGL's results announcements and therefore is considered to be an appropriate benchmark.
Performance materiality	We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

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	Performance materiality was set at $44 million which is 80% of materiality for the FY24 audit.
Basis and rationale for determining performance materiality	Consistent with the prior year, performance materiality of 80% reflects the overall quality of the control environment, the magnitude of misstatements identified in the current and prior years, as well as the fact that management is generally willing to correct any such misstatements.
Error reporting threshold	We agreed with the Audit & Risk Management Committee that we would report all differences to the Audit & Risk Management Committee in excess of $2.75 million, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit & Risk Management Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 90 to 111 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of AGL Energy Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

H Fortescue
Partner
Chartered Accountants
Sydney, 14 August 2024

J Jackson
Partner
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Sydney, 14 August 2024

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Independent Limited Assurance Report to the Management of AGL Energy Limited

Conclusion

We have undertaken a limited assurance engagement on AGL Energy Limited's ("AGL") Subject Matter Information detailed below (the "Subject Matter Information") presented in the Annual Report for the year ended 30 June 2024 ("2024 Annual Report").

Subject Matter Information

Selected Annual KPI scorecard disclosures

The performance data in respect of selected Annual KPI Scorecard Disclosures for the year ended 30 June 2024 within the Business Value Driver key performance indicators on pages 9 and 26-39.

Customers:
- Number of customers on Staying Connected presented on pages 9 and 27.
- Average level of debt of customers on Staying Connected presented on pages 9 and 27.
- Green revenue as a % of total revenue presented on pages 9 and 28.

Assets:
- Operated and contracted renewable generation and storage capacity (%) presented on pages 9 and 29.

People:
- TIFR employees presented on pages 9 and 32.
- TIFR (employees + contractors) presented on pages 9 and 32.
- Fatalities (employees + contractors) presented on pages 9 and 32.
- Key talent retention presented on pages 9 and 32.
- Material breaches of Code of Conduct presented on pages 9 and 32.

Relationships:
- Community contribution presented on page 9 and 34.

Environment:
- Operated Scope 1 & 2 emissions (MtCO2-e) presented on pages 9 and 36.
- Reduction in operated Scope 1 & 2 emissions compared to FY19 baseline (%) presented on pages 9 and 36.
- Operated and contracted generation intensity (tCO2e/MWh) presented on pages 9 and 36.
- Emissions intensity of total revenue (ktCO2-e/$m) presented on pages 9 and 36.
- Environmental Regulatory Reportable incidents presented on pages 9 and 37.

Business intelligence:
- Major IT incidents presented on pages 9 and 39.
- Reportable privacy incidents presented on pages 9 and 39.

Selected Climate Transition Action Plan ("CTAP") and Metrics disclosures

The performance data in respect of selected CTAP and Metrics disclosures and performance for the year ended 30 June 2024 within the *Climate Related Disclosures* section on pages 62-63 and 77.

Emissions:
- Market-based Scope 2 emissions (MtCO2-e) presented on page 77.
- Reduction in operated Scope 1 & 2 emissions compared to FY19 baseline (%) presented on page 62.

Proportion of generation output and capacity from renewables:
- New renewable and firming capacity (GW) presented on pages 63 and 77.

	Revenue related metrics: • Green revenue as a % of total revenue (%) presented on pages 63 and 77.
Reporting Criteria	AGL's definitions and approaches as described in the "Glossary for the Business Value Drivers and Climate Related Disclosures" section of 2024 Annual Report on pages 206-210 respectively.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the Reporting Criteria for the year ended 30 June 2024.

Basis for Conclusion

We conducted our limited assurance engagement in accordance with Australian Standards on Assurance Engagements ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ASAE 3000') and ASAE 3410 Assurance Engagements on Greenhouse Gas Statements ("ASAE 3410"), issued by the Australian Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of management of AGL

The Management of AGL are responsible for:

- Selecting and applying appropriate reporting criteria;
- Ensuring that the Subject Matter Information is properly prepared in accordance with the Reporting Criteria;
- Confirming the measurement or evaluation of the underlying Subject Matter Information against the applicable criteria, including that all relevant matters are reflected in the Subject Matter Information;
- Designing, establishing and maintaining internal controls to ensure that the Subject Matter Information is properly prepared in accordance with the Reporting Criteria; and
- Maintaining adequate records and making estimates that are reasonable in the circumstances.

Our Independence and Quality Control

We have complied with the independence and relevant ethical requirements which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, including those contained in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Our firm applies Australian Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's responsibilities

Our responsibility is to express a limited assurance conclusion on the AGL's Subject Matter Information as evaluated against the Reporting Criteria based on the procedures we have performed and the evidence we have obtained. ASAE 3000 and ASAE 3410 requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Subject Matter Information is not properly prepared, in all material respects, in accordance with the Reporting Criteria.

A limited assurance engagement in accordance with ASAE 3000 and ASAE 3410 involves identifying areas where a material misstatement of the Subject Matter Information is likely to arise, addressing the areas identified and considering the process used to prepare the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria.

Independent Auditor's Report on Business Value Drivers

Our procedures included:

- Interviews with a selection of AGL executives and senior management, including AGL's sustainability management team, concerning the overall governance structure, corporate sustainability strategy and policies used for managing and reporting sustainability performance across the business; and
- In respect of the FY24 selected Annual KPI scorecard disclosures and selected Climate Transition Action Plan ("CTAP") and Metrics disclosures:
  - interviews with a selection of AGL management responsible for selected FY24 Annual KPI scorecard disclosures and selected CTAP and Metrics disclosures to understand the compilation and review processes;
  - applying analytical and other review procedures including assessing relationships between the reported information and other financial and non-financial data;
  - examination of evidence for a small number of transactions or events;
  - analysing and inspecting on a sample basis, the key systems, processes and procedures and controls relating to the collation, validation, presentation and approval process of the information included in the 2024 Annual Report;
  - reviewing underlying evidence on a sample basis to corroborate that the information is prepared and reported in line with the relevant reporting criteria; and
  - reviewing disclosures provided in AGL's annual report to test that the information disclosed is consistent with the supporting evidence.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control there is an unavoidable risk that it is possible that fraud, error, or non-compliance with laws and regulations, where there has been concealment through collusion, forgery and other illegal acts may occur and not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

Emissions quantification is subject to inherent uncertainty because incomplete scientific knowledge has been used to determine emissions factors and the values needed to combine emissions due to different gases.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and sampling or estimating such data.

Restricted Use

The Reporting Criteria used for this engagement was designed for the specific purpose of assisting management in their reporting of the Subject Matter Information in the 2024 Annual Report, as a result the Subject Matter Information may not be suitable for another purpose.

This report has been prepared for use by the management of AGL Energy Limited for the purpose of reporting the Subject Matter Information in the 2024 Annual Report. We disclaim any assumption of responsibility for any reliance on this report to any person other than the management of AGL Energy Limited or for any purpose other than that for which it was prepared.

Matters relating to electronic presentation of information

It is our understanding that AGL may publish a copy of our report on their website. We do not accept responsibility for the electronic presentation of our report on the AGL website. The security and controls over information on the web site is not evaluated or addressed by the independent auditor. The examination of the controls over the electronic presentation of this Report on the AGL website is beyond the scope of this engagement.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

PR Dobson
Partner
Sydney, 14 August 2024

Shareholding Information

The following information is provided regarding the Issued Capital of AGL as at 12 July 2024:

1. The Issued Capital consisted of 672,747,233 fully-paid ordinary shares. AGL's fully paid ordinary shares are listed on the Australian Securities Exchange under the code "AGL". Holders of AGL's fully paid ordinary shares have, at general meetings, one vote on a show of hands and, upon a poll, one vote for each fully paid ordinary share held by them.
2. There were 124,540 holders of ordinary shares.
3. There were 5,541 holders of less than a marketable parcel of 48 shares.
4. There were 78 holders of 2,863,733 performance rights.

Distribution schedule of ordinary shares

	Securities	%	No. of Holders	%
100,001 and over	436,508,177	64.88	108	0.09
10,001 - 100,000	68,951,497	10.25	3,346	2.69
5,001 - 10,000	44,836,302	6.66	6,346	5.10
1,001 - 5,000	94,974,742	14.12	41,184	33.07
1 - 1,000	27,476,515	4.08	73,556	59.06
Total	**672,747,233**	**100.00**	**124,540**	**100.00**

Substantial shareholders of AGL

In a substantial holding notice updated on 27 May 2022, Michael Alexander Cannon-Brookes, Galipea Partnership and certain affiliated entities advised that as at 17 May 2022, they had an interest in 75,883,390 ordinary shares, which represented 11.28% of AGL's ordinary shares at this time. On 21 June 2023, Galipea Partnership provided a notice, in accordance with Takeovers Panel Guidance Note 20 - Equity Derivatives, of an equity collar transaction and other transactions entered into by Galipea Partnership which affect the interest notified in the previous substantial holding notice, including the reduction in its relevant interest to 70,037,429 ordinary shares, which represented 10.41% of AGL's ordinary shares at this time.

In a substantial holding notice dated 25 October 2023, Vanguard Group advised that it had a relevant interest in 33,639,498 ordinary shares, which represented 5.0003% of AGL's ordinary shares at this time.

Shareholdings by geographic region

	Securities	%	No. of Holders	%
Australia	667,201,457	99.18	122,059	98.01
Hong Kong	461,840	0.07	73	0.06
New Zealand	4,046,855	0.60	1,525	1.22
United Kingdom	299,290	0.04	246	0.20
USA and Canada	369,639	0.06	437	0.35
Others	368,152	0.05	200	0.16
Total	**672,747,233**	**100.00**	**124,540**	**100.00**

Shareholding Information

20 largest holders of ordinary shares

Twenty Largest Holders as at 18 July 2023	Fully-Paid Ordinary Shares	% of Total Issued Shares
HSBC Custody Nominees (Australia) Limited	121,226,018	18.02
J P Morgan Nominees Australia Pty Limited	96,640,259	14.37
Citicorp Nominees Pty Limited	60,996,463	9.07
HSBC Custody Nominees (Australia) Limited <GP A/C>	50,177,454	7.46
NEWECONOMY COM AU Nominees Pty Limited <Cb Nominees Account>	19,859,875	2.95
National Nominees Limited	12,666,890	1.88
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	9,155,383	1.36
BNP Paribas Noms Pty Ltd	5,459,361	0.81
HSBC Custody Nominees (Australia) Limited <Nt-Comnwlth Super Corp A/C>	4,920,200	0.73
HSBC Custody Nominees (Australia) Limited - A/C 2	4,497,360	0.67
Netwealth Investments Limited <Wrap Services A/C>	4,491,934	0.67
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	3,807,326	0.57
BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	3,717,070	0.55
UBS Nominees Pty Ltd	2,532,059	0.38
HSBC Custody Nominees (Australia) Limited	2,326,278	0.35
HSBC Custody Nominees (Australia) Limited <Euroclear Bank Sa Nv A/C>	1,854,364	0.28
Ms Bo Xu	1,550,000	0.23
Ioof Investment Services Limited <IPS Superfund A/C>	1,511,898	0.22
Moorgate Investments Pty Ltd	1,441,312	0.21
Carlton Hotel Limited	1,378,556	0.20
	410,210,060	60.98

Investor Information

Website access

AGL's Investor Centre is available online at **agl.com.au/investors**. The Investor Centre provides you with easy access to important information about AGL's performance, including annual reports, investor presentations, share price graphs and general security holder information.

The Shareholder Services section in the Investor Centre also provides access to update your details with the Share Registry, Computershare, including:

- checking your holding balance;
- viewing, saving or printing interest payment summaries, transaction summaries and dividend statements for shareholders;
- updating or amending your bank account;
- electing to receive communications electronically; and
- downloading a variety of forms.

Computershare also offers shareholders the ability to register and create a portfolio view of their holdings. Registration is free and enables shareholders to view and update multiple holdings in AGL (or other clients Computershare act as registry for) using a single login. To create a portfolio, please go to www-au.computershare.com/investor.

Share Registry

Shareholders with enquiries about their shareholdings can also contact AGL's Share Registry:
Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001 Australia

Telephone:	1800 824 513 (free call within Australia)
International:	+61 3 9415 4253
Email:	aglenergy@computershare.com.au
Website:	www-au.computershare.com/Investor

When communicating with the Share Registry, it will assist if you can quote your current address together with your Security Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Issuer Sponsored/CHESS statements.

Final share dividend

The final dividend of 35.0 cents per share, unfranked, will be paid on 24 September 2024. As the final dividend will only be paid via direct credit, Australian and New Zealand shareholders need to nominate a bank, building society or credit union account within these jurisdictions. Payments are electronically credited on the dividend payment date and confirmed by a mailed or electronic payment advice. Payment instructions can either be lodged online or an appropriate form can be downloaded from Computershare's website.

Dividend Reinvestment Plan

AGL's Dividend Reinvestment Plan (DRP) has been suspended indefinitely and will not operate for the final FY24 dividend.

On-market share buy-back and shares purchased on-market

AGL is not currently undertaking an on-market share buy-back.

During the financial year ended 30 June 2024, 498,069 AGL shares were purchased on-market at an average price of $10.55 per share to satisfy employee entitlements under the AGL Share Reward Plan, AGL Share Purchase Plan and AGL Restricted Equity Plan.

Reporting to shareholders

The Corporations Act requires AGL to provide shareholders with access to this Annual Report on AGL's website, unless a shareholder has specifically requested to be sent a printed copy. Shareholders seeking a printed copy of the Annual Report should contact Computershare. AGL's current and past Annual Reports are available online at agl.com.au/about-agl/investors/annual-reports.

Change of name, address or banking details

Shareholders who are Issuer Sponsored should advise the Share Registry immediately of a change of name, address or banking details for dividends electronically credited to a bank account. All such changes must be advised online or in writing and cannot be accepted by telephone. For a change of name, supporting documentation must accompany your written advice. Appropriate forms can also be downloaded from the Share Registry's website.

Shareholders who are CHESS Sponsored should instruct their sponsoring broker in writing to notify the Share Registry of any change.

Tax File Number (TFN)/Australian Business Number (ABN)

It is not compulsory to provide a TFN or ABN. However AGL will be required to deduct tax at the top marginal rate from the unfranked portion of any dividend paid to shareholders who have not provided either a TFN/ABN or details of a relevant TFN exemption. TFN/ABN notification forms can be obtained by contacting the Share Registry, by lodging your details online or by downloading the appropriate form from the Share Registry's website.

Consolidation of shareholdings

Shareholders who wish to consolidate multiple shareholdings into a single shareholding should advise the Share Registry or their sponsoring broker, whichever is applicable, in writing.

Company Secretary

Melinda Hunter BCom LLB

Glossary for the Business Value Drivers and Climate Related Disclosures

All data relates to the year ended 30 June 2024 unless specified otherwise.

Term	Explanation
Attrition (total workforce)	Calculated based on the total number of voluntary departures and includes fixed term, permanent full-time, and permanent part-time employees; excludes casuals, labour hire and contract workers. Data for FY20 is calculated on the number of departures per FTE (full-time equivalent). From FY21, data is calculated on the number of departures per headcount. Employees from Perth Energy (acquired during FY20) and Click Energy (acquired during FY21) are included from FY21. Employees from Solgen and Epho (both acquired during FY21) are included from FY22. Data does not include employees from Southern Phone Company (39) or Energy360 (26) as they were not fully integrated into AGL's human resource systems as of 30 June 2024, and accordingly comparable data is not readily available.
Average level of debt of customers on Staying Connected	The average level of energy debt calculated represents the outstanding debt at the customer (rather than account) level as of 30 June in the reporting year. Debt levels include GST.
Churn, Rest of Market Churn	Churn is defined as a completed transfer of a customer to a competing retailer. Churn figures relate to residential and small business energy customers and do not include commercial and industrial customers or Southern Phone Company customers. Rest of Market churn refers to churn that takes place in the energy market excluding churn from AGL.
Community contribution	Data includes the AGL matched component only of donations raised to the Employee Giving program and fundraising events, not the donations given by employees. Matched amounts are included in the year in which the employee donations were made (even though the matched payment may have been made after the close the financial year). Data is exclusive of GST. Community contribution is AGL's investment in charitable organisations and grassroots community groups harnessing its resources, skills and innovation to help address societal issues that intersect with its core business. From FY21, data includes management costs in line with B4SI guidance. Management costs were not included in prior years. Management costs include pro-rata salaries for community related roles, B4SI annual membership, workplace giving platform licence fees and social impact assessment costs.
Cumulative customer assets installed behind the meter (MW)	Cumulative customer behind the meter asset installations completed from FY24 - FY27 inclusive. Behind the meter assets can include, but are not limited to, rooftop solar PV units, battery storage, electric vehicles and chargers and smart meters.
Decentralised assets under orchestration (MW)	Decentralised assets under orchestration refers to the aggregation of flexible load and generation assets managed as a part of AGL's virtual power plant. Most of these assets are installed behind the connection point, and include assets such as residential batteries and solar, as well as flexible loads and backup generation systems at commercial and industrial customer sites. From FY23, this also includes smelters unless otherwise indicated.
Digital only customers (%)	Digital only refers to the percentage of residential customers who, in the last 90 days, have only interacted with AGL via AGL's Digital ecosystem, including agl.com.au, help and support, MyAccount and the Mobile App. This includes customers on both ebill and direct debit.
Digitally active services to customers (%)	Digital Active (%) is the percentage of contracts considered to be Digital Active as a proportion of total contracts (excluding Staying Connected customers). Digital Active customers are defined as customers that have accessed one of AGL's digital channels (including MyAccount, App, Web etc.) at least once in the last 180 days.
Emissions intensity of electricity supplied (tCO_2e/MWh)	Measured as the emissions (tCO_2e) associated with the maximum of either AGL's electricity supply to the wholesale of retail market by state, as a proportion of that same volume (MWh).
Emissions intensity of total revenue ($ktCO_2e$/\$million)	Total Scope 1 and 2 emissions from facilities over which AGL had operational control [1]during the period divided by AGL's total revenue. Emissions data is based on measured emissions from material sources, which make up approximately 99% of total Scope 1 and 2 emissions, with estimates for minor sources.

Glossary for the Business Value Drivers and Climate Related Disclosures

Term	Explanation
Employee engagement	Engagement scores are calculated using the Aon Hewitt's Employee Engagement Model, utilising the ORC International methodology. From FY20, engagement is measured using the Culture Amp platform, with the methodology applied in the calculation of the scores being consistent with prior years. Southern Phone and Perth Energy employees (acquired during FY20) are included from FY21. Click Energy, Solgen and Epho employees (acquired during FY21) are included from FY22. Data does not include employees from Energy360 (26 employees).
Environmental regulatory reportable incidents (ERR)	Up to and including FY22, ERR comprised incidents that trigger mandatory notification provisions under legislation and/or environmental licences. In FY23 there was a change to the Environmental Regulatory Reportable (ERR) incidents definition. From FY23, an ERR incident is any Event that meets the notification criteria of a Regulatory Authority and may include: an Event that caused actual or potential material or serious environmental harm; a breach of an environmental licence condition that is not an administrative non-compliance; and monitoring unable to be completed due to availability of plant or specialist. An ERR incident may include events that have occurred on AGL managed site by an independent party. This definition change has resulted in an increase in ERR events reported as it comprises previous ERR and Voluntarily Regulatory Reportable (VRR) events into one figure.
Equivalent availability factor (EAF) - all fleet	EAF measures the percentage of rated capacity available to the market. Power stations comprise Liddell, Bayswater, Loy Yang A, Torrens Island A and B, and Somerton power stations, AGL's hydroelectric power stations, and wind and solar farms under AGL's operational control. Barker Inlet Power Station is included from FY21; Silverton and Coopers Gap wind farms are included from FY22. Kwinana Swift Power Station is included from FY23. Site EAF is weighted by megawatt (MW) capacity.
Equivalent availability factor (EAF) - thermal and gas generation fleet	EAF measures the percentage of rated capacity available to the market. Power stations comprise Liddell, Bayswater, Loy Yang A, Torrens Island B, Somerton, Barker Inlet and Kwinana Swift Power Station. Site EAF is weighted by megawatt (MW) capacity.
Gender mix in senior leadership pipeline (SLP)	The SLP refers to employees in Management Groups A, B and ELT in accordance with AGL's Position Framework. These are equivalent to Hay Level roles 18 and above. Employees from Perth Energy (acquired during FY20) and Click Energy (acquired during FY21) are included from FY21. Employees from Southern Phone Company (acquired during FY20), Solgen and Epho (both acquired during FY21) are included from FY22. FY24 data does not include employees from Energy360 (26) as they were not fully integrated into AGL's human resource systems as at 30 June 2024. Data up to and including FY22 included the Executive Team.
Green revenue as a % of total revenue (%)	The percentage of total revenue derived from green energy and carbon neutral products and services, based on the following: • Total revenue represents AGL's total reported revenue. • Green energy revenue represents: green revenue including state-based green schemes; Renewable Energy Target (RET) revenue from green charges passed through to customers; and other revenue from state-based charges passed through to customers.
Grid-scale batteries installed and managed (MW)	This represents the registered battery capacity used in the AGL portfolio that AGL owns and manages, or has the contracted right to control the dispatch of.
Increase in green revenue from FY19 / Revenue uplift of green energy and carbon neutral products & services from FY19 baseline	Increase in AGL's revenue from green energy and carbon neutral products and services compared to FY19 baseline. Green energy revenue represents: green revenue including state-based green schemes; Renewable Energy Target (RET) revenue from green charges passed through to customers; and other revenue from state-based charges passed through to customers.
Key talent retention	The performance measure relates to employees identified as key talent per AGL's talent processes from AGL's enterprise leadership team (ELT) and direct reports. Employees from Southern Phone Company (acquired during FY20) and Energy360 (acquired during FY22) are not included as they were not fully integrated into AGL's human resource systems as of 30 June 2024. Employees from Click Energy, Solgen and Epho (all acquired during FY21) are included from FY22. Talent identification and classification processes are subject to change from year to year.

Glossary for the Business Value Drivers and Climate Related Disclosures

Term	Explanation
Major IT incidents	Data relates to the number of major IT incidents impacting a technology service, system, network or application ranked as ‘critical’ or ‘high’ in accordance with AGL’s IT incident management processes. A 'critical' IT incident refers to a complete interruption of service, system, network, application or configuration item identified as critical. A 'high' IT incident applies when the service, system, network, application or configuration item can perform but where performance is significantly reduced and/or with very limited functionality. Operations can continue in a restricted mode. From FY21, data includes Perth Energy (acquired during FY20), Click Energy (acquired during FY21), and any incidents related to Southern Phone services that are sold through AGL's multi-product offerings (NBN and mobile). From FY22, data includes Solgen and Epho (acquired during FY21).
Material breaches of Code of Conduct	Performance measure relates to the number of substantiated material breaches of AGL’s Code of Conduct. Material breaches are those ranked ‘High’ or above according to AGL’s FIRM framework. Where the investigation of a potential breach has not been concluded at the time of reporting, this breach (if confirmed) will be reported in the next period as an updated figure for the year where the breach occurred.
New renewable and firming capacity (GW)	Measured as new renewable and firming capacity in construction, delivery or contracted from 1 July 2022 onwards.
Number of customers on Staying Connected	Staying Connected is AGL's program for energy customers who have been identified to be in financial hardship. The performance measure relates to the number of customers on the program as of 30 June in the reporting year.
Ombudsman complaints	Reported figures represent complaints to the various state energy Ombudsman offices that are provided to AGL for resolution. Enquiries and complaints referred to other agencies or instances where the customer has been advised by the Ombudsman to contact AGL directly are not included. Numbers are based on complaints figures provided by the Ombudsmen of New South Wales, Victoria, Western Australia, Queensland and South Australia. Click Energy complaint volumes are included from April 2021 onwards.
Operated and contracted generation intensity (tCO_2e/MWh)	Total Scope 1 and 2 emissions divided by total sent out generation of electricity generation facilities which fit within AGL’s operated and contracted boundary[2] . Emissions data is based on measured emissions from material sources, which make up approximately 99% of total Scope 1 and 2 emissions, with estimates for minor sources.
Operated and contracted renewable generation and storage capacity (%)	The proportion of total operated and contracted[2] renewable and storage capacity (MW) in AGL’s total operated and contracted generation and storage capacity (MW), based on the capacity as at 30 June in the reporting year. For AGL operated generation assets in the NEM the capacity is the registered capacity as per AEMO’s NEM Registration and Exemption List; for AGL operated storage assets in the NEM the capacity is the maximum capacity as per AEMO’s NEM Registration and Exemption List; for Kwinana Swift Power Station the capacity is based on the maximum capacity as per AEMO’s Wholesale Electricity Market data; for contracted assets, the capacity is as detailed in the contract. Capacity for assets which were not operational at 30 June is excluded.
Operated generation intensity (tCO_2e/MWh)	Total Scope 1 and 2 emissions divided by total sent out generation of electricity generation facilities which fit within AGL’s operated boundary.[1] Emissions data is based on measured emissions from material sources, which make up approximately 99% of total Scope 1 and 2 emissions, with estimates for minor sources.
Operated renewable and electricity storage capacity (%)	The proportion of operated[1] renewable and electricity storage capacity (MW) in AGL's total operated generation and electricity storage capacity (MW), based on the capacity as at 30 June in the reporting year. For generation assets in the NEM the registered capacity is per the AEMO NEM Registration and Exemption List. For storage assets in the NEM the capacity is the maximum capacity per the AEMO NEM Registration and Exemption List. For Kiwana Swift Power Station the capacity is based on the maximum capacity (as per AEMO's Wholesale Electricity Market Data). Capacity for assets which are not operational is excluded.
Operated Scope 1 & 2 emissions ($MtCO_2e$)	Total Scope 1 and Scope 2 emissions from facilities over which AGL had operational control during the period. Operational control is defined by the National Greenhouse and Energy Reporting Act 2007. Data is based on measured emissions from material sources, which make up approximately 99% of total Scope 1 and 2 emissions, with estimates for minor sources.

Glossary for the Business Value Drivers and Climate Related Disclosures

Term	Explanation
Pool generation volume	Pool generation volume refers to electricity that AGL generates that is sold into the National Electricity Market and the Western Australian Wholesale Energy Market (together termed "the pool") and considers marginal loss factors, non-scheduled generation and auxiliary usage.
Reduction in operated Scope 1 & 2 emissions compared to FY19 baseline (%)	AGL's FY19 Scope 1 and 2 emissions baseline is 43.2 $MtCO_2$ and comprises Scope 1 and 2 greenhouse gas emissions for all facilities operated[1] by AGL, as reported under the National Greenhouse and Energy Reporting Act 2007. FY19 was selected as the baseline year as it provides a better reflection of representative historical output from thermal assets compared to FY20-FY22.
Reportable privacy incidents	Data comprises 'eligible data breaches' as defined in the Privacy Act 1988. An eligible data breach arises when there is unauthorised access, disclosure, or loss of personal information and AGL has not been able to prevent the likely risk of serious harm with remedial action.
RepTrak score	The RepTrak score reflects the most recent score reported to AGL by RepTrak at the time of publication of the Annual Report. FY20 to FY24 scores reflect the score for the June quarter.
Scope 1 emissions ($MtCO_2e$)	Scope 1 emissions are the direct release of greenhouse gas (GHG) emissions into the atmosphere as the result of AGL's direct operations. Estimates are prepared in accordance with the National Greenhouse and Energy Reporting Act 2007, using emissions factors from the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (NGER MD).
Scope 2 emissions ($MtCO_2e$)	Scope 2 emissions are indirect greenhouse gas emissions arising from AGL's consumption of purchased electricity, heat or steam. • Location-based: Calculated and defined as per sections 7.2 and 7.3 of the NGER MD. • Market-based: Calculated and defined as per section 7.4 of the NGER MD. Unless otherwise stated, all references to Scope 2 emissions have been calculated using the location-based methodology, as defined above.
Scope 3 emissions ($MtCO_2e$)	Scope 3 emissions are other indirect greenhouse gas emissions, emitted as a consequence of AGL's operations, by where the sources are owned, controlled or contracted by another organisation. This includes but is not limited to the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by AGL, electricity-related activities (including transportation and distribution losses) not covered in Scope 2, outsourced activities and waste disposal. Annual Scope 3 emissions are estimated, and the calculation methods continue to evolve each year to improve accuracy. Calculation method changes have not been retrospectively applied.
SIF Actual (Environment)	A Serious Impact or Fatality (SIF) Actual (Environment) event results from a sudden, immediate threat impact to human health or the natural environment, arising from an unauthorised activity or the release of pollutants into the air, land, or water. A SIF Actual (Environment) event generally has an actual consequence that corresponds to the prescribed definitions of FIRM Consequence level 4 or higher (this is likely to be driven by the Environment consequence ranking).
Strategic Net Promoter Score (NPS)	NPS is a measure of overall brand performance and is based on how likely a customer would be to recommend AGL as an energy provider. AGL's NPS is measured quarterly via an external survey that asks customers across all energy retailers "On a scale of 0-10, how likely is it that you would recommend Retailer X to a friend or colleague?" The NPS is calculated by subtracting the proportion of responses of zeros to sixes from the proportion of responses of nines and tens. The performance measure relates to the NPS measured in Q4 of the reporting year.
Total average debt across mass market customer portfolio	The average energy debt represents the outstanding debt at the customer (rather than account) level as of 30 June in the relevant reporting year. Debt levels include GST. Data excludes 'unknown customers' and commercial and industrial customers. From FY23 onwards this does not include clearing restricted debt (where bill has been issued but invoice has not been presented to customers).
Total grid-scale batteries operated, contracted or in delivery	This represents the capacity of batteries within AGL's operated and contracted boundary as at 30 June in the reporting year.[2]

Glossary for the Business Value Drivers and Climate Related Disclosures

Term	Explanation
Total Injury Frequency Rate (TIFR) (employees)	The rate is calculated as number of lost time and medical treatment injuries classified as TIFR related in a 12-month rolling period, per million hours worked by employees in that 12-month period.
Total Injury Frequency Rate (TIFR) (employees + contractors)	The rate is calculated as number of lost time and medical treatment injuries classified as TIFR related in a 12-month rolling period, per million hours worked by employees and contractors in that 12-month period. AGL defines a contractor as a person or entity engaged by AGL under purchase order or contract to perform work or deliver services to, or on behalf of, AGL.
Total services to customers	Data comprises AGL's gas and electricity residential, small and large business, and wholesale customer energy services. Data also includes AGL's telecommunications customers, reflecting each internet, mobile and voice 'services-in-operation' (SIO) connected, as well as Netflix customers.
Underlying effective tax rate	AGL's underlying income tax expense expressed as a percentage of AGL's underlying profit.

1. AGL's operated boundary includes any facility over which AGL has operational control, as defined by the National Greenhouse and Energy Reporting Act 2007 (Cth).
2. AGL's operated and contracted boundary includes any grid-connected electricity asset (generation or storage asset excluding behind the meter assets) which AGL has operational control of, as defined by the National Greenhouse and Energy Reporting Act 2007 (Cth); or in respect of which AGL has virtual or physical offtake or nomination rights, in proportion to AGL's share of such rights. This boundary replaces the controlled boundary used in prior years for relevant metrics, and prior year numbers have been restated where the boundary has changed

Corporate Directory and Financial Calendar

Directory

AGL Energy Limited
ABN 74 115 061 375

Registered office
Level 24, 200 George St
Sydney NSW 2000
Australia

Mailing address:
Locked Bag 3013
Australia Square NSW 1215

Telephone: +61 2 9921 2999

Fax: +61 2 9921 2552

Web: agl.com.au

Financial calendar

14 August 2024
Full Year result and final dividend announced

28 August 2024
Record date of final dividend

24 September 2024
Payment date of final dividend

25 September 2024
Annual General Meeting

agl

agl.com.au