

Social Licence FY21 Report



Table of contents

A message from our Executive Sponsor	3
Our purpose and values	4
AGL Energy in the community	5
Where do we operate	6
FY21 Social Licence Program:	
Affordability and customer vulnerability	7
Climate and environment	10
Economic recovery and resilience	12
Making and shaping markets	15
Indigenous engagement	17
Our people	19
Measuring our impact	22
Our future ambitions	23

About this report

This report outlines our performance and progress against the Social Licence focus areas that we consider to be the most important to our business and stakeholders.

We've published this report so our stakeholders can gain an understanding of the Social Licence challenges and opportunities that face our organisation and the industry, and the steps that we are taking to deliver shared value for our people, customers, the communities we operate in and our shareholders.

This report covers the financial year 1 July 2020 to 30 June 2021.

Social Licence Program and Impact

Social Licence is one of our three strategic priorities alongside Growth and Transformation, with our ambition being to meet and exceed rising community expectations. We define Social Licence as the ongoing acceptance by our key stakeholders of our current and proposed activities, and we will achieve this by making decisions that respect and balance their needs.

Our Social Licence Program is an enterprise-wide program of work established at the beginning of each financial year, with an agreed set of focus areas, key performance indicators (KPIs) and business-owned initiatives.

Our focus areas are developed with consideration of the expectations of our key stakeholders. We select the areas where we can make the most difference.

In FY21, we had four focus areas:

- **Affordability and customer vulnerability**
- **Climate and environment**
- **Economic recovery and resilience**
- **Making and shaping markets**

In addition to these focus areas, in FY21 we have maintained our commitment to building a diverse and inclusive workplace as well as increasing our engagement with the Traditional Owners of lands where our sites are located, both being critical to our success in building our Social Licence with progress being demonstrated in this report.

We measure our impact via our employee engagement survey, our reputational score (RepTrak), strategic Net Promoter Score (NPS), and the trust and awareness data derived from our Community Sentiment surveys we conduct biannually in the communities where we operate.

Governance

Our Social Licence Program is governed through the Social Licence Council, a group of senior leaders nominated by our Executive Team to represent each business unit. The Council meets monthly to:

- Govern the Social Licence Program
- Identify risks and opportunities across the business and makes recommendations
- Champion Social Licence in their respective teams and build the capacity of our people

Progress is reported to the Executive Team and Safety, Customer and Corporate Responsibility Board Sub-Committee.

Energy Charter

In November 2020, we reflected on our commitment to the Energy Charter and made the decision that 2020 would be our final year as a signatory. We remain firmly committed to the five principles of the Energy Charter which are embedded through our Social Licence Program and Customer Markets strategy. We made a commitment to report on the targets set out in our [FY20 Energy Charter disclosure](#) which you will see throughout this report, indicated by the  symbol.¹

¹ Safety target result can be found in [AGL's Annual Report](#). Additional information is available in AGL's FY21 [ESG Data Centre](#).

A message from our Executive Sponsor

With FY21 at a close, it is a great opportunity to reflect on what has been a year of progress and evolution as we step-change our 180-year history. From getting on with the business of transition to our proposed demerger, we didn't waver from our focus to deliver for our customers, keep our people safe and to make a difference in the communities we operate in.

Our commitment to Social Licence guides us in all we do, and we made good progress against our four focus areas in a challenging period. This includes supporting our people and customers through the COVID-19 pandemic, investing over \$5 million in our communities, and making substantial progress against our commitment to net zero emissions by 2050 through our Climate Statement.

Our Social Licence Program is one that all our people play a part in delivering through their day-to-day activities and interactions with stakeholders.

One of the core Social Licence Program principles is strong business ownership for change. The FY21 Program has been delivered by a network of passionate and dedicated people across our organisation. It has been governed by our Social Licence Council and supported by the Social Licence Network, who have both played a critical role in championing Social Licence through their teams and across the organisation.

While Social Licence was defined as one of AGL Energy's three strategic priorities in 2019, trust with our key stakeholders has always been critical to the success of our business.

Our focus and commitment to Social Licence is important not just for what we do today, but so we can continue to grow and transform for the future. This effort has continued into the first half of FY22 and is an important foundation as we navigate the proposed demerger.

It is important we reflect on the great things we've collectively achieved and the areas where we can do more, and with that in mind, I am pleased to present AGL Energy's FY21 Social Licence Report.



Liz McNamara

Executive Sponsor - Social Licence
Executive General Manager, Corporate Affairs

A handwritten signature in white ink that reads "Liz McNamara".

Our Purpose

AGL. Progress for life.

At AGL we have a passionate belief in progress – technological and human – and a relentless determination to make things better for you, our communities, the Australian economy, and our planet.

Like you, we believe that the world is going through extraordinary challenges. We don't shy away from the tough questions, we consider the answers carefully, and we take action to shape a better future for all.

We've constantly evolved over 180 years. Today we bring all that know-how to transform how Australians produce, share and consume energy. We're investing in new ideas, partnerships and infrastructure – renewing and expanding our portfolio of sources and products to make them more sustainable, reliable, affordable and useful.

We'll continue to innovate in energy and other essential services to enhance the way Australians live, and to help preserve the world around us for future generations.

Our Values



Care in every action

- Physical and psychological safety first
- Responsible and sustainable in all our actions
- Always considering our environment
- Putting yourself in other people's shoes

Integrity always

- Doing the right thing
- Being open and accountable
- Having courageous conversations
- Keeping our promises

Better together

- Breaking down silos
- Being respectful and inclusive of all
- Seeking out diverse perspectives
- Building collaborative partnerships

Deliver your best

- Going the extra mile for our customers
- Constantly looking to improve
- Staying resilient when setbacks happen
- Making excellence part of every day

Shape tomorrow

- Having courage to explore new possibilities
- Embracing opportunities to grow
- Approaching challenges with a 'can-do' attitude
- Keeping the future in focus

AGL Energy in the community



Proudly Australian since 1837

We are a leading integrated essential service provider with over 180-year history of innovation and a passionate belief in progress – human and technological.



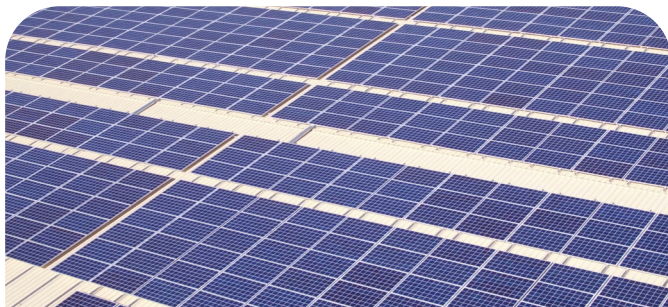
4.2 million customer accounts

We deliver gas, electricity, internet, mobile services and more to residential, business and wholesale customers across Australia.



10,984MW generation capacity

We are Australia's largest energy generator accounting for approximately 20% of the total generation capacity within Australia's National Electricity Market.



Australia's largest private investor in renewable energy

We are the biggest ASX-listed investor in renewable energy, which means we can make a real difference.



Giving power to our people

We have 4,398 employees who support causes they are passionate about with our matched-giving and volunteering programs.



Contributed \$5.2 million to our communities in FY21

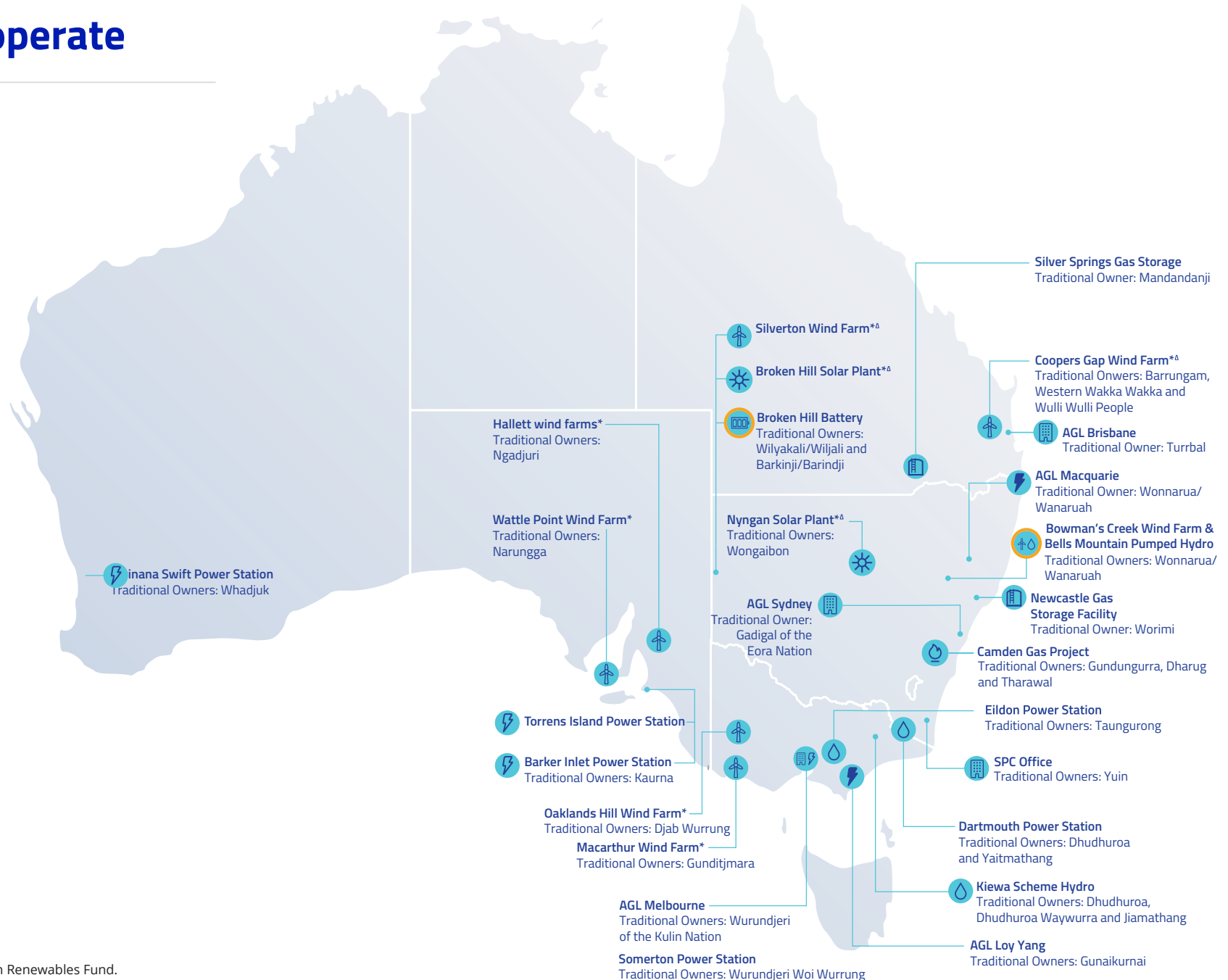
Through local procurement, local employment opportunities and a structured program of community investment.

Where do we operate

Legend

- Operated by AGL
- Under development
- ⚡ Gas-fired
- ⚡ Coal-fired
- 🌬️ Wind
- ☀️ Solar
- 💧 Hydro
- 💧 Pumped hydro
- 🔋 Grid-scale battery
- 🔥 Gas production/import
- 🏠 Gas Storage

* Projects funded by third parties.
 Δ Asset owned by the Powering Australian Renewables Fund.



Affordability and customer vulnerability

AGL Energy understands that part of our role in keeping the lights on includes making sure that our customers know we are there to support them when they need it, particularly when they are at their most vulnerable. In FY21, this included the continuation of our COVID-19 Customer Support Program and delivering on a range of programs to help customers experiencing vulnerability.

We consulted closely with our Customer Council, meeting quarterly throughout the year to discuss a wide range of matters that affect our customers with a particular focus on affordability and customer vulnerability. As the longest continuously running energy retail Customer Council in Australia, members represent different customer groups to bring a diversity of view to our thinking and decision-making. The continuing aim of the Council is to enable two-way communication between AGL Energy and Council members, whose input into issues we have been grappling with during this challenging year has been invaluable.

Energy Literacy Fund

This year we concluded AGL Energy's \$6 million Energy Literacy Fund which saw us deliver initiatives to support customers under three key pillars:

1. Energy Education Energy
2. Efficiency Management
3. Access to Solar and Renewables

Over the three-year program, 63,000 participants were engaged through 32 targeted initiatives including:

- Energy efficiency upgrades and home energy audits for customers on low incomes.
- Installing solar on community housing.
- Helping concession card-holders complete paperwork to access grants and rebates.
- Continuing a program of work to provide more accessible communications for customers.



Continue to invest in effective communications that make it easier for customers to engage with AGL and understand their energy use

FY21 saw us further uplift the customer communication experience making AGL communications simple, easy and human. Redesigning high impact customer experiences, we focused on price change, recontracting and mover communications. We'll continue this work in FY22 using customer feedback to continuously evolve the experience to align to our customer needs.



Improve the quality of conversations agents have with customers through better agent training and deployment of a new Knowledge Management Tool

Customer First, a focused, three-year program to deliver a better customer experience and reduce Ombudsman complaints, brought together people from across the business to solve customer pain points. The program delivered significant uplifts to systems, data capture and processes with direct benefits flowing through to improve the customer experience including through better conversations with agents. Event NPS scores improved and there has been a 48% reduction in Ombudsman complaints against FY18 volumes, nearing our target of 50% by FY22 one year ahead of schedule.



65% of energy services are digitally active by FY24

50.4.% of customers are now digitally active which is an increase from 43.7% in FY20 and growth of 6.7%

Energy Literacy program for culturally and linguistically diverse communities



The Voices for Power train the trainer project is an Energy Charter Better Together initiative, led by Sydney Alliance, with a mission to help culturally and linguistically diverse (CALD) community leaders understand energy and use that knowledge to empower their communities around energy efficiency and renewable energy.

In an industry first, AGL Energy, Origin Energy, Jemena, Ausgrid and Endeavour Energy have partnered to jointly fund the first stage of the project, working across the energy supply chain to engage CALD customers through the community leaders, in language and using the communication platforms preferred by each community. The project seeks to address issues of technological barriers, language barriers and socioeconomic disadvantage which often result in low energy literacy and therefore low levels of engagement.

Affordability and customer vulnerability

Piloting use of incentives and rewards for customers showing early signs of hardship

The earlier we can identify customers showing early signs of hardship, the sooner we can offer them the support they need.

During FY21, as part of our early predictive hardship program, we ran a trial with almost 10,000 customers to test how the use of incentives would drive customers to enter into sustainable medium-term payment arrangements. We trialled two different customer segments and a variety of incentives to try to increase engagement. Overall, take up rates ranged from 2.3% to 2.8% which was lower than expected given the generous incentives on offer.

We will continue to trial new ways to drive engagement with customers showing early signs of hardship, as well as our usual communications with offers of help and support.

Collaborating with Thriving Community Partnerships and other partners to develop the One Story One Stop (OSOS) Hub

During the year, many people from across our business were heavily involved in the development of the OSOS Hub, a cross-referral platform to make it easier for customers experiencing vulnerability to access help from a range of organisations without having to retell their story repeatedly.

Partners in the project include Telstra, Commonwealth Bank, Transurban, Yarra Valley Water, Sydney Water as well as community organisations Anglicare, Brotherhood of St Laurence and WestJustice.

The technology for the OSOS Hub has been built by InfoXchange and will be tested by other partners in the second half 2021. Customers experiencing family violence will be the first group piloted, to tackle the most complex privacy and security issues upfront.

Supporting customers experiencing family violence

AGL Energy has introduced a number of measures to improve the support we provide to the rapidly growing number of our customers experiencing family violence. This has included:

- Introducing a quick-exit button for website visitors to instantly and discreetly navigate away from the family and domestic violence landing page if interrupted.
- Two-factor security authentication for all family and domestic violence flagged customers (for example mobile number, email address or catchphrase in addition to normal privacy checks) when customers call our Contact Centre.
- Creation of a new detailed reporting dashboard to closely track the volume of customers seeking protections.



Invest further to reduce price dispersion across our customer base

AGL Energy decided to extend the safety net offer to all customer who had been on gas standing offer tariffs over 12 months. Around 70,000 customers have been proactively allocated that discount automatically. Over 1.5 million customer accounts are now on our simple low rate Essentials Family energy plans which are rate-based offers for electricity and gas with guaranteed value. In FY21, 89% of customers were on market contracts, which remains in line with last year.



Launch Energy Coach, an interactive home energy audit tool to help customers manage their energy use

Since launching last financial year, there has been more than 40,000 visits to [Energy Coach](#) with a completion rate of 76%.



Use data analytics to review how Easy English guides and translations are being used by customers to guide next phase of work

Work commenced to translate AGL's eight Easy English guides into five languages including Chinese, Vietnamese, Korean, Italian and Arabic. Translation of the guides is particularly effective as the language used in the guides is simple and easier to translate without losing meaning.

In addition, we are further expanding our suite of accessible communications and currently translating a number of important follow-up dunning notices including:

- disconnection warning
- reminder notices
- payment plan cancellation
- overdue reminder notices



Help customers take control of their energy use and save money by offering our Peak Energy Rewards program to up to a million customers with smart meters

Our Peak Energy Rewards program is one of Australia's largest consumer demand response programs which rewards members for voluntarily saving energy during peak demand periods. In FY21, the program was offered to over a million customers with over 51,000 registered members.

+65 NPS

8.6MWh
average event reduction

17 peak events

60% average reduction

82%
participants achieved
at least one target

nearly
\$1m in bill credits
(since 2020)

Affordability and customer vulnerability

Driving change across the energy sector

Focus areas of the Social Licence Program in FY21 align closely with the five principles of the Energy Charter and are covered throughout this report:

1. Customer centricity
2. Affordability
3. Delivering energy sustainably, safely and reliably
4. Improving the customer experience
5. Supporting customers experiencing vulnerability

Energy Charter Better Together (BT) initiatives bring together different parts of the energy supply chain to work together to solve complex problems, leveraging high impact areas for meaningful change. AGL Energy was heavily involved in several projects including the Voices for Power energy literacy project for CALD communities, the [National Customer Code for Energy Brokers, Consultants & Retailers](#) and the [Getting Concessions to the Right People](#) initiative led by SACOSS and funded by Energy Consumers Australia. In FY22 we have also joined two new initiatives: developing a National Comparator Code of Conduct and improving life support for customers.



Investigate enduring funding models to help subsidise the cost of energy for the most disadvantaged

AGL Energy has finalised an exciting long-term strategic partnership with The Salvation Army that will see AGL Energy install solar energy systems across up to 850 Salvation Army sites. The shared value created by the solar program means the Salvos can focus more financial resources on their core activity of supporting Australians in need, and AGL Energy can re-invest into supporting customers in our hardship program.



Climate and environment

As Australia's largest electricity generator, we are also Australia's largest carbon emitter. We must continue to evolve and innovate in energy and other essential services to enhance the way Australians live, and to help conserve the world around us for future generations. Through our Social Licence Program, we focused on how we can reduce our own environmental footprint as well as support the national decarbonisation agenda.

As one of Australia's oldest businesses, we have a proud heritage of leading change in the energy industry. On 30 June, we announced that we are moving ahead with the separation of AGL Energy via a demerger which continues our journey as a leader in Australia's energy sector and responds to the market forces driving the pace of the energy transition: customer demand, community expectations and technology.

Demonstrating our Climate Statement commitments

On 30 June 2021, AGL Energy marked the first anniversary of our [Climate Statement](#). When launched, it represented the next step in our decarbonisation journey and included our goal of achieving net zero emissions by 2050, setting out five key areas of commitment. In FY21 we made progress in each area by growing and innovating with our people, customers, local community and shareholders.

We recognise the risks and opportunities posed by climate change and are committed to being transparent about this. We regularly disclose the impacts of climate change on our business through our [FY21 Annual Report](#) and our [FY21 Task Force on Climate-related Financial Disclosures \(TCFD\) Report](#).

During FY21, we continued to include carbon transition metrics in AGL Energy's Long-Term Incentive Plan (LTIP) for our key personnel. Carbon transition metrics will remain in the LTIP for FY22 to ensure that the leadership team continues to focus on the responsible transition away from carbon-intensive energy generation.



Introduce carbon transition metrics in AGL's Long-term Incentive Plan (LTIP) for key management personnel

The carbon transition metrics that will apply from FY21 (for vesting in FY24) were detailed in AGL Energy's FY20 Annual Report and comprise the emissions intensity of AGL Energy's controlled generation fleet, the proportion of controlled renewable and storage electricity capacity, and the share of AGL Energy's total revenue derived from green energy and carbon neutral products and services. Performance against these metrics is communicated to the Board and Executive on a monthly basis.

Climate transition statements have already been developed for our two proposed demerged entities Accel Energy and AGL Australia, both of which recognise that the need to take action on climate change is intensifying. These statements signal our intention for the new businesses to deliver detailed climate change roadmaps with specific decarbonisation targets.

Transparency remains a central tenet, with both businesses maintaining commitments to continue leading practice in terms of reporting and openly engaging with stakeholders on their transition journeys. AGL Energy has a proven track record of market leading disclosure, and this commitment ensures that this legacy of transparency and engagement will be foundations of both new entities.



By FY24, 20% of total revenue from green energy and carbon neutral products

Revenue for FY21 is 13.4%.



34% of electricity capacity from renewables and clean storage by FY24

Controlled renewable and battery capacity for FY21 is at 23%.

Reducing our environmental footprint

Improving our energy efficiency

Being able to demonstrate a commitment and pathway towards increased efficiency supports our Social Licence goals. Our Energy Efficiency Program aims to improve the efficiency of our thermal assets and during FY21, programmed energy efficiency uplifts have been delivered at Bayswater Power Station in New South Wales as part of the planned outage schedule. This has included plant design modifications to enable online maintenance of feedwater heaters, ensuring generation performance and reducing site emissions intensity. Work has also been performed on improving coal boiler efficiency and further reducing plant emissions intensity. In FY22, similarly scoped programs are being deployed on adjacent Bayswater units.

We also designed, developed, and released an Energy Efficiency Awareness Module to more than 1,000 employees, with a 70% completion rate to date. This course provides an introduction to Energy Efficiency for our coal fired operations and is the first module in a series of events to promote energy efficiency.

Joining the EV100

We have also been working to minimise our own carbon footprint by signing up to [EV100](#). We were the first ASX-listed company to sign up to the EV100 program and in doing so, commit to transitioning 100% of our light vehicle fleet and 50% of our heavy vehicle fleet to electric by 2030.

At the end of FY21, we had 43 zero and low emission vehicles and we have gone a step further this year by allocating budget to offset emissions associated with the electricity usage of our EVs, so their electricity fuel supply can be carbon neutral. Our FY22 target is to reduce our fleet by 25 internal combustion engine vehicles either by EV replacement or removal from the fleet where surplus to needs.

Climate and environment

Strengthening our cultural heritage practices and performance

We established a Cultural Heritage Steering Committee to conduct an external review of our cultural heritage practices so that we can make more informed decisions when it comes to cultural heritage management. In FY22 we will be preparing and implementing a program of works to address the recommendations from the review.

Supporting national decarbonisation agenda through new products and services for customers

Through AGL Energy's Climate Statement, we committed to offering our customers carbon neutral options across all our products. We have delivered on this commitment by meeting these key milestones:

- On 1 July 2020, we launched our flagship product, carbon neutral electricity certified by Climate Active. In FY21, 47,000 customers chose to offset the greenhouse gas emissions associated with their electricity use.
- On 25 November 2020, we expanded carbon neutral options to gas. In FY21, 18,000 customers chose to offset the greenhouse gas emissions associated with their gas use.
- By the end of June 2021, carbon neutral options were available on all AGL Energy products, including Climate Active certified mobile, telco, solar, batteries and business energy solutions. This includes over 195,000 mobile, internet and home phone services where the greenhouse gas emissions associated with these services are offset for no extra cost.



By the end of FY21 we will offer a carbon neutral option for every product we sell including for all commercial and industrial customers

AGL now also offers Climate Active certified options on all our services including mobile, telco, solar, batteries and business energy solutions.

AGL Energy now has over 260,000 carbon neutral services, including more than 65,000 consumer and 35 commercial and industrial carbon neutral energy services customers.

Our carbon neutral customers help support offset projects that reduce or remove greenhouse gas emissions. From reforestation in New South Wales to energy efficiency projects in Cambodia, the projects we have chosen provide benefits to local communities in a range of other ways, including employment opportunities, reduced pollution, improved health and financial wellbeing.

Accelerating the uptake of electric vehicles

In September 2020, we launched our electric vehicle (EV) subscription service which is the first time this type of service has been offered in Australia. In May 2021, we won a Canstar Blue Innovation Award showcasing how we're providing customers with innovative and sustainable products to help them reduce their carbon footprint.

Since launching we've seen strong interest from new and existing customers – with more than 300 expressions of interest in our first 90 days with services active in Sydney, Melbourne and Brisbane by the end of FY21. In FY22, we added Adelaide with plans to further expand in the near future.

AGL Energy and the Australian Renewable Energy Agency (ARENA) also launched an \$8 million trial to help test the impact of EV charging on the electricity grid. The trial will help to determine when to avoid congestion on the grid during times of peak demand by switching EV charging to other times. A total of 300 customers who signed-up to AGL Energy's Electric Vehicle Plan are participating in the three-year trial with 250 of them receiving vehicle chargers.

Meet our first Carbon Neutral commercial customer



Brownhill Creek Tourist Park was our first commercial customer to sign up to Carbon Neutral electricity certified by Climate Active.

"The idea of going Carbon Neutral feels like I can pay it forward," says Gavin Dyer, AGL Energy customer and owner of Brownhill Creek Tourist Park in South Australia.

During COVID-19 restrictions in 2020, Gavin took the opportunity to review his electricity plan – switching to a new plan and signing up to our Carbon Neutral electricity certified by Climate Active product.

"Every little step I take to reduce our cost by using a sustainable way of generating power is good for the environment and for the business. Why wouldn't we do it?" says Gavin.

Economic recovery and resilience

Supporting our communities and people through the energy transition

As we get on with the business of energy transition, our coal and gas-fired power stations will continue to play an important role in delivering energy reliability and security. We remain committed to running these assets responsibly and safely to the end of their technical lives, to supply affordable and reliable electricity to millions of households and businesses.

As the energy transition continues to gain pace in Australia, we are supporting our people and local communities through these changes.

We are doing this through initiatives such as updating our financial rehabilitation provisions for environmental restoration, and surveying our workforce to understand the redeployment, outplacement, training and other support services needed.

The first of our coal-fired power stations to close is Liddell Power Station in New South Wales, with units closing progressively in 2022 and 2023.

Mothballing our Torrens Island Power Station B1 unit will commence in October 2021, following the continued decline in South Australian forward wholesale electricity prices.

The Liddell Transition Program objective is to safely retire the Liddell Power Station, support our people and community while facilitating new investments to maximise future value. We are pursuing a NSW State Significant Development planning process, to ensure the closure, decommissioning and rehabilitation of Liddell meets regulatory and community expectations.

We are also working with our people and unions to better understand redeployment opportunities and the support and training services we can provide for our people as we approach and navigate closure as well as AGL Energy's proposed demerger.

Future U Hub to support employees through Liddell's closure and transition

In March 2021, at Liddell Power Station we opened the Future U Hub, a purpose-built facility where we offer our Liddell people a range of training and development services, financial planning support, personal and family counselling and career transition and outplacement services.



Above: Official opening of the Future U Hub with Her Excellency the Honourable Margaret Beazley AC QC, Governor of New South Wales

At both Torrens and Liddell we are continuing to pursue site redevelopment opportunities that maintain our regional economic and employment contribution, making use of our valuable existing infrastructure, land and resources. Our sites will become Integrated Industrial Energy Hubs with plans for a range of complementary industries and projects including solar storage systems, grid-scale batteries and a waste to energy facility.

Supporting our communities through economic recovery and helping to build ongoing resilience

Throughout FY21 our focus has been on contributing to national efforts to support rapid recovery from the COVID-19 pandemic and other natural disasters. We invest in our communities through local procurement, local employment opportunities as well as a structured program of community investment and opportunities for our people to volunteer and donate to charitable and community-based organisations.

Making a lasting contribution to the communities in which we operate

We work collaboratively with the communities around our assets to determine investment priorities through which we can build our Social Licence.

In FY21, AGL Energy contributed \$5.2 million to a broad range of causes, community events, organisations and sporting teams across the nation.

During FY21, we made improvements to the way in which we account for community contributions, to provide further alignment with the Business for Societal Impact's (B4Si) framework (formerly the London Benchmarking Group), a recognised global standard for measuring and managing social impact. We also commenced a review of these investments as part of our Social Impact Framework development. The aim of the review is to align our investment more closely to our core purpose, capabilities and stakeholder expectations, focusing on fewer areas of investment so we can have greater impact.

Every year we invest over \$1 million in community grants to support local initiatives and/or activities that are important to the communities surrounding our operations. For example, in May our Hallett Wind Farm in South Australia

Economic recovery and resilience

contributed to the upgrade of a new skate park and nature play space for the Hallett community. The new facility in the mid-north town of Burra has been over ten years in the making and has been driven by the local Goyder Youth Advisory Council (YAC), school and community. Through extensive community consultation with young people and collaboration between the South Australian State Government, the Regional Council of Goyder and Goyder YAC, the dream of the Burra Skate Park has become a reality.

Partnering with Lifeline Australia

As an essential service provider to millions of Australian homes and businesses, the safety and wellbeing of customers and our people is a key priority for us. We were proud to announce in October that we donated \$150,000 to Lifeline Australia to help the national crisis support charity assist more Australians, as the need for their services grew following the bushfires and the impact of COVID-19. The funding will allow Lifeline to increase the capacity of the Lifeline Text service to be available between midday and midnight (currently 6pm to midnight) seven days a week, to reach an additional 7,000 people over the next year including rural and regional community members.

Putting the health, safety and wellbeing of our people first during COVID-19

COVID-19 has heightened the importance of looking after our people. We responded to the global pandemic with resilience and care. Throughout the change and uncertainty, our business continued to operate as an essential service provider, all the time focusing on the health, safety and wellbeing of our people.

At AGL Energy we recognise the importance of physical and psychological health and wellbeing and will continue to make resources available to our people and their families to encourage healthy lifestyle choices.

To support our people through COVID-19 we've:

- Provided Better Mental Health training to give our people practical tools to reduce overall stress and anxiety, find

- inner calm, and better cope with uncertainty.
- Offered access to our Employee Assistance Program (EAP) to all people and their immediate family members.
- Focused on supporting the physical vitality, mental fitness and the emotional agility of our people by providing tips, seminars and articles about the importance of maintaining good health through good nutrition, exercise and sleep through our internal communications channels and newly launched monthly Thrive e-magazine.
- Offered all people and their family members access to our Mental Fitness app.
- Established the Better Mental Health podcast series.



Deliver Enterprise Leadership Team safety targets and provide ongoing mental health training and support

Total Injury Frequency Rate for employees and contractors decreased by 30% compared to FY20, however there is still more to do to drive our safety performance to zero injuries. Key contributing factors to the injuries sustained included inadequate identification and control of hazards, mind on task or distraction issues and incorrect techniques and work methods used for routine tasks. Contractor performance has significantly improved in FY21 due to an increased focus on active engagement prior to and during major outages across our operations.



Economic recovery and resilience

Delivering positive impacts for our communities by leveraging our procurement scale

Through our social procurement strategy, we are positively engaging with local suppliers and social enterprises, targeting people with disabilities and Indigenous suppliers through our supply chain spend.

For example, at our Loy Yang Power Station in Victoria we have signed on to Growing Regional Opportunities for Work (GROW) Gippsland, a collaborative program that seeks to strengthen social and economic outcomes and increase job opportunities through procurement and employment across the Gippsland region. Driven by strategic imperatives and with the support of local partners, GROW Gippsland is embedding an innovative approach to local economic development to improve social impact in the region:

- Redirecting procurement spend towards local business.
- Creating jobs through local inclusive employment & social procurement approaches.

Through our Reconciliation Action Plan (RAP) which we will be launching in FY22 we have committed to increasing Aboriginal and Torres Strait Islander supplier diversity to support improved economic and social outcomes. We recognise the value of a diverse supply chain to drive innovation and flexibility within our organisation, and we believe that by ensuring that our procurement decisions include Indigenous businesses, we can contribute to greater economic empowerment of First Australians and contribute to closing the gap.

To help support this, we joined Supply Nation, Australia's largest national directory of verified Aboriginal and Torres Strait Islander businesses and rolled out our procurement program. As a member of Supply Nation, we continue to look for ways to increase the use of goods and services in our operations provided by Indigenous suppliers, as well as get support through training provided by Supply Nation to our procurement community.

In FY21 we procured goods and services worth \$455,171 from Indigenous suppliers.

We also have a target in our RAP to increase the share of procurement spend with Aboriginal and Torres Strait Islander suppliers to \$3 million by 2023.

Increasing the capabilities of our people in identifying and addressing modern slavery risks.

As a leading supplier of energy and other essential services, we understand that the nature of our business means that we are exposed to modern slavery risks in our operations and supply chain. Accordingly, we have a responsibility to ensure these risks are identified, understood, and appropriately managed. To discharge this responsibility AGL Energy has an ongoing focus on increasing the awareness and capabilities of our people in identifying and addressing modern slavery risks in the conduct of our business dealings.

Our focus on upskilling our people on the management of modern slavery risks is supported by our Code of Conduct. The [Code of Conduct](#) sets out the standards of responsibility and conduct required of every director, employee and contractor while working at AGL Energy, and our commitment to conduct our business in accordance with applicable laws, regulations, and our internal policies and procedures. Our Code of Conduct specifically requires our people to act in a way that preserves human rights – including taking steps to prevent modern slavery in our operations and supply chains. All directors, employees and contractors are required to adhere to the Code of Conduct and to complete Code of Conduct compliance training on commencement of employment and annually thereafter.

Increasing the capability of our people to manage modern slavery risks goes hand in hand with the intent of our [Human Rights Policy](#) which sets out our commitment to respect the dignity and human rights of our employees, customers, and the communities in which we operate. To give effect to this policy our people must know when to take action to ensure AGL is not causing, contributing, or directly linked to human rights abuses. In doing so AGL Energy, our people, subsidiaries, and affiliates acknowledge their moral and legal obligation to ensure that all workers are treated fairly, both within our own organisation and within the organisations we do business with.

Our commitment to human rights is further demonstrated through AGL Energy being a signatory to the United Nations Global Compact (UNGC) for the fifth straight year.

By participating in this voluntary initiative, we support the ten principles of the Global Compact on human rights, labour, environment, and anti-corruption. AGL Energy is committed to making the Global Compact and its principles part of our strategy, culture, and the day-to-day operations of our company. To do so requires the support of our people, which is why it is vitally important for AGL Energy to seek continuous improvement in the upskilling of its people on human rights related matters.

In December 2020, AGL Energy published our first [Modern Slavery Act Statement](#) detailing AGL Energy's modern slavery governance framework, a summary of AGL Energy's modern slavery risks inherent within our operations and supply chains, and various mitigation and remediation strategies. Our Modern Slavery Act Statement for FY21 will be available on our website in January 2022 after it has been lodged on the Modern Slavery Statements Register administered by Australian Border Force on behalf of the Department of Home Affairs.



Making and shaping markets

Market transformation and development

As reflected in our Climate Statement, AGL Energy is committed to continuing to invest in new sources of electricity supply through direct investment and offtake agreements. During FY21 we continued our strong track record of investing in renewable and peaking generation as well as energy storage projects.

AGL Energy is now Australia's largest commercial solar provider.

Investing in energy solutions

In FY21 AGL Energy acquired Epha and Solgen Energy Group which complement and strengthen our existing solar capabilities and enable us to deliver more tailored and innovative energy solutions for businesses. Through our investment in Powering Australian Renewables (PowAR), we contributed \$357.6 million to fund the acquisition of Tilt Renewables' Australian business.

We have made a \$5 million equity investment in RayGen, an Australian solar power and renewable energy storage company that aims to develop Australia's largest, most innovative and lowest-cost renewable energy storage project. RayGen is in the construction phase of its first project at Carwarp in Victoria and AGL Energy has agreed to be the offtaker and dispatcher of the plant's output and storage. In addition, we are undertaking a pre-feasibility to locate a project on the Liddell Power Station site.

We also continue to invest in our orchestration platform for the management of decentralised assets. Our multi-asset virtual power plant (VPP) is made up of residential and business customer assets including batteries, demand response and back-up generation. The majority of this capacity reflects curtailable load and diesel generators at our commercial and industrial customer sites and was primarily contracted for the peak summer period to assist managing our position.



Continue to invest in electricity generation, storage and demand management to support the energy market transition, with a particular focus on storage. We have a target of up to 850MW of grid scale battery storage and 350MW of distributed storage and demand response capacity by 2024

While the capacity of grid-scale batteries currently installed and managed remains at 30 MW, development activities for several grid-scale batteries are underway, including plans for batteries at AGL Loy Yang, AGL Torrens and at the Liddell Power Station site. This is in addition to the Wandoan and Maoneng battery deals completed in FY20. Decentralised assets under orchestration rose from 72 MW in FY20 to 130 MW in FY21, on track to meeting a target of 350 MW in FY24.

Investing in batteries

AGL has committed to 850-megawatt (MW) national battery roll-out by FY24. We recently announced a \$180 million investment in a 250 MW grid-scale battery at our Torrens Island site in South Australia. We are also seeking planning approvals for a 200 MW, four-hour duration grid-scale battery at Loy Yang A Power Station in the Latrobe Valley, Victoria, and are progressing plans for a battery at the Liddell Power Station in the Hunter Valley, NSW.

In addition to our battery projects at Loy Yang, Torrens Island and Liddell, we have secured 100 MW storage capacity with Vena Energy at their Wandoan Battery in Queensland commencing in October 2021, and 200 MW capacity with Maoneng Group batteries in NSW which will be operation from 2023.

South Australia leading the way for AGL Energy's 850 MW network of grid-scale batteries



We have advanced our 850 MW battery storage program with the announcement of a 250 MW grid-scale battery at our Torrens Island site. Construction will begin this year and will be the first battery in the AGL Energy network to reach development stage.

It's a huge milestone in our push towards a greener future – and one our Chief Operating Officer Markus Brokhof is right behind.

"I couldn't be prouder of how AGL Energy has led the way in backing world-leading technology to propel our long-term energy generation," Markus said.

Making and shaping markets

Influencing market design to seek shared value opportunities

AGL Energy has been advocating for pragmatic post-National Electricity Market (NEM) 2025 market design outcomes for customers and industry. This includes the approach to Distributed Energy Resources (DER) market design to ensure customers and communities get the full benefit of their DER assets. AGL's advocacy has been focussed on sustainable long-term reforms that minimise the cost of providing the energy to customers over the long term and maximise the shared value of energy infrastructure.

In August the Energy Security Board (ESB) provided its final report to energy ministers. There is no formal consultation on the ESB's final recommendations; however, we are continuing to engage with governments and the market bodies to ensure that the direction of reforms delivers positive outcomes for energy customers.



>3,000 connected solar batteries in the VPP program by end FY21

Ongoing COVID restrictions impacted our ability to reach our target of more than 3,000 batteries. Over the FY21 period, however, our multi-asset VPP provided over one gigawatt hours (GWh) of flexible energy across more than 50 events as we continued to invest in decentralised assets. Decentralised assets under orchestration rose from 72 MW in FY20 to 130 MW in FY21, on track to meeting a target of 350 MW in FY24.

Our multi-asset virtual power plant (VPP) is made up of residential and business customer assets including batteries, demand responsive load, and back-up generation. The majority of this capacity reflects curtailable load and diesel generators at our Commercial and Industrial customer sites and was primarily contracted for the peak summer period to assist managing the AGL Energy position.



Continue to build optionality and flexibility into our gas portfolio through diverse contracting both for supply and storage and projects like Crib Point

In May 2021, further development of the proposed liquified natural gas import jetty at Crib Point ceased. This followed the Independent Advisory Committee findings and the Victorian Planning Minister's determination in March 2021 that the project would have unacceptable environmental impacts. AGL Energy has a highly flexible gas portfolio and a supply strategy which will enable customer demand to be met from existing and new domestic supply sources and proposed third party regasification projects, leveraging LNG supply options that were developed for the original Crib Point project.



Indigenous engagement

We continue to engage proactively with the communities where we operate and have increased our engagement with the Traditional Owners of lands where our sites are located. In FY21, AGL Energy received conditional endorsement for its inaugural Innovate Reconciliation Action Plan (RAP) from Reconciliation Australia, and we publicly launched our RAP later in October 2021.

Our vision for Reconciliation is a unified and inclusive Australia where Aboriginal and Torres Strait Islander peoples are respected and have equal voice, rights and opportunities for prosperity.

Our RAP brings together our vision and commitments for reconciliation into one strategic framework with more than 50 commitments in the areas of Respect, Relationships and Opportunities, enabling us to play our part in reconciliation. Examples of the commitments we have made include:

- **Respect** – Engage local Traditional Owners to deliver locally appropriate cultural learning programs and encourage our people to do an Acknowledgement of Country at the beginning of significant meetings.
- **Relationships** – Organise National Reconciliation Week events and undertake a truth telling process engaging with Traditional Owners of our generation sites to build trusting relationships with our communities.
- **Opportunities** – Increase the share of our procurement spend with Aboriginal and Torres Strait Islander suppliers to \$3 million by 2023 and increase employment opportunities for Aboriginal and Torres Strait Islander Peoples generally across our workforce and in our traineeship program.

Celebrating Aboriginal and Torres Strait Islander culture

Every year at AGL Energy, we recognise NAIDOC Week which celebrates the history, culture and achievements of Aboriginal and Torres Strait Islander peoples. This is an opportunity for us to pay respect to local First Nations communities and enhance the long-standing relationships we hold throughout the traditional lands in which we operate.

In FY21, NAIDOC Week was celebrated a little later than usual (8–15 November 2020). The theme for 2020 was 'Always Was, Always Will Be', recognising that First Nations people have occupied and cared for this continent for over 65,000 years.

People from right across our business recognised and celebrated this important week with various events. Our Indigenous Engagement Working Group partnered with the Diversity Council Australia to give our people access to a special webinar exploring how businesses can better support Indigenous employees.

At our Liddell Power Station in NSW, more than 100 people gathered to listen to local didgeridoo maker and player Richie Lawton from Budbudda Dreaming. In South Australia several members of the Torrens Island Power Station Leadership Team met with leaders from Kurna, Narunga, Ngarrindjeri, Peramangk and Ngadjuri nations at a NAIDOC roundtable session. The leaders discussed how they can learn from each other and collaborate into the future.

We also celebrated National Reconciliation Week, a time for all of us to learn about our shared histories, cultures, and achievements, and to explore how each of us can contribute to achieving reconciliation in Australia. Our people at our Eastwood office in South Australia participated in the Great Book Swap in support of the Indigenous Literacy Foundation. People at our Sydney office joined a Royal Botanical Garden Aboriginal cultural tour.

In FY21 AGL Energy unveiled a piece of artwork by renowned Kurna Aboriginal artist Allan Sumner at Torrens Island Power Station. 'Yartapuulti' tells the story of Kurna connection to Country on Torrens Island and the surrounding waterways. Yartapuulti is the Kurna name for Torrens Island, meaning the land of sleep. The artwork is located in the site's Canteen - the central meeting point for our employees and represents our respect for Kurna connection to Country.

In December, our Loy Yang site held a Better Together Day, a day the team hosts each year to focus on diversity and inclusion. At the event, a session was dedicated to Aboriginal and Torres Strait Islander inclusion where representatives

Introducing our Aboriginal artwork



We have been building relationships and cultural understanding with Traditional Owners of lands on which we operate for many years and as part of this work, we commissioned contemporary Indigenous artist Riki Salam to create a piece of artwork that tells our story in the community, our history and connection to community and our commitment to contribute to Australia's reconciliation effort.

The artwork depicts a cross-section of Country and different landscapes across Australia. The hand at the centre presents AGL Energy and our commitment to Care for Country and Make Country Better through our purpose Progress for Life.

Indigenous engagement

from Gunaikurnai spoke about a program to culturally assess waterways in Gippsland and educate young people about the connections to land and culture associated with the waterways.

Repatriating Indigenous Artefacts

Indigenous artefacts dating back about 3,000 years were reburied in 2020 as part of a major repatriation effort conducted between our Loy Yang Power Station and the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC). AGL Energy Loy Yang employees discovered more than 1,000 artefacts during excavation operations conducted near the power station and mine.

We collaborated with the Victorian Aboriginal Heritage Council (VAHC), GLaWAC, and cultural heritage consultants Andrew Long and Associates to rebury the cutting tools, grinding stones and axe heads. There were 23 registered Aboriginal cultural heritage places located within the area where works were conducted. Once collected, each artefact was recorded

on the Victorian Aboriginal Heritage Register. The reburial was undertaken near where the artefacts were discovered.

In December 2020, AGL Energy also celebrated with the Kurna people ten years on from the repatriation of their elders and artefacts from the South Australian Museum to Torrens Island. When we began building the Barker Inlet Power Station, as part of the process cultural heritage surveys were taken for the site and relationships were built with the local Kurna people. AGL Energy was able to support the Kurna people with several projects, including to repatriate the remains of their Elders back to Country.

Creating training and employment opportunities for Aboriginal and Torres Strait Islander peoples

The AGL Energy Loy Yang Jungarra Wannik Scholarship was established in 2020 to support Aboriginal or Torres Strait Islander tertiary students with their education goals. The name Jungarra Wannik was chosen by the Gunaikurnai Land and Waters Aboriginal Corporation and means 'to find your footprint'. It represents finding your footprint in education and remaining strong in your culture to achieve your goals through support, to know who you are and return to make your footprint seen in the community.

In 2020, the scholarship was awarded to Justin Stankovic who is also an Australian Indigenous Mentoring Experience (AIME) mentor. Justin is a Gunaikurnai man from the Brataualung clan. From a young age, Justin looked towards the Latrobe Valley power stations eager to discover what made them tick. This curiosity drove Justin to pursue an interest in science and education.

In 2021, the scholarship was awarded to Tammy-lee Chatwin who is studying nursing and the scholarship will go towards equipment and supporting her family while she takes unpaid placement.



Celebrating the 10th anniversary of repatriation on Torrens Island



Our people

Social Licence Network

It is important to us that we have an engaged workforce where our people are energised by what we can do and achieve together.

In August we established a Social Licence Network to connect and enable Social Licence champions across the company. Since its establishment the Social Licence Network has become a successful mechanism to connect passionate people, share information, and establish cross-functional working groups to progress opportunities to strengthen AGL Energy's social licence.

Building Trust Together

In FY21 twelve Social Licence Network members came together in a Building Trust Together pilot focused on developing the mindsets involved in doing the right thing for our stakeholders and ensuring that Social Licence is core to everything we do.

From the pilot, the team:

- Developed a shared understanding of what 'culture' is needed to build and maintain trust with our stakeholders
- Identified gaps between AGL Energy now and where we would like to be in the future.
- Designed, developed and tested approaches – for potential adoption AGL Energy wide.
- Revealed new opportunities to bring our values to life, helping to make them always front of mind, to guide our thinking, decisions and behaviours every single day.

Diversity and Inclusion

In FY21 we have maintained our focus on building a diverse and inclusive workplace, concentrating on six key dimensions: LGBTQ+ inclusion; gender; families and carers; family and domestic violence; disability; and cultural identity. AGL Energy's commitment to diversity and inclusion is embedded in our purpose and our values and is integral to our Social Licence.

Our value 'Better together' reflects our belief that a respectful and inclusive workplace embraces the diversity of our people.

LGBTQ+ inclusion

We were recognised as one of the most inclusive workplaces for LGBTQ+ people in Australia, receiving Gold Employer Status for the fourth time in the 2021 Australian Workplace Equality Index. Christine Corbett, our Chief Customer Officer and Executive Sponsor of our employee network 'AGL Shine' also received Executive Leader of the Year at the Australian LGBTQ Inclusion Awards. This recognition is a testament to the work we've done in FY21 including:

- Updating our Gender Identity and Gender Affirmation Guidelines to include a market-leading six weeks' paid leave for transgender employees.
- Publicly affirming the Darlington Statement in support of the intersex community.

- Proudly sponsoring events like the Midsumma Festival, Broken Heel Festival and Mardi Gras Film Festival.
- Continuing to empower LGBTQ+ women to be their authentic selves in all aspects of their lives through our co-founded Rainbow Women network. This network now has over 100 members across 53 organisations and 26 industries.
- Giving our LGBTQ+ people and allies a platform to connect through the AGL Shine network.



Our people

Gender

At AGL Energy, we are committed to providing a safe and inclusive workplace for all our people. That's why we pledged to help make Australian workplaces respectful and safe for everyone through Diversity Council Australia's #IStandForRespect initiative. Graeme Hunt, our CEO and Managing Director, signed the pledge alongside CEOs from other leading Australian companies. This reaffirms our commitment to taking a stand against gendered harassment and violence in all its forms.

Our People and Performance Committee discuss performance against our gender diversity targets for the previous year and upcoming targets for the next financial year. The FY21 target for gender composition of the workforce was set to 35% representation of females at AGL Energy as part of our re-set targets for FY21-FY23. Our current female representation across AGL Energy including our operations sites as of August 2021 is at 34%.

AGL Energy has employee led networks, AGL Equality and AGL Equality in Operations, that are sponsored by senior leaders to champion and advocate for gender equity. AGL Equality in Operations is driving change for gender equality across our operational sites through three key focus areas of inclusive language, inclusive facilities and unconscious bias training. In FY22 initiatives will include a review of the facilities at each site, coordinating a 'We Stand For Respect' campaign to support our recently signed #IStandForRespect pledge and investigating unconscious bias training.

We are committed to achieving equal remuneration between men and women and we have embedded gender pay equity analytics and reporting in our annual remuneration review system. We have a range of initiatives that support the attraction, retention, and progression of women, including an increased focus on attracting more women to operational and science, technology, engineering and mathematics (STEM) related career pathways. We're focused on improving the number of women entering our Senior Leadership Pipeline (SLP), and we're continuing to invest in our people's personal and professional growth and provide opportunities for emerging leaders to gain critical career experiences.

Early in 2020, we shared that our average pay gap between female and male employees in like-for-like roles was 0% and following our recent remuneration review, we've ensured this gap remains at 0% by addressing gender pay equity in a targeted way.

Families and carers

Amidst the beginning of the COVID-19 pandemic in 2020, the AGL Parents Network and AGL Carers Networks were created to support our parents and carers during the difficult time where work and personal life quickly became one. The AGL Parents Network host fortnightly virtual discussions, providing a platform for all parents and carers to discuss tips, tricks, and life hacks to better support their families, particularly throughout lockdowns across Australia.

In addition to this, we have an online intranet for our families at AGL Energy, where they have access to hundreds of resources, tools, and monthly webinars, for our expecting parents, foster carers, rainbow families, and mums and dads in the workplace.

In FY21, AGL Energy became a supporting partner of Family Friendly Workplaces, an initiative launched by Parents At Work and UNICEF Australia and were one of the first Australian companies to be certified as a Family Inclusive Workplace under the new National Standards. This marked a significant step on our journey to ensure our workplace culture is family-inclusive; one that is respectful and supportive of over 50% of our people who identify with having caring responsibilities.

This certification is thanks to our policies and initiatives that support families, like our industry-leading 20 weeks of paid parental leave for primary carers which is inclusive of all genders and includes surrogacy, adoption and fostering, as well as our family domestic violence leave and our Best Practice Breastfeeding Friendly Workplace standards.

To encourage our working dads to take up flexible working options and parental leave, we host events and activations such as Father's Day to encourage their participation in the network. In September we invited the founders of The Father Hood, a virtual community that offers support, advice and inspiration for dads to celebrate Father's Day, where we encouraged all our dads to join the virtual discussion about dads in the modern world, parenting, along with the importance of utilising flexible work arrangements.

Family and domestic violence (FDV)

We are committed to supporting the health, safety and wellbeing of our employees and customers and do not tolerate family & domestic violence. In FY21, we partnered with Diversity Council Australia (DCA) to deliver an event for International Day for the Elimination of Violence against Women (Tuesday 24 November 2020). Our Executive General Manager, Strategy and Corporate Development João Segorbe invited Dr Virginia Mapedzahama – Senior Research Officer at Australia's National Research Organisation for Women's Safety (ANROWS) – to outline research on the differing impacts of FDV on women with intersecting backgrounds.



Our people

In May, our Loy Yang site partnered with Safe Steps Family Violence Response Centre in a candlelight vigil to honour victims of family and domestic violence and raise awareness of the issue. As part of the vigil, large landmarks across Victoria were illuminated in purple, including Loy Yang's cooling tower, which signalled to our communities that together we can make enduring change.

This campaign coincided with Domestic Violence Awareness Month and Loy Yang also held an event for our employees to hear from a panel of first responders on their experiences in dealing with the devastation and heart-ache surrounding family violence as well as speaking about support available.

With the support of experts in family violence, we had previously developed a 'Keeping Safe at Home' factsheet for our people and 'Supporting our people who experience FDV' factsheet for our leaders and people who may be looking after a friend, colleague or relative who is experiencing FDV. We redistributed these fact sheets in Toolbox Talks to our people on site and digitally to all our people while encouraging all employees to complete an e-learning training module that has been designed to build awareness and help support our customers and our people around family and domestic violence.

Disability

We're committed to building a safe and inclusive work environment for all our people, including our people who identify as having a disability. In FY21 we appointed an Executive Sponsor of Disability, our Chief Financial Officer Damien Nicks, and launched our Disability Action Plan and Working Group, which are helping us to drive greater disability inclusion right across the business. We also became the first Australian energy company to join The Valuable 500, a global movement putting disability inclusion on the business leadership agenda.

Other key achievements include:

- **Employment accessibility** - We updated and redistributed the Reasonable Adjustment Guidelines which set out guidelines for making reasonable adjustments to the



recruitment process and work environment.

- **Internships** - Macquarie site has taken on three interns as part of the Stepping into Internship program, hosted by Australian Network on Disability (AND). The program is a paid internship that matches talented university students with disability with roles in leading Australian businesses to help them gain valuable industry experience and knowledge.
- **Mentorship** - We participated in AND's PACE Mentoring Program which saw four AGL mentors volunteer for four-months to mentor job seekers and students who identify with disability.
- **Recruitment** - We have completed a recruitment review to identify opportunities to remove barriers for candidates with disability and are currently implementing quick wins to make the recruitment process more accessible.
- **Customer accessibility** - We have been reviewing external communication processes for our customers and are improving customer accessibility as they navigate our website agl.com.au, in accordance with the Web Content Accessibility Guidelines accessibility requirements.

- **Benchmarking ourselves** - Our Disability Working Group completed AND's Access & Inclusion Benchmarking Index (self-assessment), to understand where we currently stand in our disability inclusion journey. This assessment has given us a clear indication of where our opportunities are, and we will be working towards expanding on these opportunities in the new financial year.

Cultural identity

As the communities we serve and work in become increasingly multicultural, it's important to recognise and celebrate this rich diversity and ensure that everyone is respected, included, and know that they belong. We have over 100 different cultures and in FY21 we established the AGL Cultures Network - a network for culturally and linguistically diverse employees and their allies which is supported by Executive Sponsor and Executive General Manager of Future Business and Technology, John Chambers.

Measuring our impact

The first step to building Social Licence is to understand what's important to our key stakeholders and respond accordingly. To help inform our decision making, and ensure decisions are in line with stakeholder expectations, we need to listen effectively – and on a regular basis – to what is being said. We want to know what matters to them, where they appreciate our support, what more they want from us; and be able to use this to ensure we're making decisions that align to their needs.

With this in mind, we measure our Social Licence impact via KPIs including our Employee Engagement survey, our reputational score (RepTrak), Strategic NPS, and trust/awareness from our Community Sentiment survey.



Engagement survey

Each year, we conduct an Employee Engagement survey to understand how our people feel about working for AGL Energy. It identifies areas where we are doing well, and those where we may need to improve.

In the FY21 survey, two questions were asked specifically about Social Licence:

- **AGL Energy really allows us to make a positive difference and**
- **AGL Energy's commitment to Social Licence (e.g. community support, sustainability, etc.) is genuine.**

The questions received a score of 58% favourability and were ranked #6 in the top 10 driver questions, showing just how important Social Licence is to our people. Improving employee engagement has been identified as a key operational goal and we are committed to creating a positive working environment for all our people by acting on the feedback provided in the survey.



Employee engagement (all AGL) score ≥ 73 in FY21

AGL Energy's FY21 engagement score was 62%, down 11 percentage points from 73% in FY20. The decline in employee engagement is reflective of the challenging operating context throughout the year and the uncertainty experienced by our people in relation to both the proposed demerger as well as the COVID-19 pandemic.

Strategic NPS

Net Promoter Score (NPS) is a measure of overall brand performance and is based on how likely a customer would be to recommend AGL Energy as an energy provider. We measure NPS at a strategic, event and transactional level to measure customer advocacy and identify opportunities to deploy targeted action plans to improve our customers' experiences.

Since October 2018, NPS has been included as a performance incentive for all members of AGL Energy's Enterprise Leadership Team (ELT), comprising around 50 of the most senior positions across AGL Energy's business.

FY21 saw further growth in AGL Energy's strategic NPS of +2.6 points, finishing the year with a score of +4.9, with AGL Energy ranked #1 against tier 1 competitors. This is a positive result that reflects an ongoing commitment to ensuring we put the customer at the centre of everything we do.

RepTrak

RepTrak score above 70 by FY24



AGL Energy's FY21 RepTrak score was 66.7

RepTrak publishes reports on the reputation of companies based on consumer surveys and media coverage. AGL Energy's FY21 RepTrak score was 66.7, 1.4 points lower than AGL Energy's highest ever recorded reputation score of 68.3 for the same time last year.

Overall, AGL Energy has maintained the increase in reputation achieved since FY18 despite the ongoing impacts of COVID-19 as well as significant events during FY21 including the announcement of the proposed demerger, leadership changes, and the Greenpeace Australia activist campaign.

Of note, over the last 12 months we have seen increases in key drivers of reputation such as 'governance' and 'leadership'. With the impact of COVID-19 ongoing, we need to continue to reinforce credentials in Citizenship, Governance and Leadership, including through our growth story, climate credentials and ongoing support for customers and the communities in which we operate.

Community Sentiment surveys

We conduct biannual Community Sentiment surveys in the communities of our power generation assets to understand the issues of importance to them. In terms of our local community sentiment metrics, we measure our Social Licence through trust and awareness questions from the survey.

Trust in AGL Energy has remained moderate in FY21, with trust in the areas where AGL Energy has renewable sites being slightly higher. Overall awareness of our local activities declined slightly due to the challenges of hosting community events during the pandemic, however awareness of our community funds increased significantly in the Latrobe Valley surrounding our Loy Yang Power Station.

Carrying out regular community sentiment surveys is important for improving the rigour of our decision-making and ensuring that we're listening to what our communities want and need – which will help us to become even better members of our communities.

Our future ambitions

Today we are proud to demonstrate the contribution that every part of our business has made to meet our Social Licence commitments. Despite the challenging past 12 months, we continue to find strength in our unwavering focus on Social Licence, and our support for each other.

As we embark upon the proposed demerger of AGL Energy, maintaining our Social Licence has never been more vital to ensure the two new businesses, Accel Energy and AGL Australia, are set up for success.

The increasing stakeholder expectations on climate action are one of the key drivers for our proposed demerger. We are excited to take the next steps, creating two leading businesses that can focus on their different but important roles within Australia's energy transition to a low carbon future.

In FY22 the Social Licence Program will carry over the first two focus areas and modify the third to recognise the significance of the demerger work currently underway and ensure Social Licence is maintained in the decision making surrounding this work. The three focus areas for FY22 will be:

- Affordability and customer vulnerability;
- Climate and environment; and
- Transition and resilience.

In addition to maintaining focus across these areas, the Social Licence Council will review the Social Licence priorities and risks for the two new businesses and recommend a way forward on an appropriate level of governance and reporting across Social Licence.

We hope you have found this report valuable and would like to thank all our people for their contributions to building and maintaining AGL Energy's Social Licence over the course of this year.

These Social Licence achievements would not have been possible without our people's support. Thank you for your help in driving the changes necessary to build and maintain stakeholder trust. Social Licence is an enduring program of work, and we are looking forward to building on this in FY22.

