Independent limited assurance report to the Directors of AGL Energy Limited in relation to the 2018 Sustainability Report

We have undertaken a limited assurance engagement on the application of Global Reporting Initiative ('GRI') requirements and other criteria contained in AGL Energy Limited's ('AGL') 2018 Sustainability Report as detailed in the table below (the 'Subject Matter'), in order to state whether anything has come to our attention that would cause us to believe that the Subject Matter has not been reported, in all material respects, in accordance with the reporting criteria described in the table below ('Reporting Criteria').

**Subject Matter and Reporting Criteria**
The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2018 is as follows:

<table>
<thead>
<tr>
<th><strong>Subject Matter</strong></th>
<th><strong>Reporting Criteria</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GRI Standards disclosures</strong></td>
<td>GRI Standards disclosures prepared in accordance with the 'Core' requirements of the GRI Standards as set out in the table on pages 6-7 and the GRI Index</td>
</tr>
<tr>
<td><strong>Selected indicator data</strong></td>
<td>Relevant GRI Standards and AGL’s definitions, and approaches as described in the table on pages 6-7, GRI Index and on AGL’s website at <a href="http://www.agl.com.au/">www.agl.com.au/</a></td>
</tr>
<tr>
<td><strong>AA1000 principles</strong></td>
<td>The principles of ‘Inclusivity’; ‘Materiality’; and ‘Responsiveness’ as set out in AA1000 APS and related information, publicly available at AccountAbility’s global website at <a href="http://www.accountability.org">www.accountability.org</a></td>
</tr>
</tbody>
</table>

- **GRI Standards disclosures**
  - GRI Standards disclosures prepared in accordance with the ‘Core’ requirements of the GRI Standards as set out in the table on pages 6-7 and the GRI Index
  - Relevant GRI Standards and AGL’s definitions, and approaches as described in the table on pages 6-7, GRI Index and on AGL’s website at www.agl.com.au/

- **Selected indicator data**
  - Public policy (415-1) on page 57

- **AA1000 principles**
  - AGL’s application of AccountAbility’s AA1000 AccountAbility Principles Standard ('AA1000 APS') principles in managing and reporting sustainability performance as set out in the About this report section of the 2018 Sustainability Report
  - The principles of ‘Inclusivity’; ‘Materiality’; and ‘Responsiveness’ as set out in AA1000 APS and related information, publicly available at AccountAbility’s global website at www.accountability.org
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<td><strong>Sustainability Targets</strong></td>
<td>The FY2018 performance data in respect of AGL’s Sustainability Targets as contained in the Performance on FY18 Targets section within the 2018 Sustainability Report  AGL’s definitions, and approaches as described in the Performance on FY18 Targets section of AGL’s 2018 Sustainability Report and on AGL’s website at <a href="http://www.agl.com.au/">www.agl.com.au/</a></td>
</tr>
</tbody>
</table>

**AGL’s responsibilities**

AGL is responsible for the preparation and presentation of the Sustainability Report which includes the Subject Matter in accordance with the Reporting Criteria. This responsibility includes establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter in the Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate reporting criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

**Our responsibilities**

Our responsibility is to express a limited assurance conclusion as to whether we have become aware of any matter causing us to believe that the Subject Matter has not been prepared, in all materials respects, in accordance with the Reporting Criteria.

We conducted our procedures to provide our limited assurance conclusion in accordance with Australian Standards on Assurance Engagements ASAE 3000 ‘Assurance Engagements Other than Audits or Reviews of Historical Financial Information’ (ASAE 3000), issued by the Australian Auditing and Assurance Standards Board. The procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Subject Matter, whether due to fraud or error. In making these risk assessments, we consider internal control relevant to AGL’s preparation of the Sustainability Report as it relates to the Subject Matter in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of AGL’s internal controls.

**Assurance work performed**

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 we performed were based on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, and agreeing or reconciling with underlying records.

The procedures that we performed were based on our professional judgement and included:

- Review of AGL’s processes relating to stakeholder identification, engagement and responsiveness, including an assessment of stakeholder engagement outcomes and how this process and the outcomes have been presented in the Report.
- Review of AGL’s process to identify and determine material issues to be included in the Report with examination of underlying assessments and evidence on a sample basis.
- 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.
- In respect of the Sustainability Targets and Selected Indicator Data:
- interviews with a selection of AGL management responsible for the Sustainability Targets and Selected Indicator Data 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 Report.
- reviewing underlying evidence on a sample basis to corroborate that the information is prepared and reported in line with the relevant Reporting Criteria.

Comparison of the content of AGL’s Report against the criteria for a GRI self-declaration. 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 we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether AGL’s subject matter has been prepared, in all material respects with the criteria.

**Inherent limitations**
Non-financial information, including the Subject Matter may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating and sampling or estimating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The Subject Matter should be read in the context of AGL’s Reporting Criteria as set out in the Report.

**Use of our report**
Our assurance report has been prepared solely for the directors of AGL. We disclaim any assumption of responsibility for any reliance on this report or on the Subject Matter to which it relates, to any person other than the directors of AGL or for any purpose other than that for which it was prepared.

**Our Independence and Quality Control**
We have complied with the relevant ethical requirements relating to assurance engagements, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1, and accordingly Deloitte Touche Tohmatsu maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

**Matters relating to electronic presentation of information**
Our limited assurance engagement included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of the Report after the date of this assurance statement.
Conclusion
Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that AGL’s:

- GRI Standards disclosures as set out in the GRI Index, are not prepared, in all material respects, in accordance with the ‘Core’ requirements of the GRI Standards; and

- Selected Indicator Data, is not prepared, in all material respects, in accordance with the specific standard disclosure requirements of the relevant GRI Standards and AGL’s definitions, and approaches as described in the GRI Index.

- Sustainability Targets Data, is not prepared, in all material respects, in accordance with the AGL’s definitions, and approaches as described in the Performance on FY18 Targets section of AGL’s 2018 Sustainability report and on AGL’s website at www.agl.com.au.

DELOITTE TOUCHE TOHMATSU

Paul Dobson
Partner
Sydney, 13 December 2018