Independent limited assurance statement to the Directors of AGL Energy Limited in relation to the 2017 Sustainability Report

We have carried out a limited assurance engagement on the subject matter detailed below (the ‘Subject Matter’) presented in AGL Energy Limited’s (‘AGL’) 2017 Sustainability Report 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 and presented fairly, in all material respects, in accordance with the reporting criteria described 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 2017 is as follows:

<table>
<thead>
<tr>
<th>Subject Matter</th>
<th>Reporting Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AA1000 Principles</strong></td>
<td>The principles of ‘Inclusivity’; ‘Materiality’; and ‘Responsiveness’ as set out in AA1000 APS.</td>
</tr>
<tr>
<td>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 2017 Sustainability Report.</td>
<td></td>
</tr>
<tr>
<td><strong>Strategic Sustainability Indicators</strong></td>
<td>AGL’s definitions and approaches as described in the Sustainability targets and performance summary section of AGL’s 2017 Sustainability Report and on AGL’s website at <a href="http://www.agl.com.au">www.agl.com.au</a>.</td>
</tr>
<tr>
<td>The FY2017 performance data in respect of AGL’s Sustainability Indicators as contained in the Sustainability targets and performance summary section within the 2017 Sustainability Report</td>
<td></td>
</tr>
</tbody>
</table>
The following selected sustainability performance data for FY2017 (‘Climate Change, Organisational Safety and Other Data’):

- **Climate Change data:**
  - Greenhouse gas (‘GHG) Operational, Equity and Energy Supply Footprints data [305-1], [305-2], [305-3]
  - Carbon intensity of operated generation assets and carbon intensity of coal seam gas projects data [305-4]
- **Organisational Safety data:**
  - Total injury frequency rate [403-2]
  - Lost time injury frequency rate [403-2]
  - Medical treatment injury frequency rate [403-2]
  - Fatalities [403-2]
- **Other data:**
  - Community engagement [413-1]
  - Public policy [415-1]

The GRI Standards and related information, publicly available at GRI’s global website at [www.globalreporting.com](http://www.globalreporting.com),

AGL’s responsibilities

AGL is responsible for the overall reporting process including preparation and presentation of the Subject Matter in the 2017 Sustainability Report 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 2017 Sustainability 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.
Deloitte’s 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 and presentation of the Subject Matter in the 2017 Sustainability Report 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

In order to form our conclusion we undertook the following limited assurance procedures:

- Review of AGL’s own assessment of its application of the AA1000 principles against the criteria for each principle outlined in the AA1000 APS;
- 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 2017 Sustainability Report
- Review of AGL’s process to identify and determine material issues to be included in the 2017 Sustainability 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 FY17 Sustainability targets and performance summary and the Selected Climate Change, Organisational Safety, and Other data
  - interviews with a selection of AGL management responsible for the Sustainability Indicators Performance summary and the Selected Climate Change, Organisational Safety and Other data to understand the compilation and review processes
  - conducting site visits at a sample of facilities
  - 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 2017 Sustainability Report.
  - review 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 2017 Sustainability Report against the criteria for a GRI self-declaration and assessment of the overall GRI reporting process
A limited assurance engagement is restricted primarily to enquiries and analytical procedures and the work is substantially less detailed than undertaken for a reasonable assurance engagement. As such the level of assurance is lower than would be the case for a reasonable assurance engagement. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

**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 2017 Sustainability 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.

**Independence**
In conducting our engagement, we have complied with the independence requirements of APES 110 *Code of Ethics for Professional Accountants*, issued by the Accounting Professional and Ethical Standards Board.

**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 2017 Sustainability Report after the date of this assurance statement.

**Conclusion**
Based on the procedures performed, nothing has come to our attention that causes us to believe that the Subject Matter has not been prepared and presented fairly, in all material respects, in accordance with the Reporting Criteria.

DELOITTE TOUCHE TOHMATSU

P Dobson
Partner
Sydney, 6 November 2017