

UN Global Compact: Communication on Progress

I am pleased to affirm my support for the ten Principles of the United Nations Global Compact covering the areas of Human Rights, Labour, Environment and Anti-Corruption.

Since becoming a signatory to the United Nations Global Compact (UNGC) in 2016, AGL is proud to be one of over 9,500 business signatories to the UNGC across 160 countries, including almost 150 actively participating organisations in Australia.

A handwritten signature in black ink, appearing to read 'G. Hunt', written over a horizontal line.

Graeme Hunt

Managing Director & CEO, AGL Energy Limited
19 August 2022

Below, you will find our FY22 UNGC Content Index, designed to provide our stakeholders with an overview of how AGL has met or are implementing the UNGC principles during FY22 through links to relevant sections of AGL's FY22 reporting suite.

Area	Principle	Response or link to 2022 Reporting Suite
Human Rights	1	<p>Businesses should support and respect the protection of internationally proclaimed human rights</p> <p>AGL's Human Rights Policy applies to all our businesses and transactions in all countries within which we operate, and covers: AGL and all subsidiary and affiliate entities over which we exercise control; and all directors, officers and employees of AGL.</p> <p>Behaviour of AGL's directors, employees and contractors is guided by the AGL Values and the AGL Code of Conduct.</p> <p>AGL operates in Australia only in accordance with the laws of Australia.</p>
	2	<p>Make sure that they are not complicit in human rights abuses</p> <p>AGL's FY22 Annual Report and ESG data centre cover many issues that relate to human rights, including corporate governance, employee health and safety, and employee experiences and behaviours.</p> <p>Our approach to human rights is also documented in our Modern Slavery Act Statement 2021, which covers FY21. The Modern Slavery Act Statement for FY22 will be available on our website in early 2023.</p>
Labour	3	<p>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>AGL upholds the freedom of association and the right to collective bargaining, as set out in our Human Rights Policy. As at end of FY22, more than 43% of AGL Energy's workforce was covered by collective bargaining agreements (refer to Awarded employees in the data centre).</p>
	4	<p>The elimination of all forms of forced and compulsory labour</p> <p>AGL operates in Australia only in accordance with the labour laws of Australia and our Code of Conduct, which is underpinned by the Company Values.</p> <p>AGL's Supplier Code of Conduct prohibits our suppliers from engaging in any form of child, forced or involuntary labour, and requires them to adhere to all international standards and domestic regulations relating to the employment of children.</p>
	5	<p>The effective abolition of child labour</p> <p>The Supplier Code of Conduct also makes clear that AGL expects its suppliers to comply with modern slavery laws and regulations, and identify, address and report on risks of modern slavery practices in their business operations and supply chains.</p> <p>In accordance with the <i>Commonwealth Modern Slavery Act 2018</i>, in December 2021 AGL released our Modern Slavery Act Statement for FY21. Our Modern Slavery Act Statement for FY22 will be available on our website in early 2023.</p>
	6	<p>The elimination of discrimination in respect of employment and occupation</p> <p>The People scorecard within AGL's FY22 Annual Report and our Diversity & Inclusion Policy describe our approach to diversity and inclusion, and the removal of discrimination, and how these attributes are promoted and embedded throughout our business.</p> <p>Our Supplier Code of Conduct requires our suppliers to promote an inclusive workplace free of discrimination, harassment, bullying and other unlawful behaviour on discriminatory grounds.</p>
Environment	7	<p>Businesses should support a precautionary approach to environmental challenges</p> <p>AGL's Health, Safety and Environment Policy sets out our commitment to conduct our business in a way that minimises our impact on the environment.</p> <p>Our approach to climate change is reflected in AGL's Climate Statement, released in FY20, which confirms our target of achieving net zero emissions by 2050. Our approach to climate change is also documented on our website, in our FY22 TCFD Index and in our FY21 'Accelerating Our Transition' report, which is prepared in accordance with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) voluntary disclosure framework.</p> <p>AGL's decarbonisation pathway will continue to be reviewed as part of the review of strategic direction that is currently underway. AGL will release a Climate Transition Action Plan following this review, and shareholders will have the opportunity to vote on the Climate Transition Action Plan as part of the 'Say on Climate' resolution at the 2022 AGM.</p>
	8	<p>Undertake initiatives to promote greater environmental responsibility</p> <p>We are committed to playing our part as Australia transitions toward full decarbonisation by 2050, by:</p> <ul style="list-style-type: none"> ▪ Offering our customers the option of carbon neutral prices across all our products ▪ Supporting the evolution of Australia's voluntary carbon markets ▪ Continuing to invest in new sources of electricity supply ▪ Responsibly transitioning our energy portfolio, and ▪ Being transparent through our disclosures and holding ourselves accountable through our remuneration structures.
	9	<p>Encourage the development and diffusion of environmentally friendly technologies</p> <p>Our FY22 Annual Report also covers issues that relate to environmentally responsible initiatives and technologies. These can be found in the Customer, Environment and Infrastructure scorecards.</p>
Anti-corruption	10	<p>Businesses should work against corruption in all its forms, including extortion and bribery</p> <p>AGL has embedded risk-based anti-bribery and corruption controls throughout our processes and policies, including within the AGL Code of Conduct and the Anti-Bribery Corruption and Fraud (ABCF) Policy.</p> <p>We also have a comprehensive Anti-Money Laundering / Counter-Terrorism Financing Compliance Program and an Australian Financial Services Licence Compliance Program within our wholesale markets (energy trading) areas. In this regard we conduct regular risk assessments to determine the adequacy of the controls that are in place.</p>