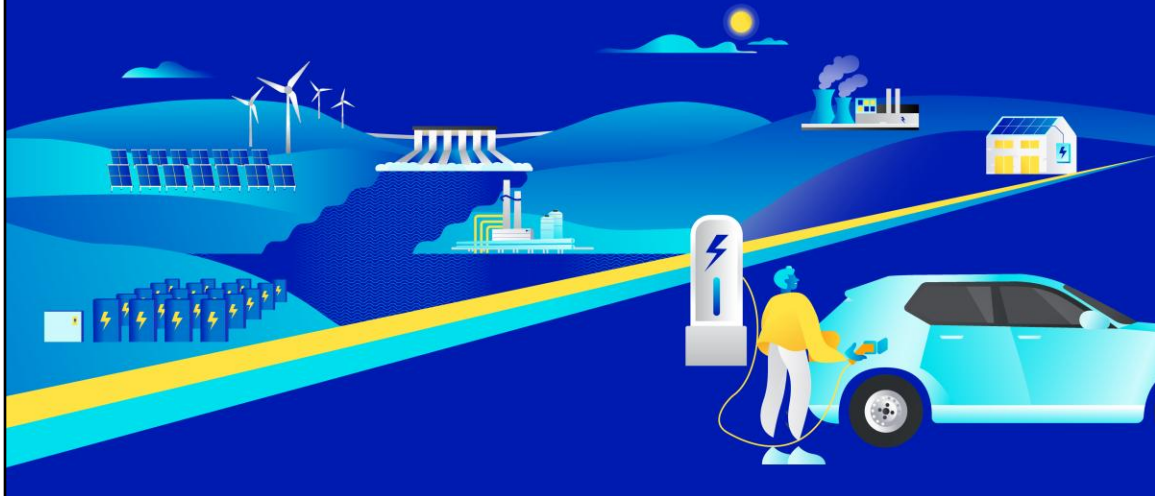


Climate Transition Action Plan

2025 Briefing

Thursday, 21 August 2025



[DAMIEN NICKS]

Good afternoon and welcome to everybody on the call. For those of you who don't know me, I'm Damien Nicks, MD and CEO of AGL. Today I am joined by Gary Brown, AGL's Chief Financial Officer; and Suzanne Falvi, AGL's Executive General Manager of Corporate Affairs.

I'd like to begin by acknowledging the Traditional Owners of the land on which we meet today, the Wurundjeri people of the Kulin Nation and pay my respects to Elders past and present. I would also like to acknowledge the Traditional Owners of the various lands from which you are all joining.

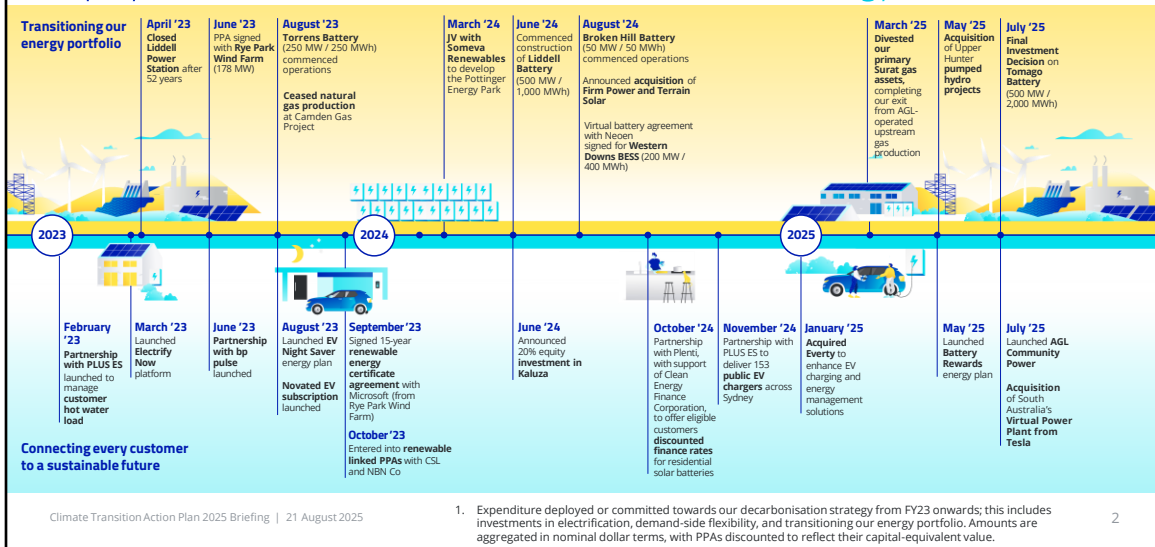
It's a pleasure to speak with you about AGL's second Climate Transition Action Plan – our 2025 CTAP. Hopefully you have had a chance to read it. Our CTAP builds on our ambitious decarbonisation commitments, and is a reaffirmation of our strategy and our unwavering commitment to decarbonisation.

As I reflected in our investor presentation last week, we are undertaking a multi-decade decarbonisation of our business to allow AGL to continue to deliver shareholder value into the future, and to support our customers through the energy transition.

Three years ago, in September 2022, we released our inaugural CTAP. It was a bold step forward – committing to exit coal-fired generation by FY35, up to a decade earlier than previously planned. We set targets for new renewable and firming capacity, and we laid out a pathway to net zero for our Scope 1 and 2 emissions.

With our 2025 CTAP, we're building on those foundations. We're enhancing our targets, deepening our commitments, and demonstrating that we're not just planning for the transition – we're getting on with delivering it.

Strong progress since our inaugural CTAP with over \$3 billion¹ deployed or committed toward our decarbonisation strategy



[DAMIEN NICKS]

Let me take a moment to reflect on what we've achieved since 2022.

- We've deployed or committed **over \$3 billion** to support our decarbonisation strategy
- We safely and respectfully closed **Liddell Power Station**, marking the beginning of our exit from coal
- We have exceeded our target to reduce Scope 1 and 2 emissions by 17% compared to FY19 levels each year since FY23 - in FY25 we achieved a reduction of over 29%.
- We've grown a **significant pipeline of renewable and firming projects**, increasing it threefold since September 2022 to 9.6 GW
- We commenced construction of the **Liddell Battery** and brought the **Torrens Battery** online, and in late July we made a final investment decision on the 500 MW / 2,000 MWh **Tomago Battery**, which is expected to be operational in late 2027.
- And we completed our exit from AGL-operated upstream gas production, more closely aligning our portfolio with our transition goals.

On the customer side, we've been focused on delivery of our strategy of connecting every customer to a sustainable future.

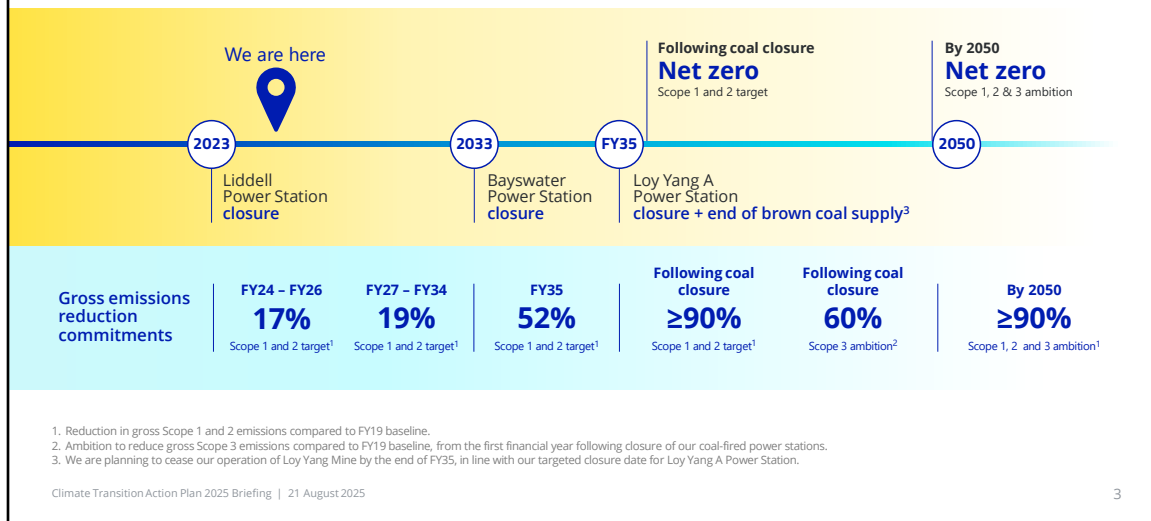
- We launched **Electrify Now**, a digital platform helping customers to electrify their households, with over

500,000 visits since May last year.

- We've expanded our VPP, and are now orchestrating the hot water loads of **nearly 100,000 customers'**, demonstrating how smart technology can reduce emissions and save customers money
- We've expanded our **EV ecosystem**, including partnerships with bp pulse, PLUS ES, and Everyt, and launched an EV plan and subscription service.

These aren't just milestones - They're evidence that AGL is getting on with it and taking decisive action on decarbonisation.

We have charted a pathway to becoming net zero for our operations and business value chain



[DAMIEN NICKS]

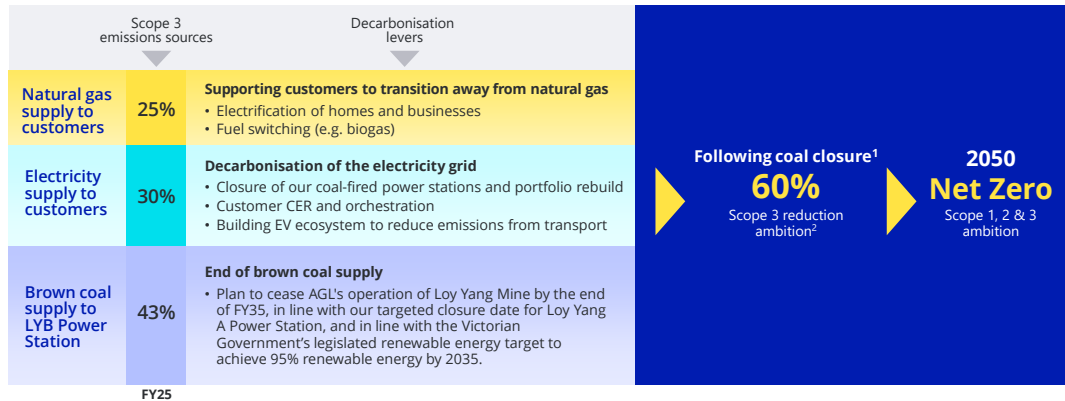
As you can see on this slide our 2025 CTAP sets out the next phase for the decarbonisation of our business.

- We've charted a pathway to be net zero for Scope 1 and 2 emissions following the closure of our coal fired power stations; and to be net zero for Scope 1, 2 and 3 emissions by 2050.
- We've strengthened our interim Scope 1 and 2 targets, prioritising direct emissions reductions.
- We are increasing our current target to reduce annual Scope 1 and 2 emissions by 17% compared to FY19 levels, to a 19% gross reduction, from FY27 on an-going basis. We've also added a 90% gross annual emissions reduction target following coal closure, to ensure our net zero Scope 1 and 2 target is met primarily via direct emissions reductions.
- Post closure of our coal-fired power stations, we may offset up to 10% of our residual Scope 1 and 2 emissions. Importantly, we are not planning to use offsets to meet our interim emission reduction targets – that is, the targets that apply before the closure of Loy Yang A Power Station. These targets are 'gross targets' meaning we plan to achieve them via **direct** emissions reductions.
- You will also see that the CTAP also refers to some discussions we have underway with the South Australian government. Recognising the importance of having sufficient long-duration firming capacity to ensure secure, reliable and resilient electricity supply in South Australia, the South Australian Government has requested that AGL consider extending the operation of the Torrens Island 'B' Power Station for two years. While the discussions have not yet resulted in a legally binding agreement, AGL has agreed in-principle to the request and continues to engage constructively with the South Australian Government. We consider that this

extension, if agreed, would not impact our delivery of the commitments outlined in the CTAP in relation to emissions reduction targets or the approach to responsible transition.

- We have also set an ambition to reduce our Scope 3 emissions by 60% from FY19 levels following the closure of our coal-fired power stations and exit of associated mining operations, and a long term ambition to reduce Scope 1, 2 and 3 emissions by 90% and be net zero for Scope 1, 2 and 3 emissions by 2050. We recognise that achieving Australia's goal to be net zero by 2050 will take a whole of economy decarbonisation approach.

Our levers to reduce Scope 3 emissions include helping our customers decarbonise the way they live, move and work



1. From the first financial year following closure of our coal-fired power stations (expected to be from FY36).
 2. Ambition to reduce gross Scope 3 emissions compared to FY19 baseline.

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[DAMIEN NICKS]

- Looking more closely at our Scope 3 emissions reduction pathway on this slide, we are committed to helping our customers decarbonise the way they live, move and work, to deliver on our Scope 3 ambitions.
- The majority of our Scope 3 emissions arise from three activities:
 - the supply of natural gas to our customers;
 - the supply of electricity to our customers; and
 - the supply of brown coal to Loy Yang B Power Station
- Looking first at our gas supply to customers – As I noted earlier, AGL is actively investing to support customers to transition away from natural gas, particularly through electrification of our customers' homes and businesses.
- Turning to electricity - increasing uptake of consumer energy resources such as rooftop solar and behind-the-meter batteries by our customers, and effective orchestration of that CER, can help to drive down our customers' grid electricity demand, as well as playing a role in supporting the decarbonisation of the grid. As our customers electrify their homes, businesses and transport, we may expect to see an increase in grid electricity demand to power more electrified appliances and vehicles. This may drive an increase in our Scope 3 emissions in the short-term, but is key to locking in deep emissions reductions in the longer term across the economy.
- The key driver of reduction in our Scope 3 emissions from the electricity we supply to our customers will be the decarbonisation of the grid. Delivery of our new renewables and firming commitments, and the closure of our coal-fired power stations, will help to drive down the emissions intensity of the grid.

- Our largest stream of Scope 3 emissions comes from our sale of brown coal from the Loy Yang Mine to Loy Yang B Power Station. We are planning to cease AGL's operation of the Loy Yang Mine following the closure of the Loy Yang A Power Station (targeted by the end of FY35) and in line with the Victorian Government's 95% renewable energy target. This will be a key driver of delivering our 60% Scope 3 reduction ambition.

As a leader in Australia's energy transition, we're building on our decarbonisation commitments



Connecting every customer to a sustainable future



300 MW

Cumulative customer assets installed targeted by FY27¹



2.5 GW

Demand-side flexibility ambition by FY27²



1m+ EVs

Forecast to be powered by 2035³

Transitioning our energy portfolio



2.1 GW

New renewable and firming capacity targeted by FY27⁴



6 GW

New renewable and firming capacity targeted by FY30⁴



3 GW

Total grid-scale batteries targeted by FY30⁵



12 GW

New renewable and firming capacity ambition by 2035⁶

Capital allocation

Portfolio transition funded through mix of **balance sheet, offtakes & partnerships**

Capital allocation **~67%** towards 'climate solutions' over FY26-FY35⁷

Optimisation of balance sheet through **Capital Allocation Framework**

We plan to deploy **~\$10b** balance sheet capital to enable our portfolio transition

1. Installations completed from FY24 – FY27 inclusive.

2. Ambition for the capacity that can respond to AGL-initiated signals to orchestrate assets and the customer-led capacity that may respond to AGL's incentives to time-shift electricity or asset use (e.g. customer products that feature those incentives).

3. Forecast only; 2035 outcome will be subject to customer uptake.

4. Measured as new renewable and firming capacity in construction, delivery or contracted from FY23 onwards.

5. Total grid-scale batteries operated, contracted or in delivery.

6. Ambition for new renewable and firming capacity from FY23 onwards. This also includes consumer energy resources.

7. AGL defines climate solutions as grid-scale renewable generation, grid-scale batteries and pumped hydro, retail electrification and decentralised sustainable business energy solutions for customers and retail transformation.

[DAMIEN NICKS]

- As a leader in Australia's energy transition, we are building on our decarbonisation commitments, with set clear targets to drive performance.
- We've just talked about our net zero emissions pathway. This slide shows how we plan to deliver this by supporting our customers on their decarbonisation journeys.
 - Recognising the importance of increasing CER uptake by our customers and effectively orchestrating it, we are driving our performance through a short-term target to deliver 300 MW of cumulative customer assets installed by FY27. We also have a strong focus on accelerating CER adoption and coordination, and have set a new ambition to have 2.5 GW of demand-side flexibility by FY27.
 - We are also committed to being our customers' partner of choice for e-mobility services. We have products and services that are designed to encourage customers to switch to EVs. We forecast that we will power over 1 million EVs by 2035.
- Turning to our development pipeline. We're on track to deliver on our ambition of adding **12 GW of new renewable and firming capacity by the end 2035**, powering our customers' demand, and we'll continue to look for opportunities to accelerate the transition of our energy portfolio.
- We've increased our interim target from 5 GW by 2030 to **6 GW by FY30**, and set a new target to have at least **3 GW of grid-scale batteries by FY30**.
- We have and will continue to evolve our capital allocation over time to support our strategic priorities.

- Over the next decade, we expect to now allocate 67% of capital towards climate solutions.
- We will continue to optimise our balance sheet based on capital availability, risk allocation and our future energy portfolio needs. We plan to invest approximately \$10 billion **on balance sheet** to support the transition of our energy portfolio, guided by robust capital allocation and ESG frameworks. This investment will be weighted towards a mix of short and long duration firming assets. And as has been the case for the last 3 years, we expect renewable generation will be mostly sourced via offtakes and partnerships.

We're investing in a responsible energy transition for our people, our communities and our customers



We're committed to supporting our people through site closures



- ✓ Our **people transition principles** include early and ongoing consultation, personalised career planning, training support, and access to resilience and wellbeing services
- ✓ Building the **skills and capabilities** required for the future

We're engaging with and supporting local communities



- ✓ Transparent **community engagement** for all operating and proposed projects
- ✓ Community partnerships, including with **Traditional Custodians** and local **First Nations** communities
- ✓ **Benefit sharing** programs being developed
- ✓ Vision to transform existing sites into future **Energy Hubs**

We're pursuing an accessible energy transition for all customers



- ✓ **Removing barriers** to access for customers experiencing vulnerability
- ✓ **Delivering innovation** in products, asset financing and partnership models
- ✓ **AGL Community Power** launched, to share the benefits of the energy transition with customers including with those who may not be able to directly access the benefits of solar and batteries

[DAMIEN NICKS]

- As we decarbonise, we know that *how we transition* matters just as much as how fast we do it. AGL is investing in a responsible transition—one that supports our people, our customers, and the communities we serve.
- Starting on the left of this slide.

People

- To support our people we've developed clear principles to guide how we support employees impacted by site closures.
 - For example, there will be early and ongoing consultation with employees through Transition Working Groups, and individual transition plans will be created for impacted employees to help them prepare for success following asset closure.
 - We will also offer dedicated resource hubs at major sites, offering job placement services, retirement advice, and wellbeing support.
- We've already put these principles into action at Torrens Island 'B' Power Station.

Communities

- Turning to communities, we're committed to engaging with our community stakeholders respectfully and

inclusively.

- We have best practice **community engagement plans** for our operating assets and proposed projects, and we keep the community informed of how their feedback is considered in decision making.
- We also offer communities the opportunity to share the benefits of projects. A key aspect will be supporting the specific needs and aspirations of First Nations communities where our projects are located.
- We're also transforming our existing large thermal generation sites into Integrated Energy Hubs, repurposing land and infrastructure to support new industries, jobs, and regional development. Our vision for these hubs is to catalyse investment in low-carbon manufacturing, recycling, sustainable fuels, and more. We look forward to working closely with Government on policies that incentivise and de-risk the creation of new industries and supply chains that will be integral to the success of this vision.

Customers

Our customers are front of mind as the energy system evolves and we recognise energy affordability and accessibility are key to a successful transition.

- Through AGL Community Power, we're sharing the benefits of the energy transition including with those who cannot purchase solar and batteries or who may be locked out due to barriers related to home ownership
- We're integrating customer support into our operations, with tailored programs for those experiencing vulnerability
- And we're advocating for affordable electrification, simplified tariffs, and stronger consumer protections.

We're working transparently with our stakeholders to shape the policy settings needed to drive Australia's energy transition



In our policy advocacy, AGL is:

Supporting coordinated
economy-wide energy transition
and decarbonisation

Addressing
cost-of-living concerns

AGL will proactively advocate in five key flagship areas to:



Drive
electrification



Support
affordability



Promote
investment and
market stability



Streamline
connections and
approvals



Develop a new
sustainable
economy

[DAMIEN NICKS]

- As we transition, we're not just building assets, we're helping shape the policy and market settings that will define Australia's energy future.
- AGL is advocating for a **responsible energy transition** that balances reliability and affordability with the need to decarbonise. We strongly support Australia's commitment to the Paris Agreement.
- Decarbonising Australia's energy system requires collaboration and a collective effort from all participants. To lead this, we are clear on what we stand for, and our plans sets out our five key advocacy areas.
- We recognise that we have an important role to play in the energy sector's achievement of a nationwide energy transition at pace and at scale, to contribute to Australia achieving its climate goals. And we think this is best achieved through long term policy certainty, effective market settings, improved infrastructure delivery, and a supportive investment environment.
- This is about more than AGL— it's about helping Australia decarbonise with confidence, clarity and care. We're advocating for the frameworks, reforms and partnerships that will unlock the next wave of investment, innovation and impact.
- We stand for a future that's reliable, affordable, and sustainable—and we're proud to be helping lead the way.

Questions



[DAMIEN NICKS]

- Our 2025 CTAP is a plan for action. It's a plan that reflects our strategic ambition and our commitment to lead responsibly.
- We're focused on execution. We're building the assets, delivering the products and solutions, and shaping the policy environment so that AGL remains a leader in Australia's energy transition.
- I wanted to thank you all for dialling in to hear about our CTAP today, and we encourage you to support the commitments outlined in this plan at our upcoming Annual General Meeting.
- Together, we can shape a more sustainable future for AGL, our customers, and our communities.
- Thank you for your time and we'll now open to any questions.

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