



AGL Energy Green Finance Framework 2026



Contents

Green Finance Framework 2026

1. Overview	3
1.1 AGL's Decarbonisation Strategy	3
2. AGL's Green Finance Framework	4
2.1 Market Standards	4
2.2 Green Debt	4
2.3 Use of Proceeds	4
2.3.1 Green Asset Eligibility Criteria	5
2.4 Process for Project Evaluation and Selection	6
2.5 Management of Proceeds	6
2.6 Reporting	6
3. External Review	7
4. Continuous Improvement	7
5. Important Notice	7
Appendix 1: Corporate Directory and More Information	8
Appendix 2: Disclaimer	9

Acknowledgement of Country

AGL recognises the First Nations people as the Traditional Custodians of the lands on which we work, and acknowledges those communities' continuing connections to their lands, waters and cultures. We pay our respects to their Elders, past and present.

1. Overview

AGL Energy Limited (**AGL**) operates Australia's largest private electricity generation portfolio and supplies electricity, gas and other services to residential, commercial and wholesale customers.

1.1 AGL's Decarbonisation Strategy

AGL supports the Australian Government's target of achieving net zero by 2050, and we have charted a pathway to becoming net zero for our operations and value chain. AGL's decarbonisation strategy is outlined in its most recent Climate Transition Action Plan (**CTAP**) published in August 2025, which sets out AGL's approach to reducing emissions and investing in the energy system of the future.

AGL has charted a pathway to being net zero for Scope 1, 2 and 3 greenhouse gas emissions by 2050. As part of this pathway, AGL has set interim emissions reduction commitments, including reduction targets for Scope 1 and 2 emissions aligned to the planned closure of its coal-fired power stations, and an ambition to reduce Scope 3 emissions by 60% compared to FY19 following the closure of our coal-fired power stations.

AGL has set a commitment to exit coal-fired power generation by the end of FY35, through the planned closure of Bayswater Power Station and Loy Yang A Power Station. In parallel, AGL is investing in new renewable and firming capacity to power its customers' demand.

Within AGL's CTAP, AGL has set an ambition to add 12 GW of new renewable and firming capacity by 2035, including a target of 6 GW by FY30, of which at least 3 GW is targeted to be grid scale batteries. This investment is intended to be delivered through a combination of assets on AGL's balance sheet, offtake arrangements and partnerships. AGL's CTAP also outlines the initiatives AGL is delivering to connect every customer to a sustainable future and drive electrification, which form key components of our Scope 3 decarbonisation pathway.

AGL periodically reviews and updates its CTAP to reflect changes in strategy, policy settings, market conditions and evolving best practice. AGL's CTAP provides the strategic foundation for AGL's green financing activities and informs the identification of assets and activities eligible for financing or refinancing under this framework. To read AGL's CTAP, see [here](#).

To support AGL's decarbonisation and energy investment commitments, this Green Finance Framework (**Framework**) outlines AGL's approach to green financing instruments that may be used to support the delivery of AGL's CTAP and other decarbonisation activities as relevant (**Green Debt**).

This Framework may be reviewed and updated from time to time to ensure continued alignment with the CTAP.

2.1 Market Standards

The Framework is aligned with the Green Loan Principles (**GLP**) as jointly issued by the Asia Pacific Loan Market Association (**APLMA**), Loan Market Association (**LMA**) and Loan Syndications and Trading Association (**LSTA**) and the Green Bond Principles (**GBP**) as issued by the International Capital Market Association (**ICMA**) (publicly available and collectively referred to as the **Market Standards**) and adopts the four core components of the GLP and GBP:

This Framework addresses the four core components of the Market Standards for Green Debt:

1. Use of Proceeds;
2. Process for Project Evaluation and Selection;
3. Management of Proceeds; and
4. Reporting.

The Market Standards are voluntary and accepted as best practice for issuance and management of Green Debt in global markets.

2.2 Green Debt

Green Debt may include, without limitation, term loans, revolving credit facilities, bonds, contingent facilities and other credit support instruments.

Any such instrument will qualify as Green Debt only where its proceeds are predominantly used to finance assets or activities, in accordance with the use of proceeds requirements of this Framework and applicable Market Standards.

2.3 Use of Proceeds

AGL commits to notionally allocate an amount equivalent to the proceeds of any Green Debt to finance or refinance, in whole or in part, eligible projects, assets or activities that support the achievement of AGL's CTAP (**Green Assets**). Green Assets may include projects delivered, or in the process of being delivered, assets or activities under construction or completed that deliver positive environmental outcomes consistent with the Green Asset Eligibility Criteria below and which may be informed by one or more of the technical screening criteria from market-based taxonomies and/or internationally accepted guidelines. Green Assets can be owned and/or funded by AGL's subsidiaries or capital partners. Where projects are jointly funded between AGL and another party, then funding will be applied only to AGL's share of the project.¹

The Framework recognises that eligible projects typically have long economic lives, while funding instruments may be issued on shorter tenors. AGL will aim to disclose in their annual allocation report the share of new financing vs refinancing².

Where the proceeds are used to finance or refinance operating expenditures, AGL commits to only use these proceeds where expenditures were spent no more than 24 months prior to the relevant Green Debt issuance.

The Green Assets may be replenished as underlying Green Assets are sold or otherwise disposed of, non-Green Assets are removed, and/or additional Green Assets are identified and funded.

1. For jointly funded projects, the valuation will be limited to AGL's attributable share of the relevant project, asset or activity. AGL may determine its attributable share provided it is reasonable and in line with generally accepted market practices e.g. Enterprise Value.
 2. Refinancing means the repayment and replacement of an existing Green Debt instrument with a new Green Debt instrument. For the avoidance of doubt, amendments or extensions to an existing Green Debt instrument that do not involve repayment or cancellation do not constitute a refinancing.

2.3.1 Green Asset Eligibility Criteria

To qualify as a Green Asset under this Framework, a project, asset or activity must meet the following requirements:

- Align with AGL's CTAP, as summarised in Section 1 and other decarbonisation initiatives as relevant;
- Meet the Eligibility Criteria set out in the table below;
- Not fall within the Excluded Activities detailed below;

The Eligibility Criteria under this Framework are aligned with select Technical Screening Criteria for climate change mitigation under the Australian Sustainable Finance Taxonomy (version 1, [2025](#), as may be amended from time to time), as set out in the table below.

For the avoidance of doubt, the Eligibility Criteria, nominated Green Assets and the Framework have not been assessed against the Do No Significant Harm or Minimum Social Safeguards criteria under the Australian Sustainable Finance Taxonomy and AGL does not make any claims of alignment with these criteria.

The table below outlines a non-exhaustive list of Green Asset categories that could be financed and/or refinanced by AGL under the Framework using proceeds of Green Debt, in accordance with Market Standards.

Eligible Categories ¹	Eligibility Criteria - Australian Sustainable Finance Taxonomy Technical Screening Criteria	Examples of eligible projects
Renewable Energy & Energy Storage	<ul style="list-style-type: none"> • D1. Energy Generation from Solar Photovoltaic (PV) and Concentrated Solar Power (CSP) • D2. Energy Generation from Onshore and Offshore Wind • D4. Energy Generation from Hydropower • D5. Geothermal Energy Generation • D6. Energy Generation from Bioenergy 	Assets that generate energy from renewable sources, such as wind, solar, geothermal and hydropower.
	<ul style="list-style-type: none"> • D7. Storage of Electricity • D11. Transmission and Distribution of Renewable and Low-carbon Gases • D12. Remote and Micro-grid Systems • C10. Manufacture of Biogas 	Assets/projects used for firming capacity/technologies, including but not limited to, battery energy storage and pumped hydro energy storage.
Clean transportation	<ul style="list-style-type: none"> • I1. Road Passenger Transport – Motorbikes, Cars and Light Commercial Vehicles • I14. Low-carbon Road Transport Infrastructure • I15. Micromobility and Active Transport Infrastructure • I16. Low-carbon Public Transport Infrastructure 	Eligible infrastructure including (but not limited to): <ul style="list-style-type: none"> • Electric Vehicle (EV) charging solutions (e.g. EV charging points, swap stations, cabinets etc.) which could include, but is not limited to: <ul style="list-style-type: none"> - electricity grid connection upgrades necessary to support the deployment and operation of infrastructure for charging an EV; - all other solutions related to optimising and/or providing the necessary electrical capacity to support the deployment and operation of EV charging solutions.

1. Eligible Categories have been informed by the eligible green project categories set out in the GLP/GBP.

Proceeds from Green Debt can include any related ancillary or financing costs incurred pursuant to the Green Assets, up to a maximum of 10% of total proceeds from Green Debt) calculated on an aggregate basis of all Green Assets on the Eligible Asset Register).

Excluded Activities

For the avoidance of doubt, the unallocated proceeds from Green Debt will not be knowingly used to finance or refinance thermal generation assets or projects not aligned with the Green Asset Eligibility Criteria in the Framework.

2.4 Process for Project Evaluation and Selection

AGL has established processes to identify and assess Green Assets in accordance with the Framework.

A Sustainable Debt Committee (**Committee**) oversees sustainable debt financing processes and compliance with the Framework's compliance processes, including the proper identification and assessment of Green Assets to determine the eligibility of projects, assets or activities.

The Committee comprises senior representatives including the Head of Sustainability, Group Treasurer, Financial Controller and Head of Energy Markets and Treasury Risk. The Committee may be supplemented from time to time, or expanded, by representatives from other divisions.

In determining eligibility of AGL's projects, assets or activities for inclusion as Green Assets, AGL will evaluate those assets against the Eligibility Criteria described in Section 2.3.1. Those that meet the criteria will be included as Green Assets.

2.5 Management of Proceeds

AGL commits to tracking the receipt and allocation of proceeds from Green Debt and maintaining the Green Asset Register, including the notional allocation of proceeds against each Green Asset. This will ensure that Green Assets are appropriately identified and included in annual monitoring reports provided to the Committee.

AGL intends to allocate the proceeds immediately following issuance of Green Debt and, in any event, will ensure funds are allocated and committed to Green Assets within 36 months of issuance of the Green Debt.

The allocation period of 36 months supports AGL's CTAP which sets out the future pipeline and continual investment required in renewable and firming capacity over the next decade. Where the Green Debt is used to finance the development of Green Assets with long lead times and continual capital expenditure requirements over the construction period (e.g. battery storage units which typically have lead times of >24 months from Project Commencement Date to Commercial Operations Date), AGL may commit proceeds to specific Green Assets where an estimated project cost is available and spend it gradually as required over the course of the development of the Green Asset but within the specified Green Debt tenor.

In the unlikely event that the proceeds from the Green Debt are unallocated, AGL will ensure that any unallocated proceeds are applied to any of: temporary cash or cash-equivalent instruments with a Treasury function, temporary investment instruments that do not include greenhouse-gas-intensive projects, projects which are inconsistent with AGL's CTAP, or to temporarily reduce indebtedness of a revolving nature before being redrawn for investments or disbursements to Green Assets. For the avoidance of doubt, the unallocated proceeds from Green Debt will not be knowingly used to finance or refinance thermal generation assets or projects not aligned with the eligible criteria in the Framework.

AGL intends to maintain a balance of Green Assets that have a project cost or valuation that is at least equal to or greater than the aggregate amount of proceeds from the Green Debt.¹

2.6 Reporting

AGL recognises the importance of transparency and disclosure relating to Green Debt and therefore intends to make items 1 and 2 available on its website:

#	Item	Frequency
1	Framework	One-off: At (or prior to) issuance of the first Green Debt under this Framework (or for subsequent issuances if the Framework is amended).
2	External Review	One-off: At (or prior to) issuance of the first Green Debt under this Framework or after any material Framework amendment(s). It can take the form of a limited assurance or Second Party Opinion.
3	Green Finance Report covering: <ul style="list-style-type: none"> Green Asset Register Allocation Report 	Annually for all outstanding Green Debt. This will include (as applicable): <ul style="list-style-type: none"> Green Asset Register and Allocation Report: A list of the Green Assets, the financed or refinanced, including capital expenditure in progress, Project Commencement Date, Commercial Operational Date, Book Value, Allocated amount, and relevant Australian Sustainable Finance Taxonomy Technical Screening Criteria for each Green Asset.

In addition, AGL prepares and reports on comprehensive performance data through its Annual Report and ESG Data Centre, in accordance with its ongoing climate-related reporting obligations and its commitment to transparent reporting as outlined in the CTAP.

AGL may provide annual impact reporting based on contemporary market practice, informed by the ICMA Harmonised Framework for Impact Reporting where relevant. AGL may provide aggregated data for Green Assets but may also provide data on an individual basis where feasible and useful.

1. Estimated project cost to be used where the Green Asset remains under construction. Actual project cost to be used once the Green Asset is operational.

3.

External Review

Aligned with [2.6](#), AGL will seek assurance in the form of External Review from an independent recognised verifier (External Reviewer) in accordance with reporting commitments described above. AGL is committed to transparency and will make assurance reports publicly available when appropriate.

4.

Continuous Improvement

As the Market Standards and the global sustainable finance markets continue to evolve, so too will AGL's approach as it seeks to adapt to the changing environment. AGL will update the Framework over time, to remain in line with market practice or in the event of material changes to our CTAP.

For the ongoing enhancement of AGL's Green Debt, we welcome feedback and input from stakeholders as this will support AGL in delivering on its CTAP and meet the needs of investors and stakeholders.

5.

Important Notice

For the avoidance of doubt, if AGL fails to comply with the Framework or satisfy the Market Standards, then this does not (1) constitute an event of default or any other breach in relation to the Green Debt, and (2) neither investors nor AGL have any right for the Green Debt to be repaid early. This means there is no legal obligation on AGL to comply with the Framework or Market Standards on an ongoing basis. However, the Green Debt may cease to be labelled as 'green'.

Appendix 1: Corporate Directory and More Information

More information on AGL's approach to sustainability can be found:

On our website: www.agl.com.au/about-agl/sustainability

In our annual reports: www.agl.com.au/about-agl/investors/annual-reports

In our Climate Transition Action Plan: www.agl.com.au/ctap

Directory

AGL Energy Limited
ABN 74 115 061 375

Registered office

Level 24, 200 George St
Sydney NSW 2000
Australia

Mailing address:

Locked Bag 3013
Australia Square NSW 1215
Telephone: +61 2 9921 2999

Appendix 2: Disclaimer

This Green Finance Framework (the **Framework**) has been prepared by AGL Energy Limited ABN 74 115 061 375 (**AGL**) for information purposes only. The Framework sets out AGL's approach to green finance and its intended use of proceeds from green financial instruments, including but not limited to green bonds, green loans, and other sustainability-linked instruments (together, **Green Finance Instruments**).

No Offer or Solicitation

Nothing in this Framework constitutes or forms part of, and should not be construed as, an offer to sell or issue, or a solicitation of an offer to buy or subscribe for, any securities or financial products in any jurisdiction, including Australia. This Framework does not constitute a prospectus, product disclosure statement, information memorandum, or any other offering document under the *Corporations Act 2001* (Cth) or any other applicable law or regulation.

Forward-Looking Statements

This Framework contains forward-looking statements, projections, estimates, targets, and other statements about future events or conditions, including statements regarding AGL's environmental, sustainability, and green finance objectives and aspirations. These forward-looking statements are based on assumptions and estimates that AGL believes are reasonable at the date of this Framework, but which are subject to significant risks, uncertainties, and other factors that may cause actual results, performance, or achievements to differ materially from those expressed or implied in such statements. AGL does not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by applicable law or the listing rules of the Australian Securities Exchange (**ASX**).

No Guarantee of Green Finance Instrument Issuance

The publication of this Framework does not constitute a commitment by AGL to issue any Green Finance Instruments. Any decision to issue Green Finance Instruments will be subject to, among other things, market conditions, internal approvals, and applicable regulatory requirements at the relevant time.

Second Party Opinion and External Review

AGL has obtained / intends to obtain a Second Party Opinion (**SPO**) from Moody's in relation to the alignment of this Framework with applicable market standards, including the Green Bond Principles published by ICMA. The SPO is the opinion of Moody's only and does not constitute a recommendation to buy, sell, or hold any securities or financial products issued by AGL. AGL accepts no responsibility for the content of the SPO.

No Reliance

The information contained in this Framework has not been independently verified. No representation, warranty, or undertaking, express or implied, is made by AGL or any of its related bodies corporate, directors, officers, employees, agents, or advisers as to the accuracy, completeness, reasonableness, or fairness of the information contained in this Framework. To the maximum extent permitted by law, none of the foregoing persons accepts any liability for any loss or damage arising from the use of or reliance on any information contained in this Framework.

Regulatory and Tax Considerations

The distribution of this Framework and any Green Finance Instruments may be restricted by law in certain jurisdictions. Recipients of this Framework are required to inform themselves about and to observe any such restrictions. Nothing in this Framework constitutes legal, financial, tax, accounting, or investment advice. Recipients should seek their own independent professional advice in connection with any Green Finance Instruments.

ESG and Sustainability Information

Statements in this Framework relating to environmental, social, and governance (**ESG**) matters, including climate-related targets, commitments, and disclosures, reflect AGL's current intentions and aspirations. ESG data, metrics, and methodologies may evolve over time and may be subject to revision. AGL's ability to achieve its sustainability objectives may be affected by factors beyond its control. Unless otherwise stated, ESG-related information in this Framework has not been subject to external audit or assurance. AGL intends to comply with applicable Australian regulatory requirements in relation to sustainability-related financial disclosures, including those arising under the *Corporations Act 2001* (Cth) as amended by the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024* (Cth).

Currency

This Framework is current as of 1 July 2026. AGL reserves the right to amend, update, or withdraw this Framework at any time without notice, subject to applicable regulatory and market obligations.

agl.com.au



Join the change