

B E L O N G



CLIMATE ACTIVE

CARBON NEUTRAL STANDARD

PUBLIC DISCLOSURE SUMMARY

1 July 2018 – 30 June 2019



An Australian Government Initiative

Australian Government
Carbon Neutral Program
Public Disclosure Summary

B E L O N G



An Australian Government Initiative

NAME OF CERTIFIED ENTITY: BELONG

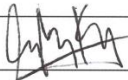
REPORTING PERIOD: 1 July 2018 – 30 June 2019

SCOPE OF CARBON NEUTRAL CERTIFICATIONS:

- Belong operations, as a service; and
- “Mobile” and “Fixed” connections, being the two Belong product offerings.

Declaration

To the best of my knowledge, the information provided in this Public Disclosure Summary is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.

Signature		Date: 26 November 2019
Name of Signatory: Peng Lee		
Position of Signatory: Business Performance Lead		

Carbon neutral certification category	<u>Product:</u> The provision of access to the Belong mobile network for the purposes of making and receiving calls and data. <u>Product:</u> The provision of access to the internet via the Belong fixed network and/or nbn <u>Service:</u> the business and customer support operations of Belong
Date of most recent external verification	26 November 2019
Verifier	Energetics, Rob Rouwette
Auditor assurance statement link	N/A



Australian Government
Department of the Environment and Energy

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1. CARBON NEUTRAL INFORMATION

1A. Introduction

At Belong we acknowledge the First Peoples of Australia as traditional owners and custodians of the land and waters. We are committed to learning from indigenous wisdom. We use this to shape our thinking and our actions. We humbly pay respects to their Elders past, present & emerging.

We respect the First Nations principle of caring for Mother Earth, and only taking what we need. This principle shapes our actions and the ways in which we design and manage our operations.

Belong commenced in October 2013 with the purpose of helping Australians access great value home broadband and – since October 2017 – competitively priced mobile plans. Connectivity services are an essential service in modern society with the importance of staying interconnected with work, family and community. Belong's mission is to keep things simple, give customers choice and control, and take responsibility when things go wrong.

As a matter of fairness, all companies should be responsible for their own impact on the community and environment. We are dedicated to having a positive impact on the climate, by addressing the adverse effects of our emissions, and by helping our customers and employees succeed sustainably.

Purpose of this report

This public disclosure statement (**PDS**) supports the certification of the entirety of Belong going carbon neutral through the combination of the above 'Service' and two 'Product' certifications under the 'Climate Active Carbon Neutral Standard' (the Standard) Products & Services' requirements. This includes the Life Cycle Assessment and quantification of Scope 1, 2, and 3 emissions boundaries. The Greenhouse Gas (GHG) Inventory is an 'operational control' approach for the 30 June 2019 base year.

Finally, Belong has documented herein our emissions reductions strategy and mix of carbon offsets for the base year.

As a matter of fairness, all companies should be responsible for their own impact on the community and environment.

Carbon Neutral Information

The base year of 1 July 2018 – 30 June 2019 is considered to be a 'business as usual' period of operations and so represents an appropriate baseline for the Standards purposes.

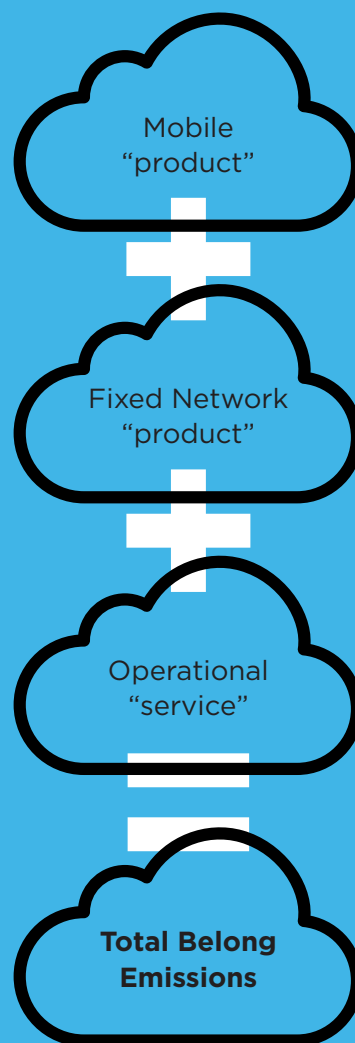
Belong exists as a business unit within Telstra and so is not a registered business with a unique ABN. As a result of this, certification as an 'Organisation' under the Standard was not possible. The entirety of Belong's emissions footprint is captured through the combined Product offering and business & customer support operations ('Service'). This is depicted in figure 1 to the right of this page.

A more detailed process flow indicating how the Product and Service emissions interact is shown in Figure 2 on page 9.

To ensure we captured the complete boundary of emissions, we developed robust assumptions to support apportionment methodologies to ensure the entire Belong value chain was included. For instance, Belong customers use part of the Telstra and nbn networks so apportionments have been taken.

Extensive detail and analysis in support of all key apportionment calculations and assumptions used to calculate Belong's total emission footprint have been documented in the GHG inventory submission to the Carbon Neutral Program. This submission has also undergone a 'verification engagement' in line with the Standards requirements.

Figure 1: Total Belong Emissions



The entirety of Belong's emissions footprint is captured through the combined Product offering and business & customer support operations.

Functional unit

The functional unit for the mobile product, fixed network product and operational service of Belong is the average number of customers connected to the network, or 'Services in Operation' (SIO) for the year.

Standards

In preparing the underlying carbon account, Belong has followed the carbon accounting principles of relevance, completeness, consistency, transparency and accuracy. We have also leveraged the guidance from the following key data sources:

The Climate Active Carbon Neutral Standard for:

- Products & services; and
- Organisations;

The Greenhouse Gas (GHG) Protocol Standards, including:

- GHG Protocol – Corporate Accounting and Reporting Standard (GHG Corporate standard);
- GHG Protocol – Corporate Value Chain (Scope 3) Accounting and reporting standard (2011); and
- GHG Protocol – Product Life Cycle Accounting and Reporting Standard; and

National Greenhouse and Energy Reporting Act 2007 (NGER Act) and supporting legislation and documentation, including National Greenhouse and Energy Reporting (Measurement) Determination 2008 (1 July 2018 compilation) (referred to as NGER 2018). Where there are conflicts between these different standards and protocols, the Products & Services standard takes priority.

Greenhouse gases considered

The following greenhouse gases were considered for the GHG Inventory and emissions boundary:

- a. carbon dioxide;
- b. methane;
- c. nitrous oxide;
- d. sulfur hexafluoride;
- e. hydrofluorocarbons;
- f. perfluorocarbons.

Operational approach

Belong has used this approach which accounts for 100% of GHG emissions in respect of which we have operational control. This represents accounting for emissions where Belong has the greatest authority to introduce and control policies and thus emissions. We have included all Belong's scope 3 emissions where they could be quantified and applied the relevance test as appropriate.

Belong has used this approach which accounts for 100% of GHG emissions in respect of which we have operational control.

1B. Emission sources within certification boundary

Service Certification

The following outlines the Service certification for Belong as carbon neutral under the Standard for Products and Services, Carbon Neutral Program. Belong's service is defined as;

The business and customer support operations of Belong.

A process map for the service certification is shown in Figure 3 on page 10.

Attributable Sources – Service

This emission boundary is our “operations” which includes all emissions that are non-attributable to Belong products but which Belong has sufficient ability to influence (i.e. operational control). This includes accounting for the following emissions:

- Fuel – e.g. fuel from fleet vehicles (scope 1);
- Electricity to power offices and facilities (scope 2);
- Business waste (scope 3);
- Employee commuting (scope 3);
- Business travel (Taxi/Uber and Flights only) (scope 3);
- Offshore telemarketing assistance (scope 3);
- 3rd party business support activities (i.e. advertising & consulting) (scope 3).

Excluded Sources – Service

The below emission sources have been excluded from the service boundary as they satisfy the exclusion condition as per the Standard.

Emission Source	Scope	Justification for exclusion
Business Travel - Accommodation	3	Assessed as immaterial in line with s2.3.1 of the Standard.
Business Travel - Hire Car	3	Assessed as immaterial in line with s2.3.1 of the Standard.

Non-Attributable Sources – Service

The below emission sources are non-attributable sources as they fall outside the service boundary.

Emission Source	Scope	Justification for non-attribution
Telstra Investments	3	Belong is a business unit of Telstra and not a registered entity. Therefore Belong does not hold any investments. The investments which Telstra hold are irrelevant to Belong's boundary as they relate primarily to international network investments. In addition, Belong has limited ability to influence Telstra's investment decisions and subsequently the carbon impact of these investments.
Hazardous Waste	3	<p>The Department of Environment & Energy defines hazardous waste under Annex III to the Basel Convention. These characteristics include:</p> <ul style="list-style-type: none"> • Explosive; • Flammable Liquids/Solids; • Poisonous; • Toxic; • Ecotoxic; and • Infectious Substances. <p>Belong does not create or store any of the above waste as a result of operations or running the network.</p>

Products Certification

Belong's mobile & fixed products are defined as;

Product	Definition
Mobile	<i>The provision of access to the Belong mobile network for the purposes of making and receiving calls and data</i>
Fixed	<i>The provision of access to the internet via the Belong fixed network and/or nbn</i>

Mobile Product:

The product is the "access to the mobile network." Belong does not sell mobile phones as part of this product offering, only SIM cards to allow access. The LCA of the mobile product primarily includes carbon emissions associated with the construction and maintenance of the mobile network and electricity used to power the network. This also includes all attributable emissions to the production, transportation, distribution, use, and end-of-life treatment of the SIM.

See Figure 5 on page 12.

Attributable Sources – Mobile

- Electricity used to power network (scope 2).
- Embodied emissions in the manufacture of SIMs and packaging (scope 3).
- Building and maintaining the fixed network (scope 3).
- Upstream transportation and distribution (scope 3).
- Downstream transportation and distribution (scope 3).
- End-of-life treatment of product (scope 3).

Excluded Sources – Mobile

None.

Non-Attributable Sources – Mobile

The below emission sources are non-attributable sources as they fall outside the mobile product boundary.

Emission Source	Scope	Justification for non-attribution
Electricity for charging mobile handsets, and e-waste from handset disposal	3	Belong do not sell mobile phones and so this is not part of the value chain. Only SIM cards are sold. Therefore, Belong do not have a material ability to influence the efficiency / design of Mobile Phones given no material relationships with phone manufacturers.

Fixed Product:

Belong's fixed network product ("access to the network") includes both ADSL and nbn connection. The LCA of the network product includes carbon emissions associated with the construction and maintenance of the network and electricity associated with powering the network. Importantly, this also includes a portion of nbn's emissions for the construction, maintenance, and operations of their network. This is because Belong pays access charges to nbn so our customers can connect to the nbn network. See below for an nbn relevance test. Other emissions included relate to production, transportation, distribution, use, and end-of-life treatment of the modem and ethernet cables that Belong supplies to customers to allow network connection.

nbn relevance test

Emissions from nbn's activities have been included within the emissions boundary of the fixed product even though Belong does not have the ability to influence the reduction of these emissions given nbn is the sole Australian wholesaler. We have used the Standard for Organisations relevance test (s2.3.1) in concluding a portion the emissions are relevant for Belong. This is primarily because our customers would expect that the fixed product includes the full value chain and therefore emissions associated to the relevant nbn assets.

See the process map at Figure 4 on page 11.

Attributable Sources – Fixed

- Electricity used to power the fixed network (scope 2).
- Electricity used to power Belong modems, allowing customers to connect (scope 3).
- Embodied emissions in the manufacture of modems and network hardware and packaging (scope 3).
- Building and maintaining the fixed network (scope 3).
- Upstream transportation and distribution (scope 3).
- Downstream transportation and distribution (scope 3).
- End-of-life treatment of product (scope 3).

Excluded Sources – Fixed

None.

Non-Attributable Sources – Fixed

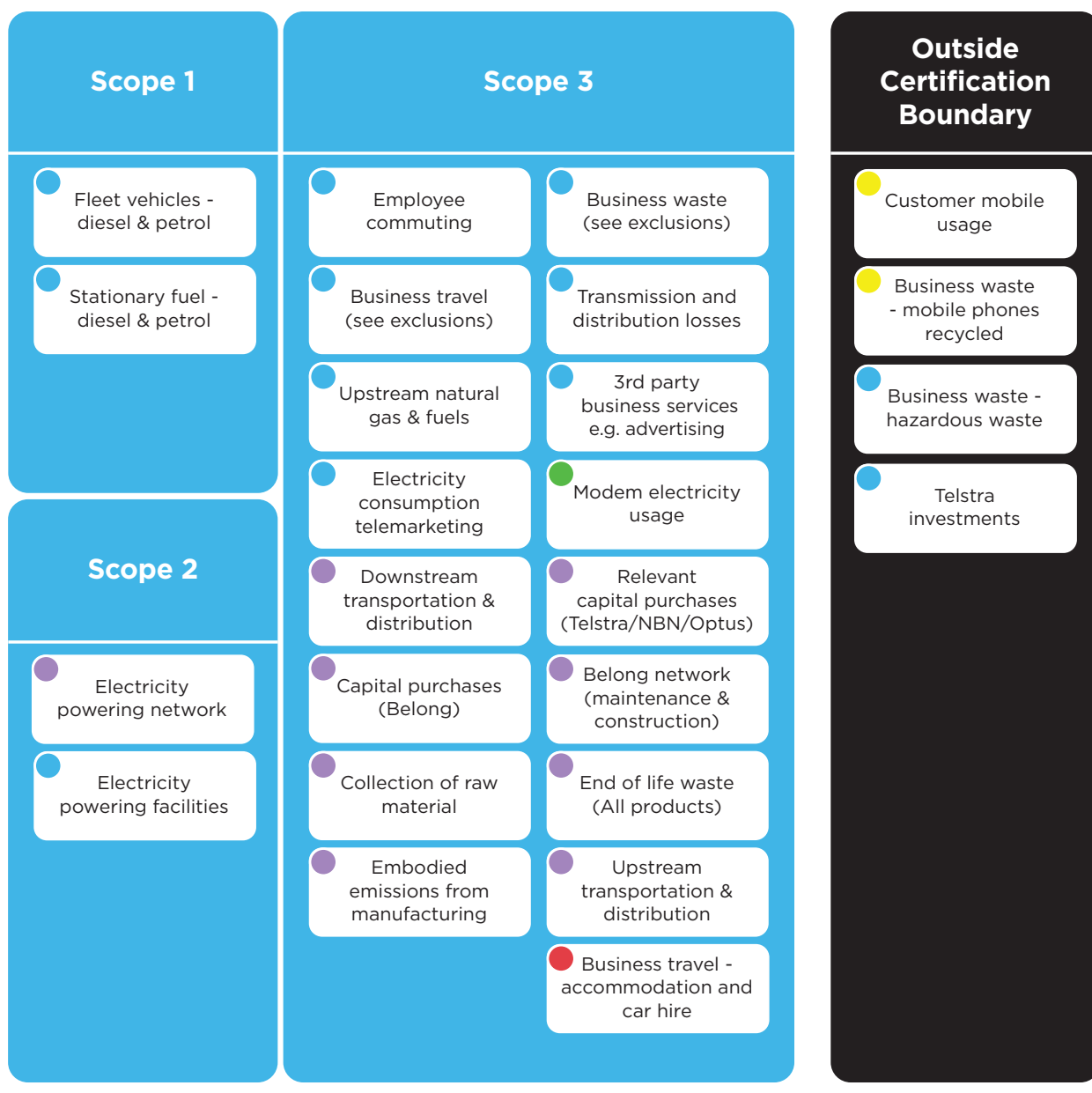
None.

CERTIFICATION BOUNDARY

Figure 2.

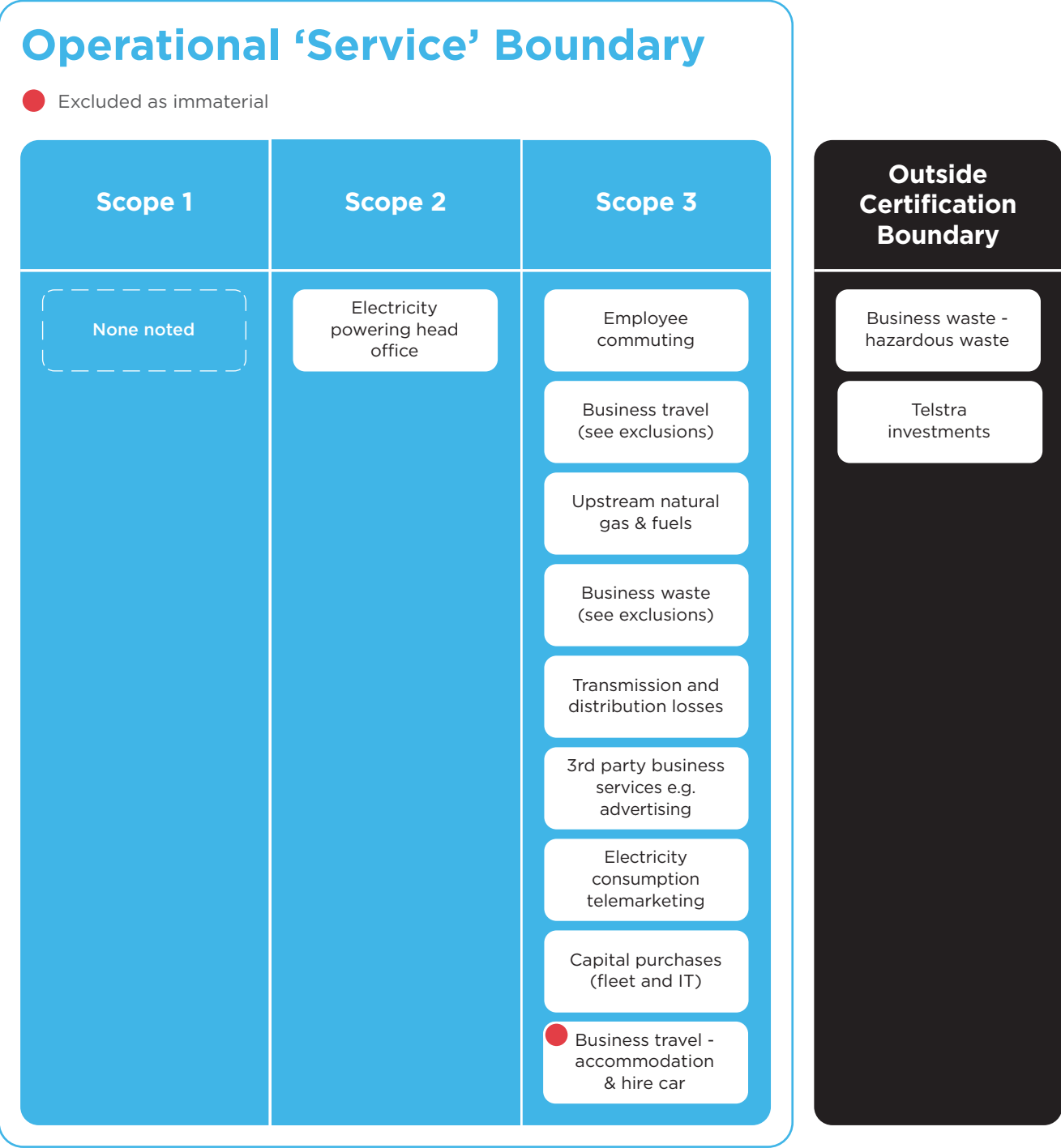
Belong Boundary = Operational ('Service') Boundary + Product Boundaries

- Operations LCA Boundary
- Fixed LCA Boundary
- Excluded as immaterial
- Within both product LCA Boundary
- Mobile LCA Boundary



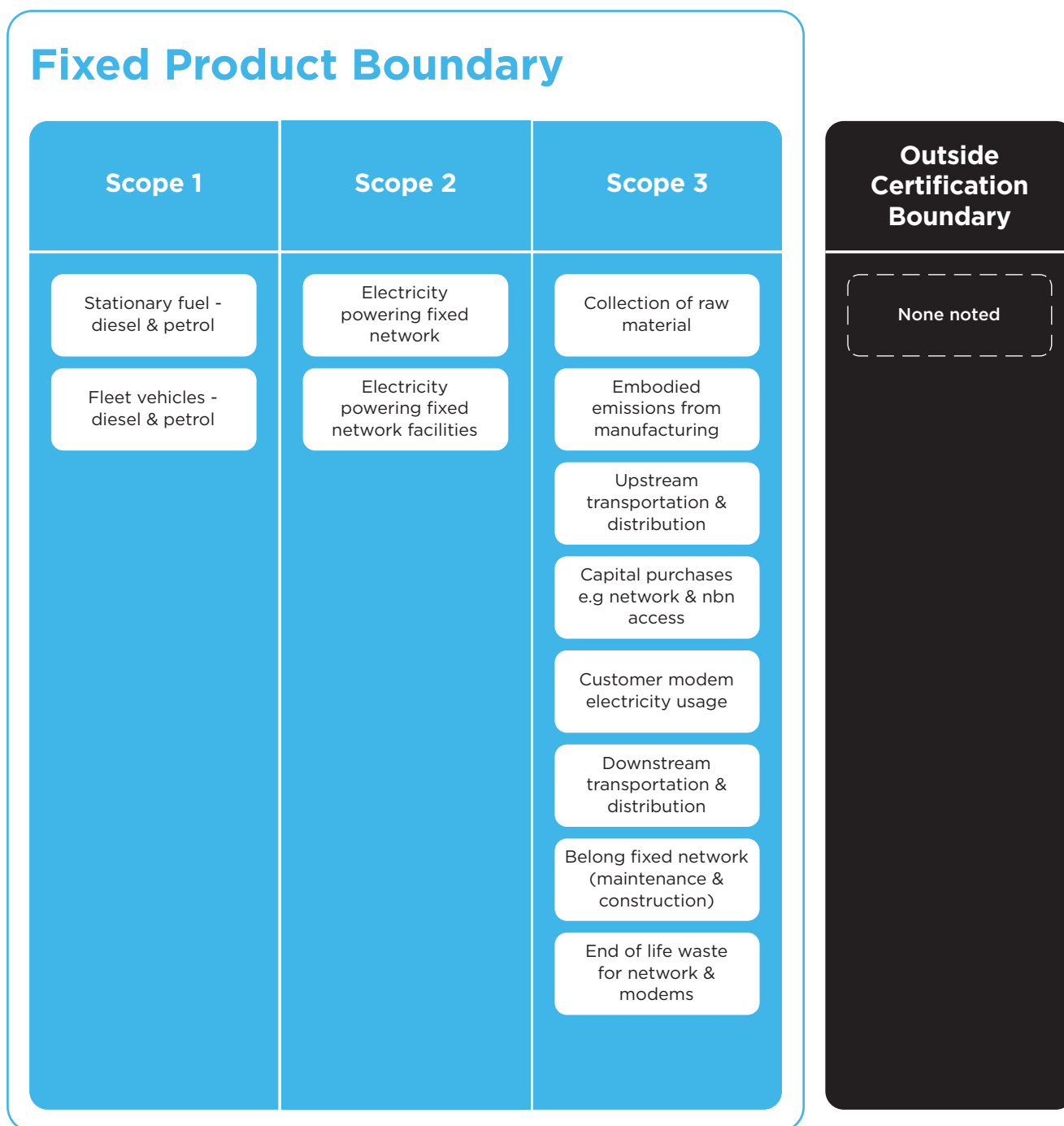
CERTIFICATION BOUNDARY

Figure 3.



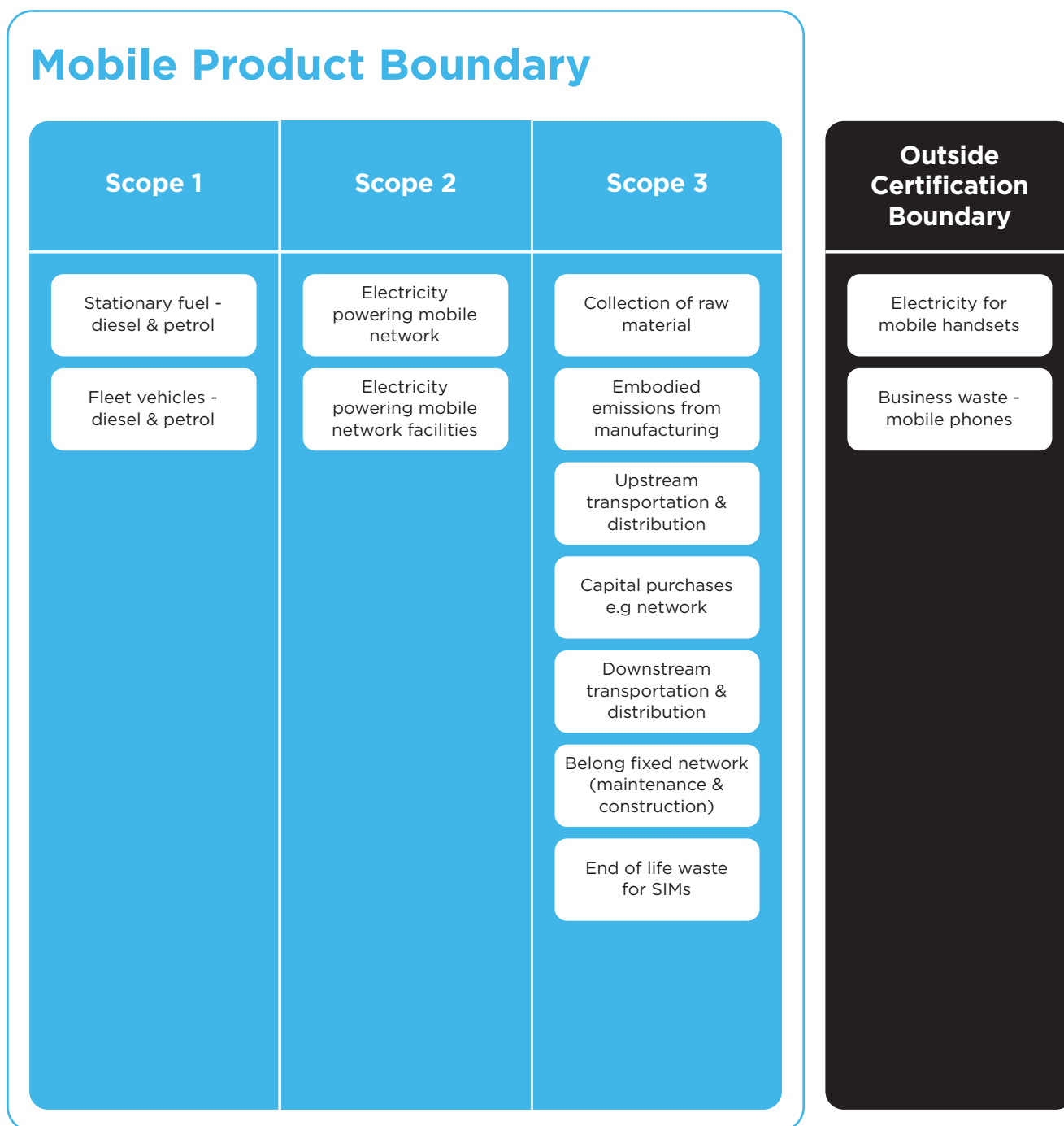
CERTIFICATION BOUNDARY

Figure 4.



CERTIFICATION BOUNDARY

Figure 5.



2. EMISSIONS REDUCTION MEASURES

2A. Emissions over time

This section not applicable given this is an initial application.

2B. Emissions reduction strategy

We take this responsibility seriously because we recognise the impact our business has on the environment and the risks that climate change poses for our business. As the first telecommunications business to become carbon neutral certified, we approach our reduction strategy with a focus on innovative solutions, given there are few precedents to leverage.

Our ability to achieve material reductions in gross emissions is clearly linked to electricity consumption for powering the network and powering customer modems (~67% of current emission profile). While the carbon intensity of the Australian grid is reducing (as a function of a higher renewables contribution), it is still likely that our increased energy consumption will be reflected in an upward trajectory in gross emissions as the business grows. Belong's emissions reduction targets are focused in two main areas:

1. Continual improvement in energy efficiency of network hardware and customer modems; and
2. Sourcing a greater proportion of total energy from renewable sources.

This could also be achieved by forming strong partnerships with third parties like manufacturers, government departments, electricity retailers and/or generators, and utilising existing (or promoting and assisting new) carbon neutral organisations and products.

Finally, we seek to engage and empower our customers, employees and partners to take proactive steps to assess and reduce their environmental footprint, and work with us to generate positive environmental and social outcomes.

2C. Emissions reduction actions

Belong was involved in the following emission reduction activities in the base year.

Emission reduction activities – 12 months ended 30 June 2019

Emission Source	Description	Belong Annual savings (tCO ₂ e-)
HVAC optimisation	Conduct physical inspections of network sites to identify faults affecting power consumption and review equipment performance to identify optimisation opportunities.	455
Building services energy efficiency upgrades	Capital works program includes the installation of fresh air cooling systems, high efficiency chillers, electronically commutated fans and lighting upgrades.	336
Upgrading rectifiers	Rectifiers convert electricity from AC mains power to DC power, which is required to run our telecommunications equipment. We continue to upgrade older inefficient units to more modern, high efficiency rectifiers. These are now achieving efficiency levels of 96-98 percent.	24
Total Annual Savings		816

3. EMISSIONS SUMMARY

Service		
Scope	Emission source	t CO ₂ -e
3	Purchased goods & services (embodied emissions)	6,881
3	Capital goods (embodied emissions)	4,906
3	Upstream Transportation (logistics diesel / petrol)	718
3	Waste generated in operations	37
3	Business travel (car, taxi, uber, flights)	214
3	Employee commuting	244
Total Gross Emissions		13,000

Fixed network		
Scope	Emission source	t CO ₂ -e
1	Fuel (natural gas, diesel, petrol)	2,965
2	Electricity (purchased from the grid)	63,675
3	Purchased goods & services (embodied emissions)	5,599
3	Capital goods (embodied emissions)	16,670
3	Fuel & energy-related. Fuel extraction (natural gas, diesel, petrol) and transmission and distribution losses (electricity)	7,120
3	Upstream Transportation (logistics diesel / petrol)	562
3	Use of sold products: modems & ethernet cables (electricity purchased from grid)	17,526
3	End-of-life treatment: modems & ethernet cables (waste)	0
Total Gross Emissions		114,117
Total Greenpower / LGCs (RECs)		(205)
Total Net Fixed Network emissions (Gross emissions - Total GreenPower/RECS)		113,912

Fixed Network - Use of GreenPower or RECs		
GreenPower / LGC (RECS)	Volume (in kWh)	Tonnes CO ₂ -e
LGCs (RECS) from Emerald Solar Park (QLD) - Serial number 76311 to 76411	101,000	102
LGCs (RECS) from Murra Warra Wind Farm (VIC) - Serial number 52678 to 52779	102,000	103
Total Greenpower/ LGCs (RECs)	203,000	205

Mobile		
Scope	Emission source	t CO ₂ -e
1	Fuel (natural gas, diesel, petrol)	32
2	Electricity (purchased from the grid)	675
3	Purchased goods & services (embodied emissions)	715
3	Capital goods (embodied emissions)	1,327
3	Fuel & energy-related. Fuel extraction (natural gas, diesel, petrol) and transmission and distribution losses (electricity)	76
3	Upstream Transportation (logistics diesel / petrol)	735
3	End-of-life treatment: SIMs (waste)	0
Total Gross Emissions		3,560

4. CARBON OFFSETS

4A. Offsets summary

This is our first year of carbon neutral accreditation and we have opted for an 'arrears' approach for purchasing carbon offsets in line with s.2.5 and s3.4.1 of the Standard. We have performed a market scan of available offsets projects and are currently working through brokerage services. Offsets will be purchased between December 2019 and January 2020 to ensure we are carbon neutral before the 12 month period end being 30 June 2020. A true-up will then be performed at the end of the reporting year to ensure that a sufficient quantity of units has been cancelled.

Our offsets will be purchased in line with Appendix A of the Standard and include a mix of the following;

- Australian Carbon Credit Units (ACCUs) issued by the Clean Energy Regulator in accordance with the framework established by the Carbon Credits (Carbon Farming Initiative) Act 2011
- Verified Emissions Reductions (VERs) issued by the Gold Standard
- Verified Carbon Units (VCUs) issued by the Verified Carbon Standard
- Certified Emissions Reductions (CERs) issued as per the rules of the Kyoto Protocol from Clean Development Mechanism projects.

This first year offsets mix will be proportionately weighted to CER's but we intend to materially and steadily decrease this proportion in the subsequent few years. CER's will be steadily replaced with proportionately more VCU's, VER's, and ACCU's.

Table 3. Offsets Summary						
Projects supported by offset purchase	Eligible offset units	Registry	Cancellation date	Serial numbers (including hyperlink to registry transaction record)	Vintage	Quantity
Offsets not yet purchased / finalised as it is first year of reporting						
Total offsets cancelled						
Total offsets banked for use future years: (if any)						

4B. Offsets purchasing and retirement strategy

As documented in section 4A, we have opted for an 'arrears' offsets purchasing strategy in line with s2.5 and s3.4.1 of the Standard.

5. Use of the Trademark

As this is our initial year reporting we have not used the trademark yet.