



PUBLIC DISCLOSURE STATEMENT

**AGL TELECOMMUNICATIONS AND
SOUTHERN PHONE COMPANY**

**TELCO PRODUCT CERTIFICATION
CY2021 (PROJECTION)**

Australian Government

Climate Active Public Disclosure Statement



NAME OF CERTIFIED ENTITY: Southern Phone Company Limited ABN 42 100 901 184, trading as AGL Telecommunications and Southern Phone Company.

REPORTING PERIOD: Projection of 1 January 2021 – 31 December 2021

Declaration

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

20/05/2021

Signature

Date

Name of Signatory

Jo Egan

Position of Signatory

General Manager, Product & Portfolio, Customer Markets



Australian Government

**Department of Industry, Science,
Energy and Resources**

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1. CARBON NEUTRAL INFORMATION

Description of certification

This public disclosure statement supports the carbon neutral product certification for the entirety of telecommunications services sold by AGL Telecommunications and Southern Phone Company (SPC). This includes the Life Cycle Assessment and quantification of Scope 1, 2 and 3 emissions boundaries.

The first year of certification is CY2021 using actual data from CY2020 as a base year. The base year of CY2020 is used as a comparable and a reasonable 'base' for the forecasted first year (CY2021).

In June 2021, AGL Telecommunications and Southern Phone Company launched a certified Carbon Neutral Telecommunications product to all residential and small business customers of AGL Telecommunications and Southern Phone Company, with no opt-in or customer eligibility requirements.

Scope

'Telecommunications product' includes all telecommunications goods and services provided by AGL Telecommunications and Southern Phone Company, including internet services (**nbn**TM, ADSL, Satellite, LBN Co, modems, home phones services and handsets) and mobile services (mobile handsets, SIM cards and SIM-only plans).

Functional unit

One 'service in operation' (SIO) per year will be used as a quantifiable reference to the associated greenhouse gas emissions of a Telecommunications product. Service in operation refers to an active Telecommunications product and includes the emissions of any associated hardware sold by AGL Telecommunications and Southern Phone Company with that Telecommunications product. For example, one customer with a mobile plan, an **nbn**TM* plan and a home phone plan would equate to three services in operation. The emissions associated with the hardware that form part of these services is accounted for at the point of sale and covers the full product lifecycle. The emissions associated with the operation and maintenance of the network for these services is accounted for over the lifetime of the plan with AGL Telecommunications and SPC. For this projection, an estimated forecast for SIO was used for AGL Telecommunications and the actual total was used as of December 2020 for SPC. For the Calendar Year 2021 true-up, SIO will be calculated based on actual fluctuations throughout the year and reported as an annual average.

"Climate Active certification makes it easier for consumers to make a conscious decision to identify and choose electricity, gas and telecommunications products that are making a difference"

* **nbn**TM, nbn co and other **nbn**TM logos and brands are trade marks of nbn co limited and used under licence.

Organisation description

Southern Phone Company Limited, trading as AGL Telecommunications and Southern Phone Company, is a subsidiary of **AGL Energy Limited**, a leading integrated essential service provider, with a proud 184-year history of innovation and a passionate belief in progress – human and technological.

About AGL Energy Limited

As at the date of this Public Disclosure Statement (PDS), **AGL Energy Limited** operates Australia's largest electricity generation portfolio, with an operated generation capacity of 11,080 MW (31 Dec 2020), which accounts for approximately 20% of the total generation capacity within Australia's National Electricity Market.

AGL Energy Limited delivers 4.5 million¹ gas, electricity, and telecommunications services to our residential, small and large business, and wholesale customers across Australia. We are also the country's largest publicly-listed operator of renewable energy.

As a company, AGL is evolving to become a leading multi-product energy retailer across energy, data and telecommunications.

AGL Energy Limited includes related corporate bodies such as:

- Data and Telecommunications providers, for which this certification relates includes **Southern Phone Company Limited**, which trades as **AGL Telecommunications** and as **Southern Phone Company** and sells telecommunications products under both brands.
 - **Southern Phone Company** is one of the largest providers of fixed line, mobile and Internet communications services in regional Australia. Formed in 2002 with a vision to provide regional communities with affordable telecommunications services, SPC now serves a national customer base, and provides more than 250 jobs across its head office in Moruya, New South Wales, and its Bendigo office in regional Victoria.
 - **AGL Telecommunications** launched its first telecommunications products, offering Internet services in November 2020, followed by mobile SIM plans in February 2021.
- New energy providers - **AGL Energy Services Pty Ltd** sells energy solutions to residential and business customers including solar, battery storage, stand-alone power systems, energy efficient lighting and Power Factor Correction. AGL Energy Services Pty Ltd operates in all Australian states and territories and offers an end-to-end design, project management and installation service for all energy solutions sold.
- Energy retailers – **AGL Sales Pty Limited; AGL South Australia Pty Limited; AGL Retail Energy Limited ("AGL energy retail entities")**, **Powerdirect Pty Ltd**, **Perth Energy Pty Ltd**
 - **AGL energy retail entities** provides gas and electricity services to residential and business customers across New South Wales, Victoria, South Australia, Queensland and Western Australia. Offering a range of energy plans to suit varying preferences, customers can sign up

¹ Services to customers number is as at 31 December 2020 and includes Click Energy and 100% of approximately 300,000 services to customers of ActewAGL, in which AGL owns a 50% equity stake of the retail operations.

to our products and services via our digital channels (AGL Website, AGL App, My Account) or by calling the AGL Contact Centre.

- **Powerdirect Pty Ltd** provides electricity services in Adelaide, New South Wales, South East Queensland, and Victoria.
- **Perth Energy** operates contestable gas and electricity customers connected to the Western Power and ATCO gas networks in Western Australia including regional areas such as Albany, Geraldton and Kalgoorlie.

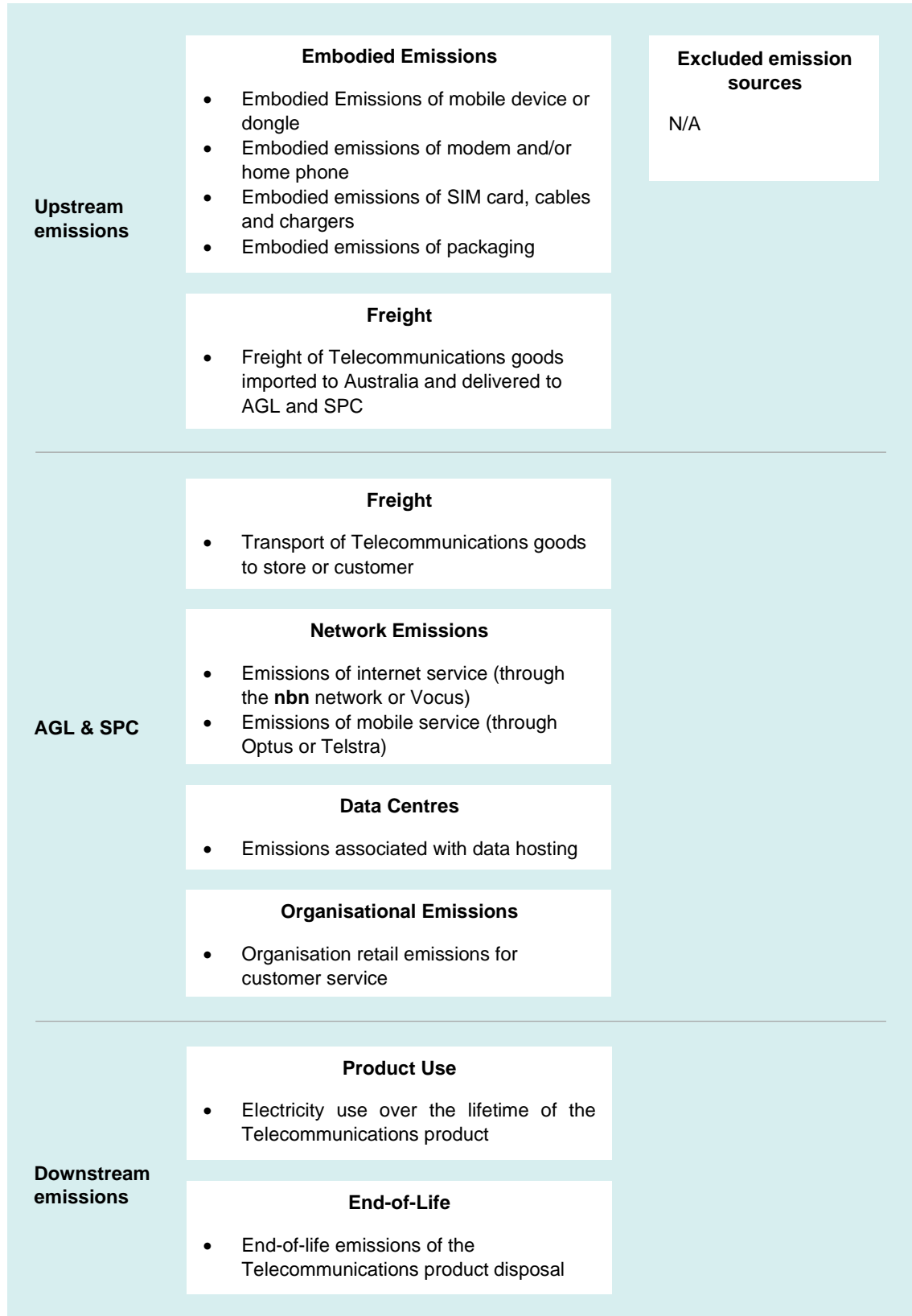
On 9 March 2021, AGL [announced](#) it would acquire two of Australia's largest commercial solar businesses, **Epho** and **Solgen Energy Group** (from Anchorage Capital Partners), both market leading commercial and industrial solar businesses.

On 30 March 2021, AGL Energy Limited also [announced](#) its plans to pursue a structural separation, by creating two new energy businesses focused on executing distinct strategies. One will be a leading multi-product energy retailer, and the other will focus on electricity generation, supporting the economy as the energy market evolves.

Further detail on the separation and acquisition progress will be announced throughout 2021.

Product/service process diagram

The following diagram is cradle to grave. Cradle to grave is a technique to assess the environmental impacts associated with all stages of a product's life, including upstream emissions, organizational emissions and downstream emissions.



2. EMISSION BOUNDARY

Diagram of the certification boundary

Quantified

Mobile service

Embodied Emissions of device, SIM card, charger, cable and packaging.
 Freight of product to AGL/Southern Phone
 Transport to customer
 Mobile network operation and maintenance (Telstra or Optus)
 Electricity used by customer for use and charging
 End of Life emissions for product disposal

Internet/VOIP service

Embodied Emissions of device, cables, power adapter and packaging
 Freight of product to AGL/Southern Phone
 Transport to customer
 Internet network operation and maintenance (through the **nbn** network, Vocus or LBN Co)
 Data storage
 Electricity used by customer for use
 End of Life emissions for product disposal

AGL Retail Operations

Electricity use
 Employee commute
 Working from home
 Transport fuels used in fleet vehicles
 Waste
 Water use
 Business flights
 Business accommodation
 Telecommunications
 IT Equipment
 Printing & Stationery
 Paper
 Advertising
 Stationery
 Travel Expenses
 Catering & Entertainment
 Postage & Couriers
 Refrigerants

Excluded

N/A

Non-quantified

N/A

Non-attributable

Mobile service

Network infrastructure

Internet/VOIP service

Network infrastructure

AGL Retail Operations

Purchased goods and Services

Base building energy use

Attributable non-quantified sources

N/A

Data management plan

N/A

Excluded sources (within certification boundary)

N/A

Non attributable sources (outside certification boundary)

The embodied emissions of network infrastructure for mobile, and internet and VOIP services were not considered directly connected to the products offered by AGL Telecommunications and SPC.

Purchased goods and services for retail operations and base building energy use for retail offices as these emissions sources do not relate directly to the product offering.

“Climate Active certification makes it easier for consumers to make a conscious decision to identify and choose electricity, gas and telecommunications products that are making a difference”

3. EMISSIONS SUMMARY

Emissions reduction strategy

AGL is serious about our responsibility to provide sustainable, secure, reliable, and affordable energy. We have a proud heritage as the country's largest publicly-listed operator of renewable energy and operate some of Australia's largest solar and wind farms. We are also the custodians of some of the largest and oldest coal-fired power plants in Australia. As the electricity system changes, we are focused on developing flexible supply to support this transition.

In June 2020, AGL released its updated [Climate Statement](#). This Statement recognises that AGL cannot predict how the energy and political landscape may change, but that the forces of customer demand, how communities act, and how technology evolves will be the determining factors in the pace of energy transition in Australia.

The [Climate Statement](#) includes AGL's target to achieve net zero emissions by 2050 and outlines the next steps in AGL's decarbonisation journey, including commitments to:

1. Offer customers the option of carbon neutral products across all AGL products;
2. Support the evolution of Australia's voluntary carbon markets;
3. Continue to invest in new sources of electricity supply;
4. Responsibly transition AGL's energy portfolio; and
5. Be transparent.

Consistent with the first commitment in the [Climate Statement](#), AGL launched a new Carbon Neutral electricity product on 1 July 2020 and a Carbon Neutral gas product on 25 November 2020. This program will be expanded to offer carbon neutral across all AGL products by the end of FY21.

The commitment to build new generation continues AGL's strong track record of investing in renewables and the firming and storage capacity that will support the continued development of renewables. This has recently included AGL acting as co-investor, offtaker and operator in the Coopers Gap and Silverton wind farms, developing and operating the Barker Inlet gas-fired power station, and pursuing a leadership position in the development and operation of both grid-scale and residential batteries.

Additionally, from FY21 AGL introduced carbon transition metrics as a third performance measure in AGL's Long Term Incentive Plan to provide a focus for AGL executives to progress the transition. AGL has taken a market leading position in this regard, being the first ASX50 organisation to link executive long-term variable pay to climate-related goals.

These initiatives are in addition to AGL's 2015 Greenhouse Gas Policy, which committed AGL to not extend the life of its coal-fired power plants. AGL's coal-fired power stations at Bayswater and Loy Yang A ensure energy reliability and security and provide AGL with the financial strength to progress the energy transition. AGL is committed to not extending the life of these coal fired power stations and closing them by no later than 2035 and 2048 respectively. As these assets age and reach the end of their technical life, AGL will continue to run them responsibly and safely to supply affordable and reliable electricity to its customers. AGL

will also support our people and local communities through change and remain flexible to how customers, community and technology shape the pace of the energy transition.

AGL is a leader in the transition to decarbonisation in Australia with four FY24 targets (as provided in the Annual Report 2020):

- 850 MW grid scale batteries installed and managed (up from 30MW)
- 34% of electricity capacity from renewables and clean storage (up from 22%)
- 20% of total revenue from green energy and carbon neutral products (up from 11.5%)
- 350 MW decentralised assets under orchestration (up from 72MW)

AGL includes environmental impacts as a key criterion in the procurement process for both AGL Telecommunications and SPC goods. Suppliers with strong green credentials are sought out for low carbon intensive hardware, packaging and operations.

AGL Telecommunications and SPC customers have the option to provide their own internet modem instead of acquiring a modem from us, nevertheless our internet plans give these customers the ability to reduce their footprint through the Climate Active certification just by being on an AGL Telecommunications or SPC internet plan.

Functional units

Table 1

	Number of functional units
<i>a) Number of functional units sold this period</i>	
<i>b) Number of functional units to be forward offset demonstrating commitment to carbon neutrality (true-up to be conducted at the end of the reporting period)</i>	114,912*

* the number of functional units offset reflects the period the product is in market from launch date till the end of the reporting period.

Emissions summary (inventory)

Table 2 represents a summary of AGL's emissions by source based on the CY2020 base year calculations.

Table 2

Emission source category	tonnes CO ₂ -e
Embodied Emissions of Hardware (materials & manufacturing, packaging)	1,328.675
Freight Emissions	4.837
Network Emissions	14,024.826
Data Centre Emissions	110.700
Organisational Emissions	1,285.993
Product Use Emissions	11,648.811
End-of-Life Emissions	24.108
1. Total inventory emissions	28,427.951
2. Emissions per functional unit (based on the number of functional units represented by the inventory) Total tCO ₂ -e divided by the number of functional units in table 1.	0.125
3. Carbon footprint (Emissions per functional unit (2)* number of functional units (a or b from table 2))	14,330.803

Carbon neutral products

The services provided by [Pangolin Associates](#) in preparing this inventory are carbon neutral.

4. CARBON OFFSETS

Offset purchasing strategy: forward purchasing

AGL are forward purchasing offsets for CY2021 based on projected emissions and a true-up will occur at the end of the reporting period. If required, additional offsets will be purchased at the end of CY2021.

Table 3

Forward purchasing summary	
1. Total offsets previously forward purchased for this reporting period	0
2. Total offsets required for this reporting period	14,331
3. Net offset balance for this reporting period	14,331
4. Total offsets to be forward purchased for next reporting period	0

Offsets summary

Table 4

1. Total offsets required for this report				14,331					
2. Offsets retired in previous reports and used in this report				0					
3. Net offsets required for this report				14,331					
Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO2-e)	Quantity used in previous report	Quantity banked for future years	Quantity used in this report
Carbon Conscious Carbon Capture Project 1 (EOP100636)	ACCU	ANREU	8 April 2021	3,791,538,524 - 3,791,540,723 3,791,540,974 - 3,791,541,640 (Refer section 6)	2019/20	2,867	0	0	2,867
Burn Stoves Project in Kenya (GS5642)	GSVERs	GSF Registry	8 April 2021	GS1-1-KE-GS5642-16-2017-19155-28932-29615 GS1-1-KE-GS5642-16-2017-19155-121522-131521	2017	10,684	0	0	10,684
Ceramic Water Purifiers Project in Cambodia (GS1020)	GSVERs	GSF Registry	8 April 2021	GS1-1-KH-GS1020-16-2019-20065-1820-2599	2019	780	0	0	780
<i>Total offsets retired this report and used in this report</i>									14,331
<i>Total offsets retired this report and banked for future reports</i>								0	

Co-benefits

Not all carbon offset units are created equal. There's a wide range of carbon offsets that differ in source, methodology, and price. AGL undertakes a rigorous selection process when it comes to the carbon offsets we purchase. The eligible carbon offsets we buy meet the Carbon Neutral Standard integrity requirements set by Climate Active.

There are many different offset methodologies. Some include reforestation, renewable energy, or energy efficiency projects that generate eligible carbon offsets; projects that involve the destruction of certain industrial gases; and projects that involve the capture and destruction of methane from landfills and certain agricultural activities. Many of these projects also provide additional positive environmental and social benefits.

We know that balancing quality and affordability is important to our customers, so we only purchase eligible carbon offsets that meet the integrity requirements under the Climate Active Carbon Neutral Standard, which is backed by the Australian Government.

Carbon offsets we've pre-purchased

We believe that the projects we've chosen will make a real difference. Initially, our pre-purchase obligations have been secured with certificates for the following projects:

Carbon Conscious Capture Project 1 in Western Australia

AGL has pre-purchased and retired Australian Carbon Credit Units (ACCUs) from the Carbon Conscious Capture Project 1, developed by Carbon Conscious Investments Ltd (Carbon Conscious), a member of the Carbon Market Institute and a foundation signatory of the Australian Carbon Industry Code of Conduct.

Carbon Conscious' reforestation of 5,700 hectares of land in Western Australia, sequesters carbon from the atmosphere following the plantation of more than six million native trees on land previously cleared for dryland cropping and grazing.

This region is recognised as significantly over-cleared, and the reforestation is providing protective habitat for native flora and fauna, reducing wind and water erosion and in some cases reducing soil salinity, as well as providing a useful environment for sheep and honey bees.

BURN Stoves Project in Kenya

AGL has pre-purchased and retired Gold Standard Verified Emissions Reductions (GSVERs) from the BURN Stoves Project, developed by ClimateCare Limited, who have pioneered carbon finance for community development projects and delivered some of the largest carbon offsetting programs in the world.

The project directly addresses several certified Sustainable Development Goal (SDG) impacts: 1, No Poverty; 3, Good Health and Wellbeing; 8, Decent Work and Economic Growth; and 13, Climate Action.

The BURN Stoves Project provides communities with an efficient cookstove that benefits the environment, creates employment opportunities, promotes business and infrastructure development, and provides cleaner, more efficient cooking options.

The stoves are manufactured at a solar powered factory in Nairobi, which employs more than 100 people. It is important to note that 80% of Kenya's primary household energy still comes from solid fuel. The majority of this is burnt on smoky open fires and inefficient cookstoves, leading to indoor air pollution causing respiratory disease, and contributing to global climate change.

The stoves sold by the project use 45% less charcoal – meaning families can recover the initial outlay within two to three months of purchase and then save up to \$300 in fuel costs every year.

Ceramic Water Purifiers Project in Cambodia

AGL has pre-purchased and retired Gold Standard Verified Emissions Reductions (GSVERs) from the Ceramic Water Purifiers Project, developed by Hydrologic Social Enterprise Company Ltd, a social enterprise which has a mission to ensure all families in rural Cambodia have access to safe, clean drinking water. The use of water purifiers eliminates the need for wood fuel, therefore reducing the depletion of Cambodia's forest resources, reducing greenhouse gas emissions and improving indoor air pollution.

With the assistance of carbon finance, this project can be economically sustainable and provides a significant improvement in public health and household welfare. This project is expected to provide access to adequate levels of clean drinking water to an estimated 1.7 million people across 312,000 households over seven years. This project directly addresses several of the United Nations Millennium Development Goals (MDGs), including Goal 4 and 7, and especially to halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation. It also integrates the principles of sustainable development into country policies and programs and seeks to reverse the loss of environmental resources while also reducing child mortality, improving maternal health, combating disease, and ensuring environmental sustainability.

5. USE OF TRADE MARK

Table 5

Description where trademark used	Logo type
Product landing page and Carbon Neutral landing page on AGL Telecommunications website	Certified product
Carbon Neutral communications	Certified product
Product landing page and Carbon Neutral landing page on Southern Phone Company website	Certified product

6. ADDITIONAL INFORMATION

See next page for evidence of ACCU cancelation.

Carbon Conscious Carbon Capture Project 2 (EOP100638) – ACCU - Registry transaction record

Transaction ID	AU17993
Current Status	Completed (4)
Status Date	08/04/2021 11:38:27 (AEST) 08/04/2021 01:38:27 (GMT)
Transaction Type	Cancellation (4)
Transaction Initiator	Xie, Chang Zuo
Transaction Approver	Merrington, Jane
Comment	On behalf of AGL and Southern Phone for CY2021 Telco Carbon Neutral Certification under Climate Active

Transferring Account

Account Number	AU-2680
Account Name	AGL Hydro Partnership
Account Holder	AGL HP1 Pty Limited

Acquiring Account

Account Number	AU-1068
Account Name	Australia Voluntary Cancellation Account
Account Holder	Commonwealth of Australia

Transaction Blocks

Party	Type	Transaction Type	Original CP	Current CP	ERF Project ID	NGER Facility ID	NGER Facility Name	Safeguard	Kyoto Project #	Vintage	Expiry Date	Serial Range	Quantity
AU	KACCU	Voluntary ACCU Cancellation			EOP100636					2019-20		3,791,538,524 - 3,791,540,723	2,200
AU	KACCU	Voluntary ACCU Cancellation			EOP100636					2019-20		3,791,540,974 - 3,791,541,640	667

Transaction Status History

Status Date	Status Code
08/04/2021 11:38:27 (AEST) 08/04/2021 01:38:27 (GMT)	Completed (4)
08/04/2021 11:38:27 (AEST) 08/04/2021 01:38:27 (GMT)	Proposed (1)
08/04/2021 11:38:26 (AEST) 08/04/2021 01:38:26 (GMT)	Account Holder Approved (97)
08/04/2021 11:14:58 (AEST) 08/04/2021 01:14:58 (GMT)	Awaiting Account Holder Approval (95)

APPENDIX 1

Non-attributable emissions for products and services

To be deemed attributable an emission must meet two of the five relevance criteria. Non-attributable emissions are detailed below against each of the five criteria.

Table 6

Relevance test					
Non-attributable emission	<i>The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions</i>	<i>The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.</i>	<i>Key stakeholders deem the emissions from a particular source are relevant.</i>	<i>The responsible entity has the potential to influence the reduction of emissions from a particular source.</i>	<i>The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.</i>
Network infrastructure	No	No	No	No	Yes
AGL Retail goods and services	No	No	No	Yes	No
AGL Retail base building utilities	No	No	No	Yes	No

APPENDIX 2

Non-quantified emissions for products/services

Table 7

Non-quantification test				
Relevant-non-quantified emission sources	<i>Immaterial <1% for individual items and no more than 5% collectively</i>	<i>Quantification is not cost effective relative to the size of the emission but uplift applied.</i>	<i>Data unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.</i>	<i>Initial emissions non-quantified but repairs and replacements quantified</i>
N/A	N/A	N/A	N/A	N/A