

# PUBLIC DISCLOSURE STATEMENT

AGL TELECOMMUNICATIONS & SOUTHERN PHONE COMPANY

PRODUCT CERTIFICATION TELCO CY2022

Australian Government

# Climate Active Public Disclosure Statement





An Australian Government Initiative



NAME OF CERTIFIED ENTITY	Southern Phone Company Limited ABN 42 100 901 184, trading as AGL Telecommunications and Southern Phone Company.
REPORTING PERIOD	1 January 2022 – 31 December 2022 Arrears report
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.
	Name of signatory: Tarl Hart Position of signatory: General Manager, Product & Portfolio Customer Markets Date: 19 December 2023



Australian Government

Department of Climate Change, Energy, the Environment and Water

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Version March 2023.



# 1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	27,668 tCO2-е
THE OFFSETS USED	5% ACCUs, 95% VERs,
RENEWABLE ELECTRICITY	N/A
CARBON ACCOUNT	Prepared by: Pangolin Associates
TECHNICAL ASSESSMENT	31/03/2021 James Endean, Pangolin Associates Next technical assessment due: 31/03/2024

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# 2. 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. This includes the Life Cycle Assessment and quantification of Scope 1, 2 and 3 emissions.

The emissions reported here are for CY2022, which is the second year of certification.

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 service (**nbn**<sup>™</sup>, ADSL, Satellite, LBN Co, home phones services, modems and handsets) and mobile services (carriage service over either the Optus and Telstra mobile networks, mobile handsets and SIM cards)

### **Product description**

#### **Functional unit**

One 'service in operation' (SIO) per year is 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**<sup>™</sup> 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. The SIO was calculated based on actual fluctuations throughout the year and reported as an annual average.

AGL Telecommunications and Southern Phone Company provide a Carbon Neutral Telecommunications product to all residential and small business customers, with no opt-in or customer eligibility requirements. The product is full coverage and uses a cradle to grave methodology.



### **Organisation description**

AGL is a leading integrated essential service provider, with a proud 186-year history of innovation and a passionate belief in progress – human and technological.

We deliver over 4.2 million gas, electricity, and telecommunications services to our residential, small and large business, and wholesale customers across Australia. We operate Australia's largest electricity generation portfolio, with an operated generation capacity of 10,010 MW (31 December 2022)<sup>1</sup>, which accounts for approximately 20% of the total generation capacity within Australia's National Electricity Market. We are also the country's largest publicly-listed operator of renewable energy.

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 operates out of its metropolitan and regional offices.
- AGL Telecommunications launched its first telecommunications products, offering Internet services in November 2020, followed by mobile SIM plans in February 2021.

New energy providers - <u>AGL Energy Services Pty Ltd</u> 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.

- <u>AGL energy retail entities</u> provide 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 to our products and services via our digital channels (AGL Website, AGL App, My Account) or by calling the AGL Contact Centre.
- <u>Powerdirect Pty Ltd</u> provides electricity services in Adelaide, New South Wales, South East Queensland, and Victoria.
- <u>Perth Energy</u> 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.

Since 2021, AGL has owned 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.

<sup>&</sup>lt;sup>1</sup> https://www.agl.com.au/content/dam/digital/agl/documents/about-agl/media-centre/2023/230209-agl-hy23-resultpresentation.pdf



The accelerating pace of the climate transition, along with the shaping forces of customers, the community and technology, has led to significant changes to the landscape in which AGL operates.



# **3. EMISSIONS BOUNDARY**

### Inside the emissions boundary

All emission sources listed in the emissions boundary are part of the carbon neutral claim.

**Quantified** emissions have been assessed as 'attributable processes' of a product or service. These attributable processes are services, materials and energy flows that become the product or service, make the product or service and carry the product or service through its life cycle. These attributable emissions have been quantified in the carbon inventory.

**Non-quantified** emissions have been assessed as attributable and are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. All material emissions are accounted for through an uplift factor. Further detail is available at Appendix C.

### Outside the emissions boundary

**Non-attributable** emissions have been assessed as not attributable to a product or service. They can be **optionally included** in the emissions boundary and therefore have been offset, or they can be listed as outside of the emissions boundary (and are therefore not part of the carbon neutral claim). Further detail is available at Appendix D.



#### Inside emissions 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**

Climate Active carbon neutral products/services Electricity use incl. base building 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

#### Non-quantified

N/A

# Outside emission boundary

#### Non-attributable

Mobile service

Network infrastructure

Internet/VOIP service

Network infrastructure

#### **Optionally included**

N/A



### Product process diagram

The following diagram is cradle to grave:

Upstream	<ul> <li>Embodied Emissions</li> <li>Embodied Emissions of mobile device or dongle</li> <li>Embodied emissions of modem and/or home phone</li> <li>Embodied emissions of SIM card, cables and chargers</li> <li>Embodied emissions of packaging</li> </ul>					
emissions	Freight • Freight of Telecommunications goods imported to Australia and delivered to AGL and SPC					
	Freight					
	Transport of Telecommunications goods to store or customer					
	Network Emissions					
	• Emissions of internet service (through the <b>nbn</b> network or					
Production	Vocus)					
delivery –	Emissions of mobile service (through Optus or Telstra)					
AGL & SPC	Data Centres					
	<ul> <li>Emissions associated with data hosting</li> </ul>					
	Organisational Emissions					
	Organisation retail emissions for customer service					
	Product Use					
	Electricity use over the lifetime of the Telecommunications     product					
Downstream	End-of-Life					



# **4.EMISSIONS REDUCTIONS**

### **Emissions reduction strategy**

AGL operates Australia's largest private electricity generation portfolio with a total installed capacity of 10,010 MW<sup>2</sup>, which accounts for approximately 20% of the total generation capacity within Australia's National Electricity Market (NEM). We are also the operator of the largest portfolio of renewable generation and storage assets of any ASX-listed company.

We have a strong track record in delivering action on climate change and the energy transition and provide a range of products and services to help our customers decarbonise their businesses and homes.

We are committed through our Climate Transition Action Plan to do the following:

- The targeted closure of Loy Yang A Power Station by the end of FY35<sup>3</sup>. This targeted exit from coal-fired generation, up to a decade earlier than previously announced, would avoid up to 200 MtCO2e of greenhouse gases being emitted compared to previous Loy Yang A Power Station closure date.<sup>4</sup>
- Annual greenhouse gas emissions reduction by at least 17% by FY24 following the closure of Liddell Power Station in April 2023<sup>5</sup>.
- Greenhouse gas emissions reduction by at least 52% by FY35 following the closure of the Bayswater Power Station by 2033<sup>6</sup>.
- Net Zero for operated Scope 1 and 2 greenhouse gas emissions following the closure of all AGL's coal-fired power stations.
- Decarbonisation pathway development to achieve our ambition of being Net Zero for Scope 3 greenhouse gas emissions by 2050.
- Seek to supply our customer demand with ~12 GW of additional renewable and firming capacity, requiring a total investment of up to \$20 billion6 before 2036<sup>7</sup>. Our initial target is to have up to 5 GW of new renewables and firming capacity in place by 2030, funded from a combination of assets on our balance sheet, offtakes and via partnerships.

<sup>&</sup>lt;sup>7</sup> Based on capital cost estimates from AEMO Inputs, Assumptions and Scenarios Workbook, June 2022, adjusted for AGL views where considered appropriate.



<sup>&</sup>lt;sup>2</sup> Capacity as at 31 December 2022 ( https://www.agl.com.au/content/dam/digital/agl/documents/about-agl/mediacentre/2023/230209-agl-hy23-result-presentation.pdf). Note that subsequent to this AGL closed the Liddell Power Station in April 2023 )

<sup>&</sup>lt;sup>3</sup> The ability for AGL to execute on this target will be subject to uncertainties and risks, as described on page 12 of AGL's Climate Transition Action Plan.

<sup>&</sup>lt;sup>4</sup> Maximum emissions avoidance estimated based on maximum annual output from Loy Yang A Power Station over the FY36 - FY46 period.

<sup>&</sup>lt;sup>5</sup> Operated Scope 1 and 2 greenhouse gas emissions, as reported under the National Greenhouse and Energy Reporting Act 2007, against a FY19 baseline.

<sup>&</sup>lt;sup>6</sup> FY24 and FY35 represent the first full financial years where no emissions from Liddell and Bayswater power stations occur following the closure of these power stations in April 2023 (FY23) and CY33 (FY34) respectively.

Together with our ambition to invest in new renewable and firming capacity, we have brought forward the targeted closure dates for AGL's coal-fired power stations to support the transition to a lower carbon world aligned with the Paris Agreement goals.<sup>8</sup>

Our plan recognises that a balance needs to be struck between responsible transition and rapid decarbonisation to keep Australia's electricity supply secure, reliable and affordable. We are committed to working constructively with our stakeholders, including government, our people and the communities in which we operate, to lead a responsible and orderly transition.

Furthermore, AGL requires its suppliers to comply with AGL's Supplier Code of Conduct which includes an obligation to minimise environmental footprint and promoting environmental responsibility. Suppliers with strong green credentials are sought out in AGL's tender processes for low carbon intensive hardware, packaging and operations for AGL Telecommunications and Southern Phone Company.

Our Internet plans provide customers with the ability to reduce their footprint through the Climate Active certification and through other initiatives, such as AGL Telecommunications and Southern Phone Company providing customers with the option to provide their own internet modem instead of acquiring a modem from us.

We are trialling the sale of refurbished smartphones through Moorup. Moorup is an Australian circular economy company that has partnered with us to encourage electronic device re-use and recycling. The core of Moorup's philosophy directly aligns with some of the United Nation's Sustainable Development goals to achieve a better and more sustainable future through reuse, repair, refurbishment and recycling of smartphones.

In addition, we have introduced biodegradable satchel packs. This packaging is made from Bagasse (100% sugarcane waste) and it is completely compostable, produces lower energy-related emissions and is highly durable.

The baseline year for AGL's Scope 1 and 2 emissions reduction targets as outlined in our Climate Transition Action Plan (<u>climate Transition Action Plan (agl.com.au</u>) is FY19.

### **Emissions reduction actions**

AGL's emission reduction actions are led by the closure of our coal-fired power stations as outlined in our Climate Transition Action Plan (CTAP) released in September 2022. The relevant closures are anticipated to be undertaken in stages to 2036 and are not aptly defined as standalone annual initiatives.

In April 2022 AGL removed Liddell Unit 3 from service in the first stage of the closure of the Liddell Power Station.

<sup>&</sup>lt;sup>8</sup> Based on scenario modelling of the National Electricity Market (NEM) undertaken by ACIL Allen (as outlined in Appendix A of AGL's Climate Transition Action Plan) utilising a carbon budget for the NEM which is consistent with limiting global temperature increases to well below two degrees Celsius above pre-industrial levels.



# 5.EMISSIONS SUMMARY

### **Emissions over time**

Emissions since base year					
		Total tCO <sub>2</sub> -e	Emissions intensity of the functional unit		
Base year/Year 1:	CY2021	15,262.03	136.45		
Year 2:	CY2022	27,667.91	113.26		

### Significant changes in emissions

Emission source name	Previous year emissions (t CO <sub>2</sub> -e)	Current year emissions (t CO <sub>2</sub> -e)	Detailed reason for change
Network Emissions	6,408.8	14,426.2	There was an increase in the average number of SIOs in CY2022 which has resulted in an increase in network emissions.
Product Use Emissions	7,481.0	11,548.4	There was an increase in the average number of SIOs in CY2022 which has resulted in an increase in the product use emissions.

### Use of Climate Active carbon neutral products and services

Certified brand name	Product or Service used
Pangolin Associates	Consulting Services



### **Emissions summary**

Stage / Attributable Process / Source	tCO2-e
Product & Packaging Emissions	1,006.58
Network Emissions	14,426.20
Data Centre Emissions	78.02
Organisational Emissions	576.36
Freight Emissions	5.36
Product Use Emissions	11,548.37
End of Life Emissions	26.82

Emissions intensity per functional unit	113.26
Number of functional units to be offset	244,537.46
Total emissions to be offset	27,667.91



# 6.CARBON OFFSETS

### Offsets retirement approach

This certification has taken in-arrears offsetting approach. The total emission to offset is 27,668 t CO<sub>2</sub>-e. The total number of eligible offsets used in this report is 27,668. Of the total eligible offsets used, 0 were previously banked and 27,668 were newly purchased and retired. 0 are remaining and have been banked for future use.

### **Co-benefits**

GS5642 - Kenya Burn Stoves Project





### Eligible offsets retirement summary

Offsets retired for Climate Active Carbon Neutral Certification												
Project des	scription	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Stapled quantity	Eligible quantity retired (tCO <sub>2</sub> -e)	Eligible quantity used for previous reporting periods	Eligible quantity banked for future reporting periods	Eligible quantity used for this reporting period	Percentage of total (%)
Kenmore R Project HIR	egeneration	ACCU	ANREU	26 <sup>th</sup> June 2023	8,327,314,974 - 8,327,316.357	2020-21	0	1,384	0	0	1,384	5%
Kenya Burr Project	n Stoves	GSVER	GSF Registry	26 <sup>th</sup> June 2023	<u>GS1-1-KE-GS5642-16-</u> 2020-23109-226188-252471	2020	0	26,284	0	0	26,284	95%
Total offsets retired this report and used in this report       27,668												
	Total offsets retired this report and banked for future reports 0											
Type of offset unitsEligible quantity (used for this reporting period)Percentage of total												
	Australian Ca	arbon Cred	lit Units (AC	CUs)	1,384				5%			
	Verified Emis	ssions Red	uctions (VE	Rs)	26,284				95%			



# 7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) Summary

N/A



# APPENDIX A: ADDITIONAL INFORMATION

N/A



# APPENDIX B: ELECTRICITY SUMMARY

N/A

## APPENDIX C: INSIDE EMISSIONS BOUNDARY

#### Non-quantified emission sources

The following emissions sources have been assessed as attributable, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. These emissions are accounted for through an uplift factor. They have been non-quantified due to <u>one</u> of the following reasons:

- 1. **Immaterial** <1% for individual items and no more than 5% collectively
- 2. Cost effective Quantification is not cost effective relative to the size of the emission but uplift applied.
- 3. **Data unavailable** Data is unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.
- 4. Maintenance Initial emissions non-quantified but repairs and replacements quantified.

Relevant non-quantified emission sources	Justification reason
N/A	N/A

#### **Excluded emission sources**

Attributable emissions sources can be excluded from the carbon inventory, but still considered as part of the emissions boundary if they meet **all three of the below criteria**. An uplift factor may not necessarily be applied.

- 1. A data gap exists because primary or secondary data cannot be collected (no actual data).
- 2. Extrapolated and proxy data cannot be determined to fill the data gap (no projected data).
- 3. An estimation determines the emissions from the process to be immaterial).

	No actual data	No projected data	Immaterial
N/A			

### Data management plan for non-quantified sources

There are no non-quantified sources in the emission boundary that require a data management plan.



# APPENDIX D: OUTSIDE EMISSION BOUNDARY

Non-attributable emissions have been assessed as not attributable to a product or service (do not carry, make or become the product/service) and are therefore not part of the carbon neutral claim. To be deemed attributable, an emission must meet two of the five relevance criteria. Emissions which only meet one condition of the relevance test can be assessed as non-attributable and therefore are outside the carbon neutral claim. Non-attributable emissions are detailed below.

- 1. <u>Size</u> The emissions from a particular source are likely to be large relative to other attributable emissions.
- 2. Influence The responsible entity could influence emissions reduction from a particular source.
- <u>Risk</u> The emissions from a particular source contribute to the responsible entity's greenhouse gas risk exposure.
- 4. Stakeholders The emissions from a particular source are deemed relevant by key stakeholders.
- 5. **Outsourcing** The emissions are from outsourced activities that were previously undertaken by the responsible entity or from outsourced activities that are typically undertaken within the boundary for comparable products or services.



### Non-attributable emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Network Infrastructure	Y	N	N	N	Ν	<ul> <li>Size: The emissions source is likely to be large relative to other major emissions sources; there is no way to accurately estimate the contribution.</li> <li>Influence: We do not have the potential to influence the emissions from this source, including by shifting to a different lower-emissions supplier for our product as this infrastructure is owned and managed by other organisations.</li> <li>Risk: There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest.</li> </ul>
						<b>Stakeholders:</b> Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our product/service. <b>Outsourcing:</b> We have not previously undertaken this activity within our emissions boundary and comparable products/services do not typically undertake this activity within their boundary.



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