PUBLIC DISCLOSURE STATEMENT

TELSTRA ENERGY

PRODUCT/SERVICE CERTIFICATION
FY2022 (TRUE-UP)

Australian Government

Climate Active
Public Disclosure Statement

An Australian Government Initiative

NAME OF CERTIFIED ENTITY	Telstra Energy (Retail) Pty Ltd
REPORTING PERIOD	1 July 2021 – 30 June 2022
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.*  Justine Rowe Chief Sustainability Officer 10 November 2022

Australian Government
Department of Industry, Science, Energy and Resources

Version March 2022. To be used for FY20/21/CY2021 reporting onwards.

1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	221[1] tCO2-e
THE OFFSETS BOUGHT	100% CERs
RENEWABLE ELECTRICITY	21.33%
TECHNICAL ASSESSMENT	23/04/2021 Wibishana Rockwood Deloitte Australia Next technical assessment due: 23/04/2024

Contents

[1] The total emissions associated with this product are 3,232 tCO2-e. The 221 tCO2-e represents the attributable emissions that have not already been offset under Telstra's organisation certification.

2. CARBON NEUTRAL INFORMATION

Description of certification

"We're not just talking about tackling climate change, we're proactively making changes."

This Public Disclosure Statement (PDS) supports Telstra Energy (Retail) Pty Ltd's (Telstra Energy)[2] carbon neutral claim under Climate Active's Carbon Neutral Standard for Products & Services for its two product offerings:

- Retail electricity; and
- Retail gas

For retail electricity this involves offsetting all relevant and attributable emissions associated with the electricity sourced from the National Electricity Market (NEM) and delivered to the point of consumption (or customer meter). For retail gas this involves offsetting all relevant and attributable emissions associated with the gas procured from Australia's eastern gas market and delivered to the point of combustion.

The emissions associated with operating the Telstra Energy business have also be assessed and are offset under Telstra Corporation Limited's carbon neutral certification as they are a fundamental component of selling retail products to customers.

Telstra Energy ABN 23 645 100 447 initially submitted its first year certification in April 2021 for retail electricity and gas. This was based on a combination of forecasted of MWh and electricity and GJ of gas consumed by customers expected in FY22, and apportionments of Telstra Group Limited's organisational emissions (please refer to Telstra's Organisational Certification) relevant to Telstra Energy. However, only retail electricity was offered to a handful of customers as an initial pilot program during the FY22 period, additionally no retail gas was sold during the FY22 period. Hence, this report is a **true-up** of initial projections based on the actual customer data gathered and FY22 emissions from Telstra Corporation Limited.

Product/Service description

Telstra Energy's retail electricity and gas business connects energy generators to end-use customers, providing customers with a mix of fossil fuels and renewable energy. To reduce reliance on fossil-fuels and increase in renewable energy provided to customers, Telstra Energy is actively investing in renewable energy projects that feed into the electricity grid.

Telstra Energy's carbon neutral retail electricity and gas products are a full coverage product whereby carbon emissions of the both offerings is offset entirely with no other non-carbon neutral options. A cradle-

[2] Telstra Energy (Retail) Pty Ltd is a subsidiary of Telstra Group Limited (ABN 56 650 620 303)

to-grave lifecycle approach has been applied to the assessment and offset of carbon emissions for both products.

Functional Units

Retail Electricity	*The functional unit relevant to the electricity product is megawatt hours (MWh). Total consumption of the electricity product by customers is measured as MWh per financial year.*
Retail Gas	*The functional unit for the carbon neutral gas product is gigajoules (GJ). Total consumption of the gas product by customers is measured via gas meters as GJ per financial year.*

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' that become the product, make the product and carry the product through its life cycle. These 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.

Diagram 3.1.1 | Telstra Energy retail electricity boundary

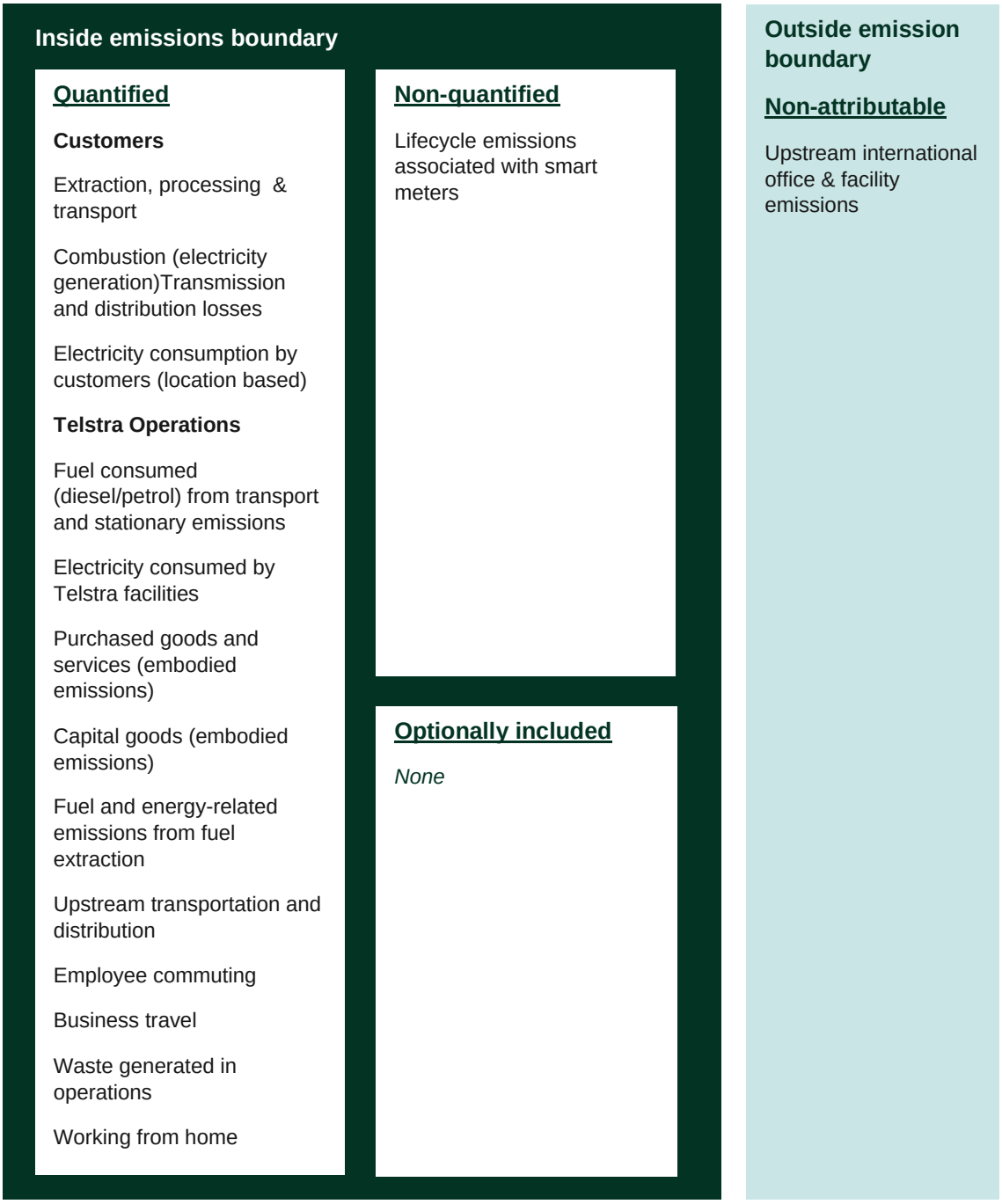
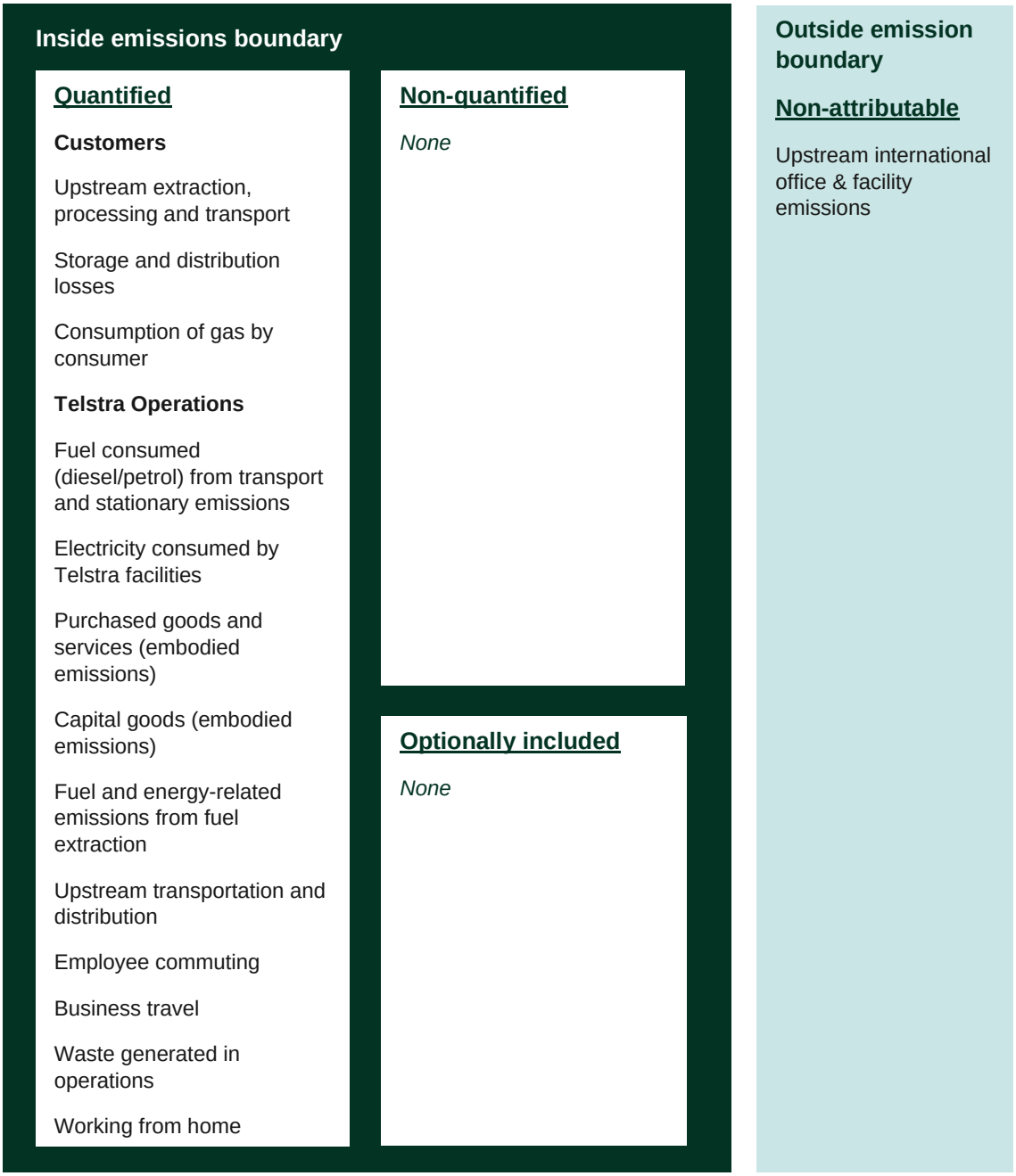


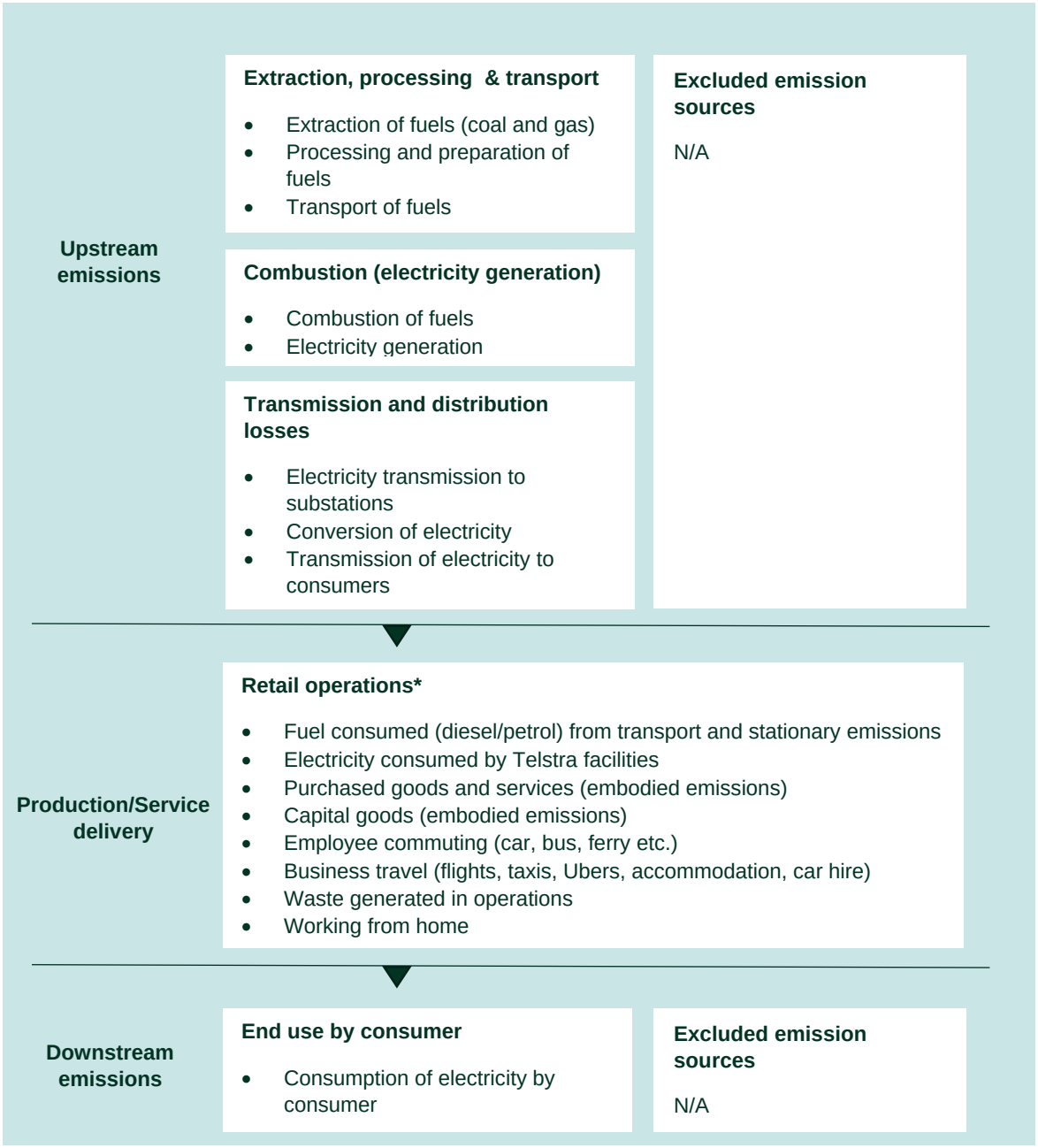
Diagram 3.1.2 | Telstra Energy retail gas boundary



Product/service process diagram

Diagram 3.2.1 | Telstra Energy retail electricity | Product process diagram

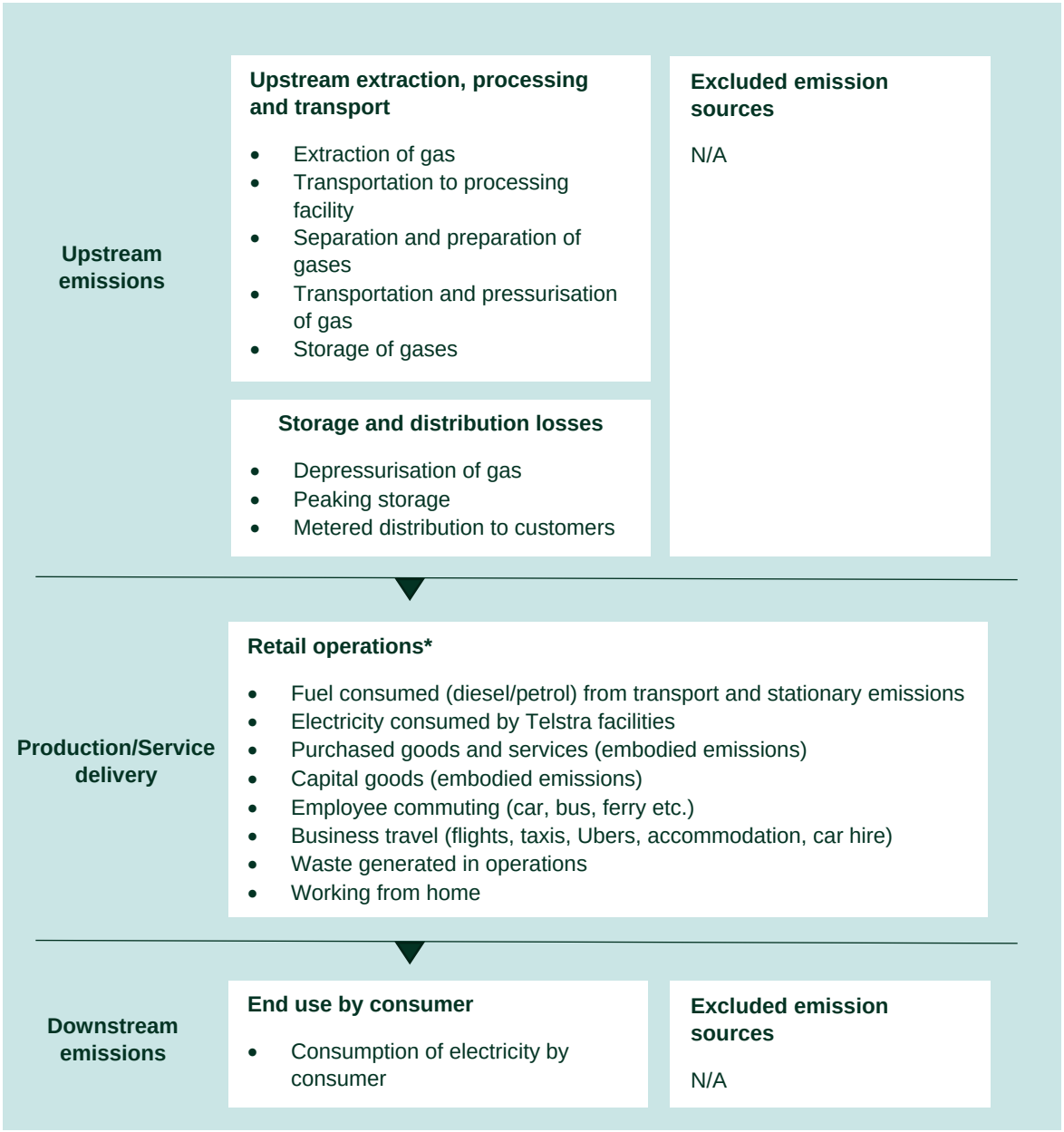
Cradle-to-grave



*Emissions shared with Telstra's Organisational certificate

Diagram 3.2.2 | Telstra Energy retail gas | Product process diagram

Cradle-to-grave



*Emissions shared with Telstra's Organisational certificate

Data management plan for non-quantified sources

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

4. EMISSIONS REDUCTIONS

Emissions reduction strategy[3]

We are aware that providing retail energy services results in greenhouse gas emissions. We also recognize that reducing our carbon emissions not only brings tangible business benefits but also allows us to provide our customers with additional value from efficiency and innovations in our products and services.

Our Telstra Energy product offering will have a strong focus on the usage of IoT and smart metering to provide customers with better visibility of their power consumption. We will complement this with information about the amount of renewable energy currently being generated in the grid, to encourage customers to use energy at times of high renewable penetration. Over time this will have the effect of reducing grid emissions intensity and reducing our customers' emissions from energy consumption.

As part of Telstra Corporation's broader Environment Strategy, Telstra Energy will follow suit with the following climate change and energy commitments:

- Carbon neutral in our operations from 2020
- Enable 100% renewable energy generation equivalent to our consumption by 2025
- Reduce our absolute emissions for Scope 1, 2 and 3 by at least 50% by 2030 from an FY19 baseline (3,974,980 tCO2-e)

To achieve our climate change and energy commitments, we will continue to focus on:

- Decarbonising Telstra by becoming more energy efficient, reducing our consumption and investing in renewable energy
- Decarbonising the grid by investing in renewable energy and helping our customers access renewables for their energy needs
- Decarbonising our economy by improving the efficiency of our products and investing in technology that helps to address our most significant environmental challenges
- Adapting to climate impacts by using the best available science to understand these impacts so we can build resilience into our decision making, products and infrastructure.

For Telstra Energy, a massive percentage of our emissions arise from the energy we use to power our networks because Australia's energy grid supply is still predominantly driven by fossil fuels. Management of our GHG Emissions has been underpinned by our environmental strategy since 2013, which sets the precedence for our goals related to climate change, energy use and resource efficiency.

[3] Please refer to Telstra's Climate Change Report 2022 for further information on Telstra's Emissions Reduction Strategy.

Emissions reduction actions

Telstra Energy is focused on decarbonising the grid through greater investment in renewable energy, thereby reducing reliance on non-renewable energy from fossil fuels. In FY22 we continued to undertake activities to reduce our absolute GHG emissions:

Initiative	Description
Emerald Solar Park & Murra Warra Wind Farm	In FY22, we have already achieved renewable energy generation of 31 per cent towards this target, via Power Purchase Agreements for the Emerald Solar Park (**70MW** capacity located in Queensland) and Murra Warra Wind Farm (**226MW** capacity in Victoria across all partners).
Crookwell 3 Wind Farm	In June 2021, we announced our third Power Purchase Agreement Crookwell 3 Wind Farm (**58MW** capacity), which will start pumping wind powered renewable energy into the grid in 2023.
Power Purchase Agreement (PPA) Procurement	Telstra established a syndicate that enabled ANZ, Coca-Cola Amatil, Monash University and the University of Melbourne to secure long-term supply of renewable energy. All of Telstra's offtake agreements underwrite new projects that inject renewable energy into the grid and displace fossil-fuelled electricity generation.

5.EMISSIONS SUMMARY

Emissions over time

Table 5.1.1 – Electricity product[4]

Emissions since base year			
		Total tCO_2-e	**Emissions intensity of the functional unit**
Base year:	2021–22	159,495	0.91 tCO_2-e / MWh
True-Up:	2021–22	221[5]	2.40 tCO_2-e / MWh

Table 5.1.2 – Gas product[6]

Emissions since base year			
		Total tCO_2-e	**Emissions intensity of the functional unit**
Base year:	2021–22	27,786	0.06 tCO_2-e / GJ
True-Up:	2021–22	0	0 tCO_2-e / GJ

Significant changes in emissions

Emission source name	Current year (tCO_2-e and/ or activity data)	Previous year (tCO_2-e and/ or activity data)	Detailed reason for change
Scope 2 Organisation Electricity	2,483	1,284	Telstra Energy's FTE has increased significantly beyond projections. As such there is a greater portion of electricity consumed by the operations of Telstra Energy.
Scope 3 Organisation Electricity	272	158	*As above*
Scope 2 & 3 Retail Electricity	75	159,495	Retail electricity was offered to a handful of customers as an initial pilot program during the FY22 period rather than the broader public that was initially expected.
Scope 1 & 3 Retail Gas	0	27,444	No retail gas was sold for the FY22 period.
Category 1 Purchased	51	870	This change can be attributed to a number of factors:

[4] During the FY22 period, electricity product was offered as a pilot program to a small number of customers to test the feasibility of the product before it is upscaled to broader consumer use.
[5] The total emissions associated with this product are 3,232 tCO2-e. The 221 tCO2-e represents the attributable emissions that have not already been offset under Telstra's organisation certification.
[6] During the FY22 period, gas product was not officially offered on the market to consumers. Hence, there were no emissions associated with the delivery of this product.

Goods & Services			• There was a change in methodology between FY22 compared to FY21 to calculate category 1, 2 and 4 in scope 3. This was due to Telstra making significant improvements related to spend categorisation, in areas such as the unallocated spend and review of spend against categories to identify any anomalies/incorrect assignment. This allowed for the methodology in FY22 to be simplified as spend had been allocated in the correct categories which has also allowed for spend to be accurately ascertained for Telstra Energy's operations. These updates are reflected across all of Telstra's relevant certifications include Telstra Energy. • There was a change in emission factors used for Cat 1,2 and 4 in scope 3 between FY21 and FY22. In FY21 Climate Active scope 3 emission factors were used to calculate emissions where as in FY22 ExioBase 3 emission factors were used. ExioBase 3 is a credible (peer reviewed) and reliable source and has been selected to ensure the best geographical and temporal representativeness. ExioBase 3 has been used instead of the IELab because ExioBase includes countries other than Australia, and therefore is better aligned to the scope of Telstra's supply chain. These updates are reflected across all of Telstra's relevant certifications include Telstra Energy. • These changes are consistent with Telstra's Scope 3 emissions reporting which has been assured to a limited level by EY. These updates are reflected across all of Telstra's relevant certifications include Telstra Energy.
Category 2 Capital Goods	95	479	*As above*
Category 4 Upstream & downstream distribution	0	4	*As above*

Use of Climate Active carbon neutral products and services

No existing carbon neutral products are used in the direct delivery of Telstra Energy's retail electricity and gas products.

Product/Service emissions summary[7]

Table 3.3 – Electricity product

Emission source category	tonnes CO_2-e	Overlap with Telstra (%)	Offset for FY22 (tCO2-e)
Electricity sold to homes and businesses (location based approach)	67	0%	67
Product end of use by customers	0	0%	0
Transport and stationary fuel (natural gas, diesel, petrol, LPG, ethanol)	82	*100%*	0
Electricity purchased from the Australian electricity grid, including transmission losses (market-based approach)	2,483	*100%*	0
Purchased goods and services (embodied emissions)	51	*0%*	51
Capital goods (embodied emissions)	95	*0%*	95
Fuel and energy related activities	284	*98%*	8
Upstream transportation and distribution	0	*0%*	0
Waste generated in operations	8	*100%*	0
Business travel	5	*100%*	0
Employee commuting	96	*100%*	0
Working from home	61	*100%*	0

Emissions intensity per functional unit	2.40 tCO2e / MWh
Number of functional units to be offset	Commercial in confidence
Total emissions to be offset	221

[7]The total emissions associated with this product are 3,232 tCO2-e (as indicated in the 'tonnes CO2-e' column, while the right-hand side column ('Offset for FY22 (tCO2e-)') refers to the attributable emissions that have not already been offset under Telstra's organisation certification.

Table 3.4 – Gas product[8]

Emission source category	tonnes CO_2-e	Overlap with Telstra (%)	Offset for FY22 (tCO2-e)
Gas sold to homes and businesses	0	0%	0
Product end of use by customers	0	0%	0
Transport and stationary fuel (natural gas, diesel, petrol, LPG, ethanol)	0	*100%*	0
Electricity purchased from the Australian electricity grid, including transmission losses (market-based approach)	0	*100%*	0
Purchased goods and services (embodied emissions)	0	*0%*	0
Capital goods (embodied emissions)	0	*0%*	0
Fuel and energy related activities	0	*100%*	0
Upstream Transportation and Distribution	0	*0%*	0
Waste generated in operations	0	*100%*	0
Business travel	0	*100%*	0
Employee commuting	0	*100%*	0

Emissions intensity per functional unit	0 tCO2e / GJ
Number of functional units to be offset	Commercial in confidence
Total emissions to be offset	0 tCO2e

[8]During the FY22 period, gas product was not officially offered on the market to consumers. Hence, there were no emissions associated with the delivery of this product.

6. CARBON OFFSETS

Offsets retirement approach

Offset purchasing strategy: Forward purchasing		
1.	Total offsets previously forward purchased and banked for this report	187,281
2.	Total emissions liability to offset for this report	221[9]
3.	Net offset balance for this reporting period	-187,060
4.	Total offsets to be forward purchased to offset the next reporting period	0
5.	Total offsets required for this report	221

Co-benefits

Offset Project	Co-benefits Description
Wind Power Project at Nallakonda, Andhra Pradesh	The project activity involves generation of electricity from wind, a renewable source of energy at Anantpur district in Andhra Pradesh. The proposed project activity, an initiative by Tadas Wind Energy Private Limited (TWEPL) is aimed at exporting 50.4MW of renewable electricity generated using Wind Electric Generators (WEGs) to the southern regional grid. The project activity would help in reducing power shortage, abatement of Green House Gas (GHG) emissions and would contribute towards sustainable development of the country.

[9] The total emissions associated with this product are 3,232 tCO2-e. The 221 tCO2-e represents the attributable emissions that have not already been offset under Telstra's organisation certification.

Eligible offsets retirement summary[10]

Offsets cancelled for Climate Active Carbon Neutral Certification											
Project description	**Type of offset units**	**Registry**	**Date retired**	**Serial number (and hyperlink to registry transaction record)**	**Vintage**	**Stapled quantity**	**Eligible quantity (tCO_2-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 (%)**
Wind Power Project at Nallakonda, Andhra Pradesh (IN-8791)	CER	ANREU	26/06/20	254579990-254889280	2015-18		309,291	309,070[11]	0	221	100%
									Total offsets retired this report and used in this report	221[12]	
									Total offsets retired this report and banked for future reports	0	

Type of offset units	Quantity (used for this reporting period claim)	Percentage of total
Certified Emissions Reductions (CERs)	221	100%

[10] A portion of emissions associated with this product and service shares an overlap with Telstra's organisation certification. This amount 3,011 tCO_2-e has been offset through Telstra's organisation certification. Please refer to Telstra's Organisation Public Disclosure Statement.

[11] While no offsets units were banked from previous reporting periods, offset units from this project have been retired for other certifications, namely 309,070 units have been retired for Telstra's Organisation CY20 and FY21 certification.

[12] The total emissions associated with this product are 3,232 tCO2-e. The 221 tCO2-e represents the attributable emissions that have not already been offset under Telstra's organisation certification.

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) Summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using both a location-based approach for retail electricity sold and market-based approach for organizational electricity consumed.

Location-based method

The location-based method provides a picture of a business's electricity emissions in the context of its location, and the emissions intensity of the electricity grid it relies on. It reflects the average emissions intensity of the electricity grid in the location (State) in which energy consumption occurs. The location-based method does not allow for any claims of renewable electricity from grid-imported electricity usage.

Market-based method

The market-based method provides a picture of a business's electricity emissions in the context of its renewable energy investments. It reflects the emissions intensity of different electricity products, markets and investments. It uses a residual mix factor (RMF) to allow for unique claims on the zero emissions attribute of renewables without double-counting.

Market Based Approach Summary

Market Based Approach	Activity Data (kWh)	Emissions (kgCO2e)	Renewable Percentage of total
Behind the meter consumption of electricity generated	27,276	0	1%
Total non-grid electricity	27,276	0	1%
LGC Purchased and retired (kWh) (including PPAs & Precinct LGCs)	0	0	0%
GreenPower	0	0	0%
Jurisdictional renewables (LGCs retired)	76,987	0	2%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	17,580	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	649,308	0	18%
Residual Electricity	2,843,474	2,829,154	0%
Total grid electricity	3,587,349	2,829,154	21%
Total Electricity Consumed (grid + non grid)	3,614,625	2,829,154	21%
Electricity renewables	771,150	0	
Residual Electricity	2,843,474	2,829,154	
Exported on-site generated electricity	0	0	
Emissions (kgCO2e)		2,829,154	

Total renewables (grid and non-grid)	21.33%
Mandatory	20.58%
Voluntary	0.00%
Behind the meter	0.75%
Residual Electricity Emission Footprint (TCO2e)	2,829

Figures may not sum due to rounding. Renewable percentage can be above 100%

Voluntary includes LGCs retired by the ACT Wh) 76

Location Based Approach Summary

Location Based Approach	Activity Data (kWh)	Scope 2 Emissions (kgCO2e)	Scope 3 Emissions (kgCO2e)
ACT	94,567	73,762	6,620
NSW	1,256,336	979,942	87,943
SA	252,792	75,838	17,695
Vic	900,896	819,816	90,090
Qld	640,078	512,063	76,809
NT	47,412	25,603	1,896
WA	328,335	219,985	3,283
Tas	66,932	9,370	1,339
Grid electricity (scope 2 and 3)	**3,587,349**	**2,716,378**	**285,676**
ACT	122	0	0
NSW	2,469	0	0
SA	1,894	0	0
Vic	2,514	0	0
Qld	7,293	0	0
NT	4,253	0	0
WA	8,688	0	0
Tas	44	0	0
Non-grid electricity (Behind the meter)	**27,276**	**0**	**0**
Total Electricity Consumed	**3,614,625**	**2,716,378**	**285,676**

Emission Footprint (TCO2e)	**3,002**
Scope 2 Emissions (TCO2e)	2716
Scope 3 Emissions (TCO2e)	286

Climate Active Carbon Neutral Electricity summary

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissions (kgCO2e)
Enter product name/s here	**0**	**0**

Climate Active carbon neutral electricity is not renewable electricity. The emissions have been offset by another Climate Active member through their Product certification.

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following sources emissions 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 one 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	(1) Immaterial	(2) Cost effective (but uplift applied)	(3) Data unavailable (but uplift applied & data plan in place)	(4) Maintenance
Lifecycle emissions associated with smart meters	Yes	No	No	No

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	N/A	N/A	N/A

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.

Relevance test					
Non-attributable emission	*The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions*	*The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.*	*Key stakeholders deem the emissions from a particular source are relevant.*	*The responsible entity has the potential to influence the reduction of emissions from a particular source.*	*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.*
Upstream international office & facility emissions	No	No	No	No	No

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