

PUBLIC DISCLOSURE STATEMENT

TELSTRA

PRODUCT CERTIFICATION FY2022-23

Australian Government

Climate Active Public Disclosure Statement







NAME OF CERTIFIED ENTITY	Telstra Group Limited
REPORTING PERIOD	Financial period 1 July 2022 – 30 June 2023 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: Justine Rowe Position of signatory: Chief Sustainability Officer Date: 12 December 2023



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Version August 2023.



1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	85,236 tCO ₂ -e
OFFSETS USED	1% ACCU, 99% CER
RENEWABLE ELECTRICITY	21.62%
CARBON ACCOUNT	Prepared by: Deloitte Australia
TECHNICAL ASSESSMENT	9/11/2022 Wibi Rockwood Deloitte Next technical assessment due: 9 November 2025

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2. CARBON NEUTRAL INFORMATION

Description of certification

This Public Disclosure Statement (PDS) supports the carbon neutral claim under Climate Active's Carbon Neutral Standard for Products & Services for mobile phone and mobile broadband plan products of Telstra¹. For mobile phone and mobile broadband plans this involves offsetting all relevant and attributable greenhouse gas (GHG) emissions associated with the manufacture, distribution, usage and end of life treatment of mobile Telstra-branded SIM kits on the Telstra mobile network. The GHG emissions associated with operating the Telstra Mobile Network business have been assessed and are offset under Telstra Group Limited's (Telstra) Organisation carbon neutral certification. Under the Climate Active standard, GHG emissions shared between Telstra's Products and Services and Telstra's overarching organisation can be nullified as carbon neutral under the *Parent-Child relationship* (as per page 52 of the Climate Active Technical Manual²).

Product Description

GHG emissions within our complete operational control relevant to Telstra-branded mobile phone and mobile broadband plans, primarily the physical SIM kit and customer connection to Telstra's network have been captured in this certification. It does not include the embodied GHG emissions associated with the physical handset, the device customers use, or the electricity for use outside of connecting the mobile phone and mobile broadband plans to Telstra's network (e.g. apps, displaying video, camera). This approach to GHG accounting enables us to capture GHG emissions for which we have the greatest authority to introduce and control GHG emission reduction policies related to our GHG emissions. The definition of our products and services are provided below:

Mobile phone plans and mobile broadband plans including SIM kits (Product)

The provision of Telstra-branded mobile phone plans and Telstra Mobile Broadband plans via access to Telstra's network for the purposes of making and receiving calls and data.

The life cycle assessment approach for Telstra's mobile phone and mobile broadband plans is cradle-to-grave, considering all elements of the supply chains for Telstra's mobile phone and mobile broadband plans and operations as listed in the emissions boundary diagrams in section 3. Telstra's carbon neutral mobile phone and mobile broadband plans are full coverage products, customers are not required to opt-in to receive carbon neutrality.



¹ Emissions associated with Telstra's mobile phone and broadband plans share a significant portion of emissions with Telstra's organisation certification. This overlap has been detailed in Section 5 below, and additional information relating to Telstra's Organisation certification can be found in Telstra's Organisation Public Dislcosure Statement.

² Please refer to the <u>Climate Active Technical Guidance Manual</u> for further information about the Parent-Child Relationship.

Functional Units

The functional unit for Telstra's mobile phone and mobile broadband plans is the tonnage of carbon dioxide equivalent per mobile phone and mobile broadband plans in service, referred to as the Services in Operation (SIO) during the reporting period. For confidentiality reasons we have not disclosed the number of SIO's we have in this report.



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| Telstra Mobile Phone Plan³ boundary

Inside emissions boundary

Quantified

Purchased goods & services (Including embodied emissions from manufacturing SIMs and mobile network materials as well as head office purchases including – IT software & hardware, consulting)

Capital goods (e.g. access to other telco networks)

Upstream (and downstream) distribution and transportation of Telstra branded SIMs and network materials

Upstream energy (Natural gas and fuels processing, and electricity transmission and distribution losses)

Energy directly consumed (Natural gas, diesel, and petrol fuel – both stationary and fleet vehicles)

Electricity (purchased from the grid)

Use of sold products (Mobile device electricity usage required to connect to the Telstra mobile network)

End of life treatment for sold products (Telstra branded SIMs)

Employee commuting

Downstream transportation & distribution

Business travel

Waste generated in operations (Including Mobile network construction and demolition waste)

Non-quantified

Outsourced business processing (indirect BPO)

Emissions associated with international staff working from home

Optionally included

None noted

Outside emission boundary

Non-attributable

Emissions associated with downstream leased assets

Mobile Phone Plan electricity for use outside of connecting to the Telstra network (e.g. apps, displaying video, camera)

Telstra Franchises

Telstra Investments

Waste generated in operations (hazardous waste)

Active

³ Includes emissions associated with physical SIM kits and connecting customers of Telstra-branded mobile phone and mobile broadband plans to Telstra's network, It does not include the embodied emissions associated with the physical handset or device customers use.

Product process diagram

Telstra Mobile Phone Plan process diagram (cradle-to-grave)

Purchased goods and services

- Purchased goods and services
- Capital purchases
- Embodied emissions from manufacturing Telstra branded SIMs
- Embodied emissions from head office purchases including; IT hardware and software, fleet, marketing etc

Upstream emissions

Upstream distribution and transportation

- Construction and maintenance materials
- Telstra branded SIMs

Upstream energy

- Natural gas and fuels processing
- Electricity transmission and distribution losses

Employee travel

- Employee commuting car, bus, ferry, etc.
- Business travel flights and taxis

Excluded emission sources

None

Network maintenance and construction

 Construction and demolition waste

Production/Service delivery

Energy directly consumed

- Natural gas, diesel, and petrol fuel – Stationary & Transport
- Electricity powering fixed network and facilities

Excluded emission sources

None

Use of sold products

 Customer network electricity usage

Downstream emissions

End-of-life treatment for sold products

Telstra branded SIM waste (landfill and recycled)

Downstream distribution and transportation

 Delivery of Telstra branded SIMs to customers

Excluded emission sources

None



4.EMISSIONS REDUCTIONS

Emissions reduction strategy⁴

Our Environment Strategy is aimed at accelerating our ambition to tackle climate change and creating a more sustainable future by using resources more sustainably and efficiently. We are committed to reducing our emissions footprint, optimising the resources we use, reducing consumption and waste across our business, and investing in circular solutions that are designed to extend the useful life of the products we sell. Our refreshed sustainability strategy is driven by taking bold climate action and working towards a circular economy which are underpinned by the following key targets:

- 1. Reduce our absolute emissions for Scope 1, 2 and 3 by at least 50 per cent by 2030 from an FY19 baseline
- 2. Enable renewable energy generation equivalent to 100% of our consumption by 2025
- 3. Offset the emissions from our operations⁵
- 4. Reuse or recycle 650,000 mobile phones, modems, and other devices each year to 20256
- 5. Increase our network waste recycling rate to 90 per cent by 2025⁷

Our progress against the targets listed above for FY23:

Progress

Telstra has been Climate Active certified since July 2020 and has continued to reduce and offset the remaining emissions from our operations each year.

Achieved renewable energy generation of **30 per cent towards the target**.

Reduced our combined scope 1+2 emissions by 30 per cent and scope 3 emissions by 28 per cent from an FY19 baseline.

Reused or recycled 632,919 mobile phones, modems, and other devices in FY23.

Transitioned **100** per cent of Telstra branded products to new sustainable packaging that is made of renewable or recyclable materials and is fully recyclable.

Increased our network waste recycling rate to 79 per cent.

⁷ For the FY23 reporting period, this target was 85 per cent. The adjustment to 90 per cent commenced from the 1st of September 2023 and will be the target for the FY24 reporting period.



⁴ Please refer to <u>Telstra's Sustainability Report 2023</u> for further information on Telstra's Emissions Reduction Strategy.

⁵ For the FY23 reporting period, this target was described as 'Carbon neutral in our operations from 2020', but has since been updated.

⁶ For the FY23 reporting period, this target was 500,000 units, inclusive of mobile phones, modems, and other devices. The 650,000 unit adjustment commenced from the 1st of September 2023 and will be the target for the FY24 reporting period.

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year					
		Total tCO₂-e	Emissions intensity of the functional unit		
Base year/Year1:	Jul 2021 – Jun 2022	260,735	Confidential		
Year 2:	Jul 2022 – Jun 2023	278,9918	Confidential		

Significant changes in emissions

Emission source name	Current year (tCO ₂ -e)	Previous year (tCO ₂ -e)	Detailed reason for change
Category 1 –	39,008	32,313	This change reflects a large increase in spend
Purchased Goods			across Category 1 by Telstra's Product and
and Services			Technology group across areas such as professional
			services and IT services. Category 1 emissions also
			increased in FY23 due to an increase in the
			apportionment factor used to allocate emissions
			associated with use of the network from Telstra's
			Organisation account. This apportionment factor is
			determined by Telstra's mobile network usage as a
			proportion of Telstra's overall network usage. Mobile
			network usage has increased in FY23 as a portion of
			overall usage.

Use of Climate Active carbon neutral products and services

N/A - no Climate Active carbon neutral products and services used.

⁸ The 278,991 represents the total footprint associated with the Telstra Service account, the amount offset in this account (85,236) is lower due to the overlap with the Telstra Organisation.

Product emissions summary

Stage	tonnes CO ₂ -e	Overlap with Telstra %	Offset for FY23 (tonnes CO ₂ -e)
Fuel (natural gas, diesel, petrol)	3,979	100%	-
Electricity (purchased from the grid)	106,971	100%	-
Electricity (international)	3,001	100%	-
Purchased goods & services (embodied emissions)	39,008	46%	20,916
Capital goods	26,603	99.98%	5
Fuel & energy related emissions	15,217	100%	-
Upstream distribution and transportation	10,911	22%	8,507
Waste generated in operations	417	100%	-
Business travel	1,557	100%	-
Employee commuting	12,326	100%	-
Downstream Transportation & Distribution	6,038	0%	6,038
Working from home	3,193	100%	-
Use of sold products	49,770	0%	49,770
End of Life treatment of sold products	-	0%	-

Emissions intensity per functional unit	Commercial in Confidence
Number of functional units to be offset	Commercial in Confidence
Total emissions to be offset	85,236

Uplift factors

N/A



6.CARBON OFFSETS

Offsets retirement approach

This certification has taken an in-arrears offsetting approach. The total emission to offset is 85,236 t CO₂-e. The total number of eligible offsets used in this report is 85,236. Of the total eligible offsets used, 0 were previously banked and 85,236 were newly purchased and retired. 0 are remaining and have been banked for future use.

Co-benefits

Offset Project	Co-benefits Description
Central Arnhem Land Fire Abatement (CALFA) Project	This project involves strategic and planned burning of savanna areas in the high rainfall zone during the early dry season to reduce the risk of late dry season wild fires. For more project information refer here.
Nallakonda wind farm in Andhra Pradesh	ReNew Wind Energy (Karnataka) Private Limited has set up wind power project of 50.4 MW at Tadas in Haveri & Darwada district of Karnataka, India. The project consists of installation of 63 wind turbines (WTGs) of 800 kW each. The project activity is a renewable source of energy and replaces electricity from the power plants of the connected electricity grid which is emission intensive and therefore effects net GHG emission reductions.



Eligible offsets retirement summary

Offsets cancelled for Climate Active Carbon Neutral Certification											
Project description	Type of offset units	Registry	Date retired	Serial number	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 (%)
Nallakonda wind farm in Andhra Pradesh	CER	ANREU	26/06/2020	254,579,990-254,889,280	CP2		309,291	122,231	. O _a	84,404	99%
Central Arnhem Land Fire Abatement (CALFA) Project	ACCU	ANREU	24/08/2022	8,343,672,325-8,343,687,324	2022		15,000	0	010	832	1%
Total offsets retired this report and used in this report 85,236											
Total offsets retired this report and banked for future reports 0											

Type of offset unit	Quantity (used for this reporting period claim)	Percentage of total
Australian Carbon Credit Unit (ACCU)	832	1%
Certified Emissions Reduction (CER)	84,404	99%

⁹ A further 102,656 offsets have been used for the Telstra T+ program (172) and the Telstra Energy (1,052), Telstra Group (92,890) and Belong (8,542) Climate Active certifications ¹⁰ A further 14,168 offsets have been used for the Telstra T+ program (123) and the Telstra Energy (9), Telstra Group (13,642), Belong (344) and St Vincent de Paul Victoria (50) Climate Active certifications.



7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

N/A



APPENDIX A: ADDITIONAL INFORMATION

N/A



APPENDIX B: ELECTRICITY SUMMARY

There are two international best-practice methods for calculating electricity emissions – the location-based method and the market-based method. Reporting electricity emissions under both methods is called dual reporting.

Dual reporting of electricity emissions is useful, as it provides different perspectives of the emissions associated with a business's electricity usage.

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.

For this certification, electricity emissions have been set by using the market-based approach.



Market Based Approach Summary

Market Based Approach	Activity Data (kWh)	Emissions (kgCO₂e)	Renewable Percentage of total
Behind the meter consumption of	1,390,691		
electricity generated		0	1%
Total non-grid electricity	1,390,691	0	1%
LGC Purchased and retired (kWh)			
(including PPAs & Precinct LGCs)	0	0	0%
GreenPower	0	0	0%
Jurisdictional renewables (LGCs retired)	3,439,8445	0	2%
Jurisdictional renewables (LRET) (applied			
to ACT grid electricity)	872,374	0	1%
Large Scale Renewable Energy Target			
(applied to grid electricity only)	29,290,220	0	18%
Residual Electricity	126,836,891	121,129,231	0%
Total grid electricity	160,439,329	121,129,231	21%
Total Electricity Consumed (grid + non	161,830,020		
grid)		121,129,231	22%
Electricity renewables	34,993,130	0	
Residual Electricity	126,836,891	121,129,231	
Exported on-site generated electricity	0	0	
Emissions (kgCO ₂ e)		121,129,231	

Total renewables (grid and non-grid)	24 620/
	21.62%
Mandatory	18.64%
Voluntary	2.13 %
Residual scope 2 emissions (t CO ₂ -e)	106,971
Residual scope 3 emissions (t CO ₂ -e)	14,158
Scope 2 emissions liability (adjusted	
for already offset carbon neutral	
electricity) (t CO ₂ -e)	106,971
Scope 3 emissions liability (adjusted	
for already offset carbon neutral	
electricity) (t CO ₂ -e)	14,158
Total emissions liability (t CO ₂ -e)	121,129
Figures may not sum due to rounding. Renewable	percentage can be above 100%



Location Based Approach Summary

Location Based Approach	Activity Data (kWh)	Scope 2 Emissions (kgCO₂e)	Scope 3 Emissions (kgCO₂e)
ACT	4,640,287	3,387,409	278,417
NSW	54,915,183	40,088,083	3,294,911
SA	10,763,337	2,690,834	861,067
Vic	39,990,500	33,991,925	2,799,335
Qld	29,133,692	21,267,595	4,370,054
NT	2,264,465	1,222,811	158,513
WA	15,349,687	7,828,340	613,987
Tas	3,382,178	574,970	33,822
Grid electricity (scope 2 and 3)	160,439,329	111,051,969	12,410,106
ACT	131	0	0
NSW	117,428	0	0
SA	118,224	0	0
Vic	100,698	0	0
Qld	355,292	0	0
NT	215,772	0	0
WA	464,965	0	0
Tas	18,181	0	0
Non-grid electricity (Behind the meter)	1,390,691	0	0
Total Electricity Consumed	161,830,020		

Emission Footprint (tCO₂e)	
Scope 2 Emissions (tCO₂e)	111,051.97
Scope 3 Emissions (tCO ₂ e)	12,410.11

Climate Active Carbon Neutral Electricity summary

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissions (kgCO₂e)
N/A	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 <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. <u>Data unavailable</u> 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
Oursourced business predessing (indirect BPO)	Immaterial
Emissions associated with international staff working from home	Immaterial

Excluded emission sources

	No actual data	No projected data	Immaterial
N/A	N/A	N/A	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.

- <u>Size</u> The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions
- 2. <u>Influence</u> The responsible entity has the potential to influence the reduction of emissions from a particular source.
- 3. <u>Risk</u> The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.
- 4. Stakeholders Key stakeholders deem the emissions from a particular source are relevant.
- Outsourcing 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.



Excluded emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Emissions associated with downstream leased assets	N	N	N	N	N	Size: No – Telstra do not lease any facilities downstream, in particular the company is not in the business of leasing assets for the purposes of Mobile Phone Plans. Therefore, emissions related to the leased facilities are deemed not applicable Influence: No - As above Risk: No - As above Stakeholders: No - As above Outsourcing No – As above.
Mobile Phone Plan electricity for use outside of connecting to the Telstra network (e.g. apps, displaying video, and camera)	Y	N	N	N	N	Size: Yes - Emissions associated with mobile device usage outside of connecting to the Telstra network would be considerably large. Influence: No - Telstra do not have a material ability to influence the efficiency / design of mobile devices. Risk: No - 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. Stakeholders: No - Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for Telstra's business as its key business operations include providing connectivity to the network. Outsourcing: No - Telstra have not previously undertaken this activity within its products & services emissions boundary and comparable organisations do not typically include this activity within their boundary.
Telstra Franchises	N	N	N	N	N	Size: No - Telstra do not apply a franchise business model. Therefore, emissions related to the franchising of their brand and products is deemed not applicable. Influence: No - As above. Risk: No - As above. Stakeholders: No - As above.



Telstra Investments	N	Y	N	1	N N	Outsourcing: No - As above. Size: No - Emissions from our investments have been excluded as they do not relate to our mobile phone plans. They are instead investments that are held for the purpose of making a profit. Influence: Yes - As these investments are made for commercial based decisions with the intent to generate profit, the emissions generated through our investments are considered influenceable. Risk: No - Given our investments are not a material source of emissions or a core component of our business, it will not pose a significant greenhouse gas risk exposure. Stakeholders: No - Given our investments are not a material source of emissions or a core component of our business, we deem that these are not of key interest to key stakeholders. Outsourcing: No - Emissions generated from our investments bear no impact on outsourced activities related to mobile phone plan emissions and therefore have no relevance
Waste generated in operations (hazardous waste)	N	N	N	1	N N	Size: No – Telstra's mobile phone plans do not create or store any hazardous waste as defined by The Australian Government Department of Industry. Influence: As above. Risk: As above. Stakeholders: As above. Outsourcing: As above.





