



31 March 2016

Committee Secretary  
Senate Economics Reference Committee

E: economics.sen@aph.gov.au

Dear Sir/Madam,

### **Submission on Inquiry into Carbon Risk Disclosure**

Origin Energy Limited (Origin) welcomes the opportunity to make a submission to the Inquiry into Carbon Risk Disclosure.

Origin recognises that climate change is a global challenge and unequivocally supports measures to progressively reduce carbon emissions. We support the global target of no more than two degree temperature change and note the strong intention of the Paris Agreement to pursue efforts to a 1.5 degree scenario. We support Australia's announced 2030 target as a minimum goal for the nation and believe that greater ambition is possible.

#### **Key points**

Origin has the following key points to highlight:

- In line with Origin's corporate reporting obligations, Origin:
  - discloses risks to its future financial prospects in the **Operating and Financial Review** and **Corporate Governance Statement** within Origin's Annual Report, in line with the *Corporations Act*, the ASX Listing Rules and *ASX Corporate Governance Principles and Recommendations*; and
  - annually reports greenhouse gas emissions for its operations in Australia and New Zealand under the *National Greenhouse and Energy Reporting Act 2007* and the *Climate Change Response Act 2002* respectively;
- In addition to these obligations, Origin has:
  - produced **Sustainability Reports** since 2002, with the most recent report (2015) including a discussion of our approach to managing climate change across our business divisions, as well as our greenhouse gas emissions on both an equity and operated basis;
  - participated in the **CDP Climate Change** questionnaire since 2009, and was included in the CDP ASX 200 Climate Disclosure Leadership Index in 2015;
  - signed up to all seven of the CDP-led **We Mean Business coalition commitments**, which includes a commitment to report climate change information in mainstream reports.

The following sections provide an overview of the approach taken to these disclosures.

## Corporate reporting obligations

An Australian listed company's financial and corporate reporting obligations are set out under the *Corporations Act*, the ASX Listing Rules and *ASX Corporate Governance Principles and Recommendations*.

In 2013, ASIC *Regulatory Guidance 247 (RG247): Effective Disclosure in an Operating and Financial Review* was released with specific guidance concerning the disclosure of social, environmental and sustainability risks relevant to financial performance. Origin discloses these risks in the company's **Operating and Financial Review (OFR)** contained within the [Annual Report](#).

Origin's [Corporate Governance Statement](#), published in the company's Annual Report, discusses the economic, environmental and social sustainability risks to which the company is materially exposed, and the management of these risks. This includes climate change risk, and further disclosures of this nature are provided in Origin's annual Sustainability Report.

These corporate reporting requirements are in addition to the regulatory reporting requirements Origin complies with for its operations in Australia and New Zealand under the *National Greenhouse and Energy Reporting Act 2007* and the *Climate Change Response Act 2002* respectively.

## Sustainability reporting

Origin's annual [Sustainability Report](#) discusses economic, environmental and social sustainability risks in greater detail. Disclosures in the Sustainability Report are informed by the Global Reporting Initiative (GRI) reporting framework and the AA1000 AccountAbility Principles Standard (2008).

Origin has published a Sustainability report since 2002. The 2015 Origin Sustainability Report includes discussion of climate change and our business as well as our greenhouse gas emissions on an equity and operated basis. In this reporting, we explain our framework for managing climate change across the business divisions of Energy Markets and Integrated Gas. Appendix 1 to this submission contains this content from our 2015 report. Our performance reporting is published annually in print form and available to download from our website.

## CDP Climate Change

CDP Climate Change is an annual questionnaire which requests information on greenhouse gas emissions, energy use and the risks and opportunities from climate change from thousands of the world's largest companies on behalf of CDP's investor signatories.

Origin has voluntarily responded to the CDP Climate Change questionnaire since 2009, with these responses publicly available on [CDP's website](#). In 2015, Origin was included in the CDP ASX 200 Climate Disclosure Leadership Index, which includes the twenty companies that provided the highest quality climate disclosure through CDP in 2015, based on their CDP 2015 climate disclosure score.

## We Mean Business commitments

In October 2015, Origin Energy became the world's first energy company to sign up to all seven initiatives under the global 'We Mean Business Coalition' (WMB).

Thirty-two institutions including the World Business Council on Sustainable Development (WBCSD), the United Nations Principles for Responsible Investment (UNPRI), the United Nations Global Compact (UNGC), the United Nations Environmental Program (UNEP) Finance Initiative, CDP and others, formed a coalition called "We Mean Business". The coalition members adopt a leadership position in the transition to a low carbon economy as the way to secure sustainable economic growth

and prosperity, with **183 investors and 373 companies** having endorsed the coalition's efforts to date.

Our commitment to the coalition was announced at the 2015 Annual General Meeting. Appendix 2 contains further information regarding this announcement.

If you have any questions regarding this submission please contact Kathy Howard, Government Relations Manager, on 0457 541 301 or via [kathy.howard@originenergy.com.au](mailto:kathy.howard@originenergy.com.au).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tim O'Grady', written in a cursive style.

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## **About Origin**

Origin Energy (ASX: ORG) is the leading Australian integrated energy company with market leading positions in energy retailing (approximately 4.3 million customers), power generation (approximately 6,000 MW of capacity owned and contracted) and natural gas production (1,093 PJ of 2P reserves and annual production of 82 PJ). Through Australia Pacific LNG, its incorporated joint venture with ConocoPhillips and Sinopec, Origin is developing one of Australia's largest CSG to LNG projects based on Australia's largest 2P CSG reserves base.

Origin also aspires to be the number one renewable and low carbon energy company in Australia. Origin is one of the largest installers of solar systems in Australia, having directly installed about 90,000 systems to date. In total, about 400,000 of our retail customers have solar products. In 2015, Origin launched a new solar leasing product, which allows more customers to access the benefits of solar without having to purchase the system. We are also exploring new battery technologies and just installed our first Tesla Powerwall. We believe that the market will continue to evolve and it is important that retail offerings are allowed to develop to serve consumer demand.

Origin is committed to meeting our obligation under the Large-scale Renewable Energy Target (LRET) and can achieve this through various options including building projects directly, underwriting projects through power purchase agreements (PPAs), or by purchasing certificates on market. We are currently considering the potential development of our 400 MW Stockyard Hill Wind Farm development option in Victoria, and the potential for utility scale solar plants to help meet the target. For example, our proposed 100 MW solar farm at Darling Downs in Queensland was recently shortlisted for grant funding under ARENA's Large Scale Solar PV competitive funding round, and also in December received Development Approval from the Western Downs Regional Council. We have also just announced a 15 year PPA for the 56 MW Moree Solar Farm in NSW.

**Appendix 1: Relevant 2015 Sustainability Report content**

**Appendix 2: Origin's We Mean Business commitments**