



# Bigger Picture

## 2022 Sustainability Report





## Acknowledgement

We recognise and acknowledge the existing, original and ancient connection Aboriginal and Torres Strait Islander peoples have to the lands and waterways across the Australian continent. We pay respect to the past and present Traditional Owners and Elders of this nation.

At Telstra we are enriched by Aboriginal and Torres Strait Islander peoples' contribution to our organisation, and we commit to working with you to build a prosperous and inclusive Australia.

### Terms used

Throughout our 2022 Bigger Picture Sustainability Report, the terms Aboriginal and Torres Strait Islander and First Nations are used interchangeably to reference Australia's First Peoples.

### Further information

For more information about our sustainability approach and performance, as well as access to our 2022 data pack and additional downloads, please visit our [report website](#).

We welcome feedback or questions regarding this report. If you would like to provide feedback please contact our Chief Sustainability Officer at [sustainability@team.telstra.com](mailto:sustainability@team.telstra.com)

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For more information about our sustainability approach and performance, as well as access to our 2022 Data Pack and additional downloads, please see our [report website](#).

Our response to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) can be found in our Corporate Governance Statement, the [Environmental action](#) section of this report on page 65, and in the 2022 Climate Change report at our [report website](#).

# Statement of commitment from our Chairman and CEO

It is with great pleasure that we present Telstra's 2022 Sustainability Report.

This report comes at a time when the world is undergoing seismic and concurrent environmental, geo-political and economic shifts.

We are all facing the impacts of these shifts in different ways – as individuals, communities, companies and nations – and working to understand how they impact us and what we can do in response.

At the same time the world is raising the bar on sustainability and lifting expectations on all organisations to be more active, and more aspirational, in the contribution we can make to meeting the environmental and societal challenges of today, and of the coming decades.

This report shows how fundamental the principles of sustainability are to Telstra and the way we operate.

Our purpose is to build a connected future so everyone can thrive. It's a powerful purpose, and it underpins our belief that Telstra has a very real opportunity to play a positive and meaningful role in creating a more sustainable and inclusive world. More and more, high-speed networks, IoT, data and artificial intelligence and machine learning and processing – all working together – are being seen as a key contributor to helping solve many of the challenges facing the world today.

Telstra is at the heart of this, providing the foundational connectivity and over the top solutions that are helping us and our customers play their part.

As we do, we have stepped up our focus on doing the right thing – for our customers, our people and the communities in which we operate. This responsible business approach is a key part of our T25 strategy, and we are working to embed a deeper understanding of what this means through all levels of the organisation.

## Our commitment and contribution takes many forms:

**It includes real action on climate change.** We were certified by the Australian Government's Climate Active program as carbon neutral in 2020 and remain on track to achieve our other two climate targets – to reduce absolute emissions from FY19 by at least 50 per cent by 2030 and to enable renewable energy generation equivalent to 100 per cent of our consumption by 2025. As well as optimising our operations to reduce energy requirements (including through the use of data and artificial intelligence), we are also using our voice and influence to advocate on climate issues, demonstrate our climate and environmental leadership through our actions, and wherever possible enable and accelerate the action of others. This is evident in our decision in FY22 to broaden our emissions reduction target to include the indirect emissions occurring as a result of our activities, from sources not owned or controlled by us.

**It includes improving our resource efficiency,** through programs to re-use and recycle devices and the packaging they come in, reducing waste going to landfill and creating innovative solutions to reduce our environmental impact.

**It includes programs to build digital inclusion,** because while the digital economy is generating incredible social, cultural and economic benefits for many Australians, these benefits are not being shared equally. Too many Australians, and particularly Australians in vulnerable circumstances, are at risk of being left behind in the digital age and becoming even more marginalised. The challenges and barriers to increased digital inclusion need to be addressed by all of us – by governments, businesses, communities and individuals. Telstra contributes to meeting this challenge by building access through our network investment, ensuring affordable products and services are available and supporting a range of programs to build digital skills, particularly for people aged over 65 who are among the least digitally included Australians.

**It includes providing more coverage to more people in regional and remote places,** by investing \$4 billion in improving our regional mobile network in the seven years to 30 June 2022. We also continue to participate in co-investment programs including drawing upon the \$200 million co-investment fund (for FY22-26) that we announced in May 2021.

**It includes recognising our successes and acknowledging our failures with First Nations peoples**, including embarking on a journey of listening, learning and understanding, and launching a new Stretch Reconciliation Action Plan. These actions reflect a new starting point for us as we rebuild trust and forge a better path towards reconciliation with First Nations peoples and communities across Australia.

**It includes providing ongoing assistance packages and support programs during times of critical need**, including during the COVID-19 pandemic and in areas hit by catastrophic natural weather events including floods and bushfires. Our responses highlight the strength of our values and the resilience of our organisation in maintaining our operations, supporting our customers and keeping our employees safe.

**It includes putting data privacy, information security and cyber security at the forefront of all we do**, knowing that it is critical that we take action to help our customers trust in the connectivity we provide. This has included blocking over 200 million scam calls from reaching our customers since introducing our scam call blocking feature in mid-2021.

**Lastly, it includes an ongoing commitment to transparency and change and we continue to proudly support the United Nations Sustainable Development Goals (SDGs) and make progress against them**. We are a signatory to the United Nations Global Compact and engaged in supporting its principles – on human rights, labour rights, environment and anti-corruption – wherever we operate. We work to ensure our business and our business partners operate with respect for human rights and report our progress in our annual Human Rights and Modern Slavery Statement. We continue to align our climate change reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and disclose to the CDP (formerly the Carbon Disclosure Project), the global disclosure system for organisations managing their environmental impacts. We also participated in the Global e-Sustainability Initiative (GeSI)'s Digital with Purpose initiative this year, to take collective action on reaching the SDGs and combatting climate change.

We do all of these things because they will help us deliver long term, sustainable and positive outcomes for all of our stakeholders. We recognise our success is intrinsically linked to the emerging digital economy and the role we must play in helping to deliver on its potential for the nation. We also know we will only achieve this if we get the basics right in all aspects of our operations.

We are incredibly proud of the advances we have made this year in continuing to shape Telstra as a responsible, sustainable, and community-minded organisation, and the commitments we have made to step up our aspirations in the face of new challenges.

We hope you enjoy reading about our progress and welcome your feedback.



John P Mullen  
Chairman

Andrew R Penn  
CEO and Managing Director

# FY22 performance highlights



**\$22,045m**

Total income<sup>1</sup>



**\$1,814m**

Net profit after tax



Named as one of The Australian Financial Review's Sustainability Leaders for 2022 and awarded a special distinction as the category winner within the Technology, Media & Telecommunication sector



Appointed Telstra's first Chief First Nations Advocate, developed our first company-wide First Nations Strategy and launched our new Stretch Reconciliation Action Plan



Achieved a group Episode NPS of  
**+37 Points**  
exceeding our FY22 target by +1



Blocked over 200 million scam calls from reaching our customers since introducing our scam call blocking feature in mid-2021



Ranked top in the Asia-Pacific and third globally in the 2021 Digital Inclusion Benchmark<sup>2</sup>



Partnered with the Australian Research Council (ARC) Centre of Excellence for Automated Decision-Making and Society (ADM+S) to develop the first comprehensive study of digital inclusion in remote First Nations communities



Provided \$82.5 million of value through our social and community programs, focused on improving the participation of Australia's most digitally excluded groups



Helped 747,364 customers in vulnerable circumstances to stay connected



Announced that we are trialing new technology to reforest 240 hectares of land we have acquired at Yarrowyck in northern New South Wales by planting 158,000 native trees and shrubs. This is expected to store around 160,000 tonnes of carbon dioxide over the next 25 years, a first for any Australian telco



Reused or recycled 554,240 mobile phones, modems and other devices



Reduced our combined scope 1 & 2 emissions by 14% & scope 3 emissions by 31% from FY19 baseline

<sup>1</sup> Excluding finance income

<sup>2</sup> World Benchmarking Alliance Digital Inclusion Benchmark, December 2021

# About Telstra

Telstra is Australia's leading telecommunications and technology company, offering a full range of communications services and competing in all telecommunications markets. We are solely listed, and our issued shares are quoted on, the Australian Securities Exchange (ASX).

We believe it's people that give purpose to our technology. Our purpose is to build a connected future so everyone can thrive. That is why we build technology and content solutions that are simple and easy to use, including Australia's largest and fastest national mobile network. Our world-leading mobile network reaches 99.5 per cent of the Australian population.

In Australia we provide around 20.8 million retail mobile service and 3.5 million retail bundle and data services. We have over 300 Telstra stores.

Telstra employs 28,889\* people. We directly employ approximately 4,000 people outside of Australia in 21 countries.

We also facilitate over 2,000 network points of presence and connectivity in more than 200 countries and territories around the world.

We have a diverse range of customers including consumers, small business, large enterprises and government organisations.

We bring innovative and intuitive products and services to market, and offer a broad suite of media, content and connectivity options in Australia, as well as connectivity and enterprise services globally.

## Where we work



Telstra embraces flexible working. This diagram illustrates our main office locations and does not reflect every location where our employees work nor the number of offices in each location.  
\* Direct full time equivalent. Detailed workforce profile data is available at our [report website](#).

# Our purpose and values

A deep commitment to our purpose and values continues to drive Telstra's efforts to do the right thing for our customers, our people and the communities in which we operate by delivering the best products and services on the best network so our customers can thrive.

## Our purpose

We believe it's people who give purpose to our technology.

So we're committed to staying close to our customers and providing them the best experience.

And delivering the best tech.

On the best network.

Because our purpose is to build a connected future so everyone can thrive.

## Australia is why

We've been a telco for over 100 years and throughout that time we've been connecting Australians with each other and the world.

As the world has faced into the reality of life with COVID-19, we have been reminded daily that our obligations as a large, iconic Australian business are not defined only by the small print of our contracts but by our purpose and values.

It's why we connect millions of Australians, every day.

It's why we support our wonderfully diverse communities.

It's why we embrace artistic and sporting passions. And it's why we care deeply about our unique environment and the precious ecosystems it supports.

We're creating a future that will enable every Australian to connect, share, work and play. This is how we create value for our communities, our environment, our people and our business.

## Our values

Together with our purpose, our values express what we stand for and guide the way we do things.

They are core to who we are and we align everything we do with them. Here at Telstra, we have four values.



### We are changemakers

We think big, set ambitious goals and deliver them – for our customers, shareholders and communities. By speaking up, being curious to learn and valuing different perspectives we challenge the status quo and make change.



### We are better together

We're one team and embrace the value each of us bring. Our (super) power lies in working together to deliver for our customers. We're each accountable for our actions and do what we say we're going to do.



### We care

We show care in all that we do. We do the right thing for our customers, our communities, the planet, ourselves and each other – even when no one's watching.



### We make it simple

What we do is complex, but we always make things simple for our customers and each other. Simple doesn't necessarily mean quick. We keep the simple, simple.

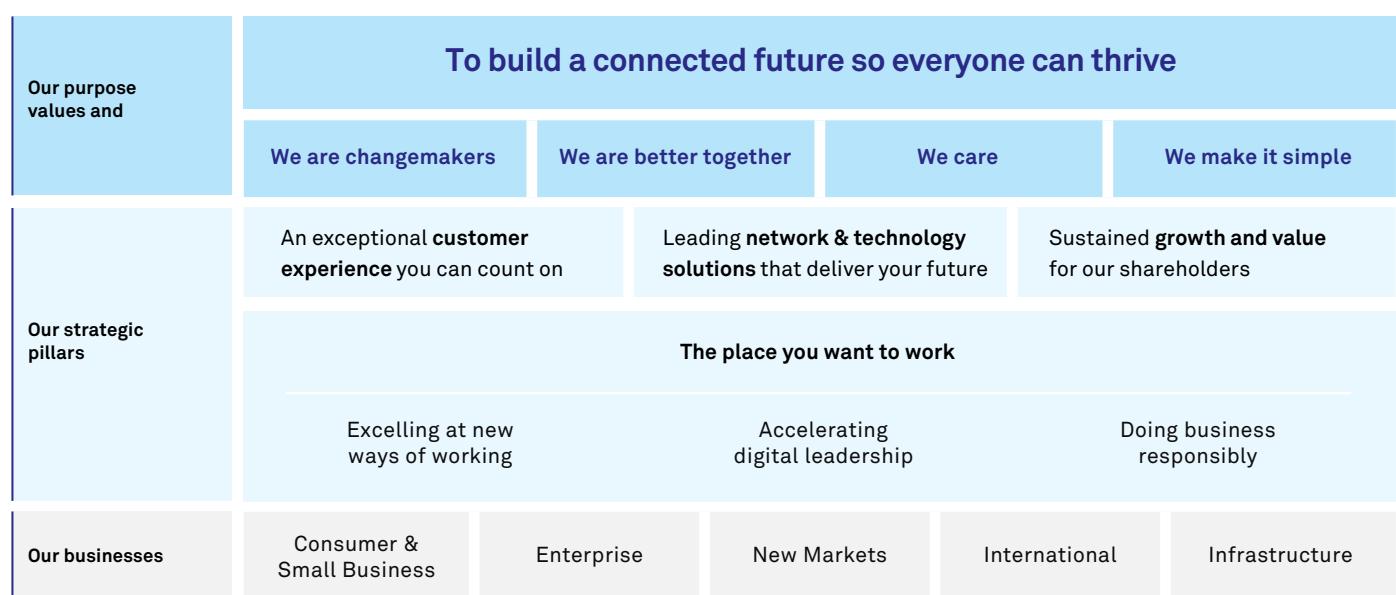
These are the values we stand for - the values by which we measure all of our actions. Putting these values into action will help us to build a connected future so everyone can thrive.

# Our strategy

When we launched our T22 transformation strategy in June 2018 we knew we had to act boldly to fundamentally transform and radically simplify and digitise Telstra.

Our T22 program – concluded in June this year – has been a clear success and Telstra today is a much simpler, more agile, more customer-focused and more digitally-enabled business. Many indicators of the scale of progress made under T22 are evident right across the business.

Now we move from a strategy we had to do to a strategy we want to do – from a transformation strategy to a strategy focused on continued growth. T25 marks an exciting new era in Telstra's history, one that will see us accelerate growth from our core as well as continuing to scale our successful health and international businesses while we invest in new businesses like energy, where we see opportunities in the future.



For more information about our business structure and strategy, please refer to our 2022 Annual Report available at our [report website](#).

# Our sustainability approach

## Doing business responsibly

### Our approach to sustainability is captured in our Responsible Business Strategy.

For Telstra, doing business responsibly means doing the right thing – for our customers, our people and the communities in which we operate. We recognise that there has never been a more important time for businesses to think deeply about the role they play in society, and for this reason ‘doing business responsibly’ is one of our key pillars in our T25 strategy.

The principles of sustainability are fundamental to us and the way we operate. Our purpose is to build a connected future so everyone can thrive.

It’s a powerful purpose, and it underpins our belief that Telstra has a very real responsibility to play a positive and meaningful role in creating a more sustainable and inclusive world. The foundational connectivity and digital solutions we provide create value for our customers, people, communities and shareholders.

We launched our Responsible Business Strategy and supporting Framework in 2021 as part of our T22 ambition to embed responsible business principles and practices across Telstra. This responsible business approach is also a key part of our T25 strategy, and we are working to embed a deeper understanding of what this means through all levels of the organisation.

The Responsible Business Strategy and Framework bring

responsible business to life for our people and stakeholders and enable us to maintain cross-company oversight of key sustainability issues, risks and opportunities. Our Sustainability Centre of Expertise (CoE) is responsible for planning, executing and reporting on progress towards delivering on the objectives of the Responsible Business Strategy, including the work we do on climate and resource efficiency, digital inclusion and governance.

This is a holistic approach to sustainability that is informed by, and integrated with, our core business activities. It guides the way we interact with our customers, suppliers and people, the role we play in increasing the number of Australians who benefit from the digital economy and how we manage and minimise the impact we have on our planet. Through our Responsible Business Strategy, we are demonstrating that we understand the expectations on us and are working to contribute to solutions to meet the environmental and societal challenges facing the communities in which we operate.

Our Responsible Business Strategy reflects our most material topics, our Sustainable Development Goal (SDG) priorities, the areas in which we have the expertise to make a meaningful impact, and where we see opportunities to use innovative, tech-based solutions to help address major societal challenges and opportunities. Through the Responsible Business Strategy we will build on our reputation as a trusted, sustainable business and draw on our tech expertise to play a leadership role in promoting digital inclusion and environmental action.

The Strategy includes three pillars, as outlined below.

 Trusted operations	 Digital inclusion	 Environmental action
We will operate as a globally trusted company that people want to work for and with	We will help our customers and communities to thrive in a digital world	We will use technology to address environmental challenges and help others to do the same
<b>Product and service responsibility</b> Ensuring our products and services are designed and delivered fairly, and meet our customers' underlying needs  <b>Our suppliers</b> Sourcing responsibly, treating our suppliers fairly and managing key supply chain risks  <b>Our people</b> Creating a world-class workplace where our people can thrive	<b>Our customers</b> Keeping our customers connected when they need it most  <b>Our communities</b> Ensuring everyone can enjoy the benefits of being connected  <b>Tech for good</b> Using technology to drive social and environmental innovation	<b>Climate change and energy</b> Mitigating climate change impacts and helping our customers and communities to do the same  <b>Resource efficiency</b> Using resources efficiently and minimising environmental impacts across our value chain
Integration		
Governance and reporting		

For a comprehensive overview of our approach and progress in relation to each of these three strategic pillars, please refer to their corresponding chapters throughout this report. A high-level overview of the key focus areas of each pillar, as well as how we are progressing against our targets, can be found on page 11.

## Sustainability governance

The Responsible Business Strategy was developed in consultation with key stakeholders and informed by international instruments and frameworks. This included the United Nations (UN) Sustainable Development Goals (SDGs), the UN Guiding Principles for Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business and the Principles of the UN Global Compact.

The Telstra Board is responsible for monitoring the effectiveness of our Responsible Business Strategy and has oversight of processes to manage and integrate sustainable development considerations into our operations.

The Audit and Risk Committee of the Board reviews our Human Rights and Modern Slavery Act Statement, our key sustainability disclosures as published in our Bigger Picture Sustainability Report, our external environment targets and our disclosures in our Climate Change Report that aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework. These disclosures are then recommended to the Board for approval.

The Board reviews and approves our Climate Change Report and Human Rights and Modern Slavery Act Statement for publication. Our executive due diligence and verification process for this Sustainability Report and its key disclosures are communicated to the Board and feedback incorporated prior to its publication. The Board also provides input into our annual materiality assessment and receives an update on findings to validate the priority material sustainability topics.

We hold cross-functional Forums across the business which are responsible for embedding responsible business practices across the business, pursuing the company-wide aspirations and headline metrics agreed by the CEO Leadership Team, and overseeing program delivery and progress against related workstreams, which are owned and executed at a functional level. The targets in our Strategy are reflected in the Objectives and Key Results (OKRs) of the executives from the functional areas that are accountable for delivering them. The Forums also play an important role in ‘joining the dots’ across the organisation by identifying and escalating issues, and by sharing knowledge and identifying opportunities for cross functional collaboration on key issues and projects.



Our sustainability approach is supported by Telstra Group policies, including:

- Telstra Group Code of Conduct
- Anti-bribery and Anti-corruption
- Diversity and Inclusion
- Health, Safety and Wellbeing
- Discrimination, Bullying, Harassment and Victimisation
- Privacy
- Human Rights
- Responsible Artificial Intelligence
- Environment
- Disability and Accessibility policies.

The Supplier Code of Conduct sets out our expectations of business partners and suppliers.

For more information regarding our governance of climate-related risks and opportunities, see the [Climate change and energy](#) section of this report.

## Our changing world

As we edge further into a digital century, it's clear that access to data is critical. How much data you have, how fast it moves and how much you can send are the currency of the digital realm.

We saw a huge explosion of data being used during the COVID-19 pandemic and that is something that is only set to continue. There's more demand than ever for fast and capable networks to move around huge amounts of data as the world digitises at an astronomical pace. Telstra is committed to delivering the infrastructure, solutions, products and security needed by our customers and to support Australia's journey toward becoming a world leading digital economy.



During the height of the pandemic, we saw a huge acceleration in the adoption of telehealth, online learning, remote working and e-commerce. The pandemic was a pressure cooker for tech innovation, giving us 10 years of tech advances in just two as people went online in droves.

This year's Mobile World Congress in Barcelona gave further insight into what will drive change for the next few years in tech. Key trends that have fuelled discussion included the evolution of the metaverse, artificial intelligence, automation and robots, the rapid improvement of satellite technology and the transition to work being something you do rather than a place you go.

Cyber conflict is now a critical and growing aspect of our data-enabled world. More abundant and better resourced cyber-criminals, cyber-activists and increasingly emboldened state actors, mean many of our countries and many of our networks are under constant cyber-attack.

The pandemic also highlighted existing inequalities in access to connectivity. The term 'digital divide' refers to the gap between those who have access to technology and online services and those who don't. Individuals and/or communities who don't have access to technology are often hamstrung by socio-economic, geographic or technological factors.

We have been measuring Australia's digital divide for years and noted that progress to close it remains slow. And that's becoming more and more of a problem as time goes on.

With the rapid digitisation of access to information and essential services it has become even more critical for Telstra to demonstrate leadership in bridging the digital divide. We can't sit on the sidelines and we want to play our part: that's why we're teaming up with a range of partners to help close the digital divide together. Affordability is a major factor driving the digital divide and we see a policy opportunity for the Australian Government to make home broadband more affordable for people facing vulnerable circumstances.

Digital transformation continues to make a huge contribution to driving the global economy. We strongly support a transformative agenda that leverages the full power of digital technologies to contribute to society and the health of the planet.

We are well positioned to leverage our brand and reputation, a growing customer base, world-leading networks and cutting-edge technologies to maintain our position as Australia's leading telecommunications provider and, most importantly, to achieve our purpose to build a connected future so that everyone can thrive.

# FY22 progress

● Achieved ● In progress ○ Not achieved

Strategic focus area	Headline target	SDG	FY22 Progress	More info
Product and service responsibility	Reduce our Telecommunications Industry Ombudsman (TIO) referral complaints by one-third in FY23 and 50% by FY25	n/a	● Reduced our TIO referral complaints by more than 40% in FY22	<a href="#">page 32</a>
	4-7 point uplift in RepTrak reputation score by FY25		● Increased our RepTrak reputation score by 0.9 points	<a href="#">page 21</a>
Our suppliers	Apply a risk-based approach to identify suppliers and undertake site sustainability audits in our supply chain	Goal 8	● Completed 38 sustainability audits in our supply chain	<a href="#">page 35</a>
	Onboard suppliers to Telstra's new Know Your Supplier (KYS) platform		● Onboarding and questions were completed on the KYS platform for 417 suppliers	<a href="#">page 34</a>
Our people	Achieve an engagement score that is in line with the global high performing norm by 2022 (84%)	Goal 8	○ Achieved an engagement score of 82%, which didn't meet our target, but puts us in the high performing range (between 75th and 90th percentiles) of employee engagement against global benchmarks	<a href="#">page 37</a>
	Achieve at least 98% annual completion of Business Essentials refresher conduct training course		● 100% of Telstra Group employees completed the mandatory refresher training, with 98.4% of our total target audience of employees, contingent workers and partner staff completing it	<a href="#">page 23</a>
	Achieve female representation of 34% for Telstra Total, 36% for Executive Management and 33% for all people management roles (excluding Executive Management)	Goal 5	○ Achieved female representation of 33.5% for Telstra Total, 39% for Executive Management and 32.6% for all people management roles (excluding Executive Management). This exceeded our target for Executive Management, but we did not meet targets for Telstra Total or all people management roles	<a href="#">page 40</a>
Our customers	Help keep one million customers in vulnerable circumstances connected each year from FY22 - FY25	Goal 9	○ Assisted 747,364 customers in vulnerable circumstances to stay connected, which didn't meet our target of one million	<a href="#">page 52</a>
	Increase digitally active customers by two million, by FY25, including building digital skills for 500,000 Australians, by FY25		● Supported over 29,000 Australians to build digital skills	<a href="#">page 59</a>
Our communities	Enhance digital access in regional communities by delivering >200 Mobile Black Spot Program sites from FY21 to FY22		○ Delivered 46 Mobile Black Spot Program sites in FY22 and 73 in FY21, totalling 119 sites which didn't meet our target of >200	<a href="#">page 56</a>
	Expand regional coverage by 100,000 km <sup>2</sup> by FY25		● Expanded regional coverage by 20,000 km <sup>2</sup> in FY22	<a href="#">page 56</a>
Tech for good	Commit at least \$15.9 million over three years (FY21-FY23) to the Telstra Foundation	Goal 8 Goal 9	● We committed \$5.3 million to the Telstra Foundation in FY22	<a href="#">page 62</a>
Climate change and energy use	Carbon neutral in our operations from 2020	Goal 13	● Maintained certification as a carbon neutral organisation	<a href="#">page 67</a>
	Enable renewable energy generation equivalent to 100% of our consumption by 2025		● Achieved renewable energy generation of 31% towards the target	<a href="#">page 78</a>
	Reduce our absolute emissions by at least 50% by 2030		● Reduced our combined scope 1 & 2 emissions by 14% and scope 3 emissions by 31% from FY19 baseline	<a href="#">pages 72 &amp; 77</a>
Resource efficiency	Reuse or recycle 500,000 mobile phones, modems and other devices each year to 2025	Goal 12	● Reused or recycled 554,240 mobile phones, modems and other devices in FY22	<a href="#">page 80</a>
	Ensure 100% of Telstra branded packaging is made of renewable or recycled material and is fully recyclable by 2022		● Transitioned 77% of Telstra branded products to new sustainable packaging that is made of recyclable materials and is fully recyclable	<a href="#">page 83</a>
	Increase our network waste recycling rate to 85% by 2025		● Increased our network waste recycling rate to 75%	<a href="#">page 84</a>

# Material topics

## Materiality methodology

Each year we conduct a materiality assessment to ensure we are responding to the environmental, social and governance (ESG) issues, risks and opportunities of greatest significance to our stakeholders, society and the long-term sustainability of our business.

We undertake our assessment in accordance with the Global Reporting Initiative (GRI) Standards and updated our approach this year to align with the GRI's latest impact materiality guidance. Impact materiality is focused on assessing outward impacts that Telstra creates, or has the potential to create, on people, society and the environment. This assessment has informed the content of this report and its accompanying documents and website content.

We also considered the double materiality approach as proposed by the [European Union \(EU\) Corporate Sustainability Reporting Directive \(CSRD\)](#). The CSRD recommends approaching materiality from both an impact materiality perspective, as well as a financial materiality perspective. This means also looking at inward impacts that generate or may generate risks or opportunities that does or could influence Telstra's enterprise value. We believe that the financial lens is complementary to impact materiality and useful to users of this report and so we have undertaken our assessment in consideration of both dimensions. The findings from the impact materiality assessment have informed the content of this report and the most material ESG topics presenting a financial risk to Telstra are reported in our 2022 Annual Report.

For more information on our FY22 materiality assessment methodology, please see our [report website](#).

For more information about our material ESG risks, please see the Our material risks section of our 2022 Annual Report available at our [report website](#).

## Material topics

*Customer experience* became our most material topic in FY22, followed by *Network innovation, resilience and reliability; Leadership, ethics and governance; Data privacy and security* and *Digital economy transformation*. These findings are consistent with the priorities of our T25 strategy: our plan for growth and enhanced customer experiences. Our impact materiality findings also reflect the external environment in which we operate, and the changes to ways of living and working that we have adapted to over the last few years. As we transition to living with COVID-19, the demand for fast and capable networks will continue to grow and we are committed to meeting both the technology and customer service expectations of our customers.

*Leadership, ethics and governance* remains a highly material topic in FY22 reflecting societal expectations and Telstra's recognition that companies should conduct their business responsibly and create a positive impact. This expectation to embed responsible business principles into the way we operate and make decisions has also contributed to an increase in impact materiality for *Product and service responsibility* this year.

As technology and innovation transforms the world around us, concerns about online safety and security continue to grow. *Data privacy and security* has remained high this year, and the assessment also reflected an increase in the impact materiality of *Cyber security and online safety*. When considering materiality through a financial risk lens, this topic emerged as the most material risk to our business.

Our impact materiality topics identified through this year's assessment are provided in the table below with materiality visualised as a colour-coded heat map.

The output of the materiality assessment that reflect the topics likely to have the most material impact across the double materiality dimensions in order of significance (materiality)

<b>Topics expected to create an actual or potential material impact on the economy, environment or people due to Telstra's operations in order of significance / materiality</b>		<b>Topics expected to present an actual or potential material financial risk to Telstra in order of significance / materiality</b>
<b>Topic</b>		<b>Topic</b>
Customer experience		Cyber security and online safety
Network innovation, resilience and reliability		Customer experience
Leadership, ethics and governance		Network innovation, resilience and reliability
Data privacy and security		Leadership, ethics and governance
Digital economy transformation		Data privacy and security
Cyber security and online safety		Culture and engagement
Climate change		Climate change
Product and service responsibility		Product and service responsibility
Building digital ability		Business transformation and market forces
Access and affordability		Digital economy transformation
Energy and emissions		Health, safety and wellbeing
Human rights		Energy and emissions
Product and service innovation		Supply chain sustainability
Diversity and inclusion		Legislative and regulatory change
Technology and ethics		Product and service innovation
Supply chain sustainability		Talent attraction, retention and capability development
Impacts of hazards, disasters and crises		Anti-corruption and anti-bribery
Health, safety and wellbeing		Diversity and inclusion
Business transformation and market forces		Impacts of hazards, disasters and crises
ESG risk and compliance		Employment conditions and consultation
Legislative and regulatory change		ESG risk and compliance
Community investment		Technology and ethics
First Nations reconciliation and inclusion		Human rights
Culture and engagement		Competitive practice and consumer protection
Talent attraction, retention and capability development		Building digital ability
Employment conditions and consultation		Access and affordability
Anti-corruption and anti-bribery		Resource efficiency
Resource efficiency		Geopolitical risk
Competitive practice and consumer protection		Mobile communications and health
Mobile communications and health		Tax transparency
Tax transparency		Community investment
Biodiversity		First Nations reconciliation and inclusion
Geopolitical risk		Biodiversity

Detailed information on these topics, as well as how we are managing them, can be found throughout this Bigger Picture 2022 Sustainability Report. For more information on our FY22 materiality assessment findings for both impact and financial materiality, please see our [report website](#).

For definitions of our material topics, please see our report Glossary, available in the data and downloads section of our [report website](#).

For more information on how we have measured Telstra's impact in relation to each of these topics in FY22, please see our [report website](#).

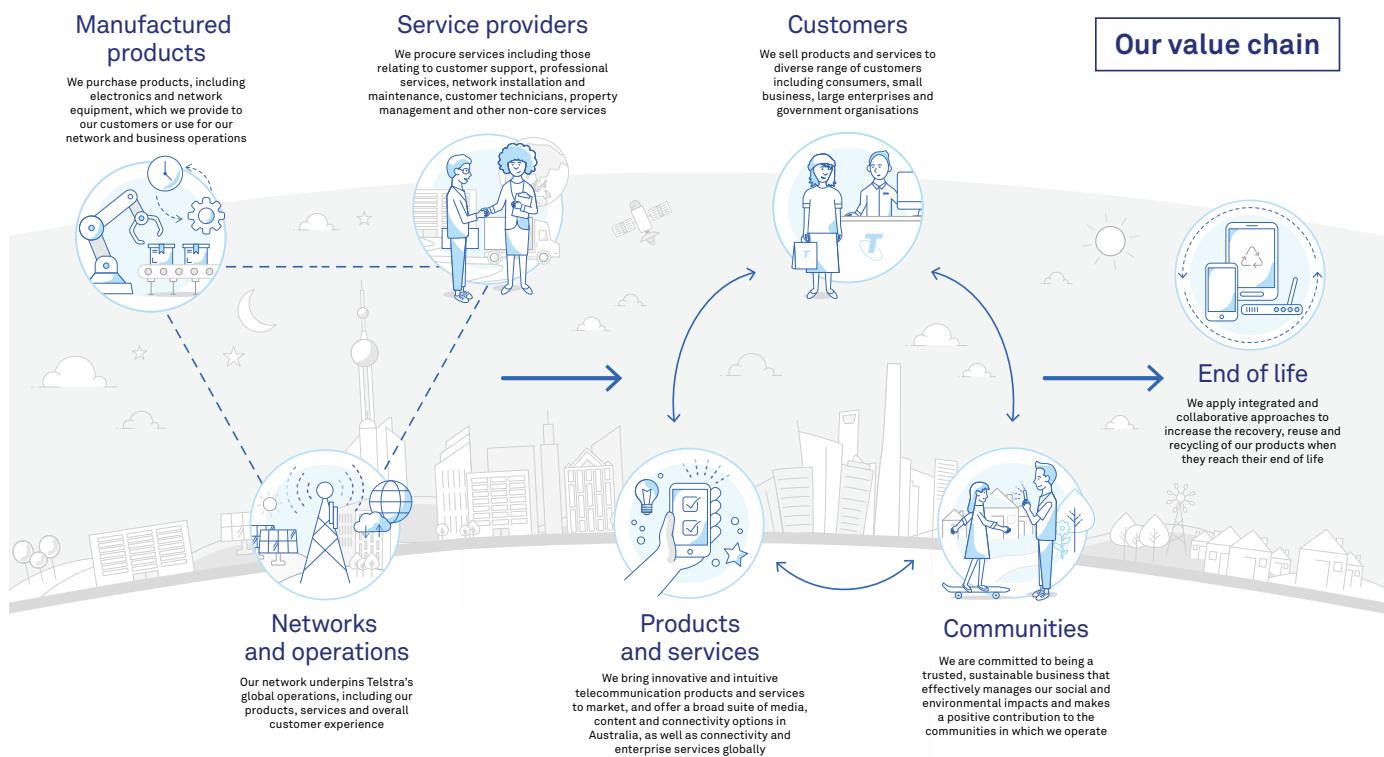
# Managing material impacts across our value chain

Telstra's influence extends beyond our own operations and, as a result, we impact sustainable development inside and outside our organisation.

To better understand and manage risk and create value for our business and stakeholders, we have mapped the key stages of our value chain. This includes our direct operations, our supply chain, our customers and communities and product end of life.

As part of our annual materiality process, we determine where along our value chain each of our material topics are of greatest impact. An overview of our impacts across our value chain can be found in the Content Index of this report, available at our [report website](#).

For an interactive view of the key stages and structure of our value chain, including our key stakeholders, SDG priority targets and material topics, please refer to the Value Chain page of our [report website](#).



# Stakeholder engagement

Telstra's Responsible Business Strategy is highly dependent on the strength of our relationships with our broad range of stakeholders. Our stakeholders are any group or individual who influences or is impacted by our business and our constructive and transparent engagement with them is the foundation of our approach to sustainability.

This year we developed a Stakeholder Engagement and Advocacy Plan (the Plan) to formalise our engagement approach. Stakeholder engagement and advocacy are critical to the delivery of our Responsible Business Strategy and our ability to collect insights, create value and mitigate risk for Telstra from a financial and a reputational perspective.

We are committed to engaging with our stakeholders and deeply value the meaningful relationships we have created. Guided by the principles and priorities in the Plan, we regularly engage with key stakeholder groups to ensure we understand their expectations of us and are responsive to their varied interests and concerns. This helps us to keep abreast of evolving social and environmental issues, focus our advocacy on the issues we have the most capability to influence and to use stakeholder insights to develop targeted products, services and programs to improve the experience of our customers and communities.

Our approach to stakeholder engagement is led by our purpose. Our engagement takes many forms, including listening through regular face-to-face interactions and gathering insights and data through surveys and market research. We are active in industry groups, participate in and convene industry networks and forums and have teams across the company that manage relationships with specific stakeholder groups. We facilitate stakeholder forums to ensure we build strong and authentic relationships with our stakeholders and proactively seek their views. We also seek the views of our stakeholders as a key input into our annual materiality assessment that guides the content of this report.

We aim to build stakeholder trust by being transparent, responsive and accountable. Our approach to stakeholder engagement is depicted below. For a detailed list of our stakeholders, information on how we engage with them and their key areas of interest, please see Content Index to this report, available at our [report website](#).

Stakeholder forums convened by Telstra	Participants	Timing
<b>CEO Consumer Roundtable</b>	CEOs of peak consumer advocacy organisations	Twice per year
<b>Disability Stakeholder Forum</b>	Key disability advocates and consumer groups	One-to-two times per year
<b>Consultation and Assistance Panel (FY22 only)</b>	Financial Counsellors serving First Nations Communities	Four times in FY22
<b>Low Income Measures Assessment Committee (LIMAC)</b>	Social welfare organisations providing emergency relief and policy advocacy	Up to four times per year
<b>First Nations Advisory Committee</b>	First Nations community representatives	Up to three times per year
<b>Financial Assistance Forum</b>	Financial Counsellors from all over the country	Up to four times per year
<b>Regional Advisory Committees (RAC)</b>	38 external key influential regional stakeholders and 20 internal Telstra team members from across the business contribute to the RAC and resolve community concerns and issues across NSW, VIC, WA and QLD	Virtual RAC meetings occurred for NSW, VIC, WA and QLD four times in FY22

**Telstra is a signatory to, or participant in, the following voluntary sustainability initiatives and membership groups**

- Australian Packaging Covenant
- CDP (formerly Carbon Disclosure Project)
- Climate Active
- Digital with Purpose Movement
- FTSE4Good
- Global e-Sustainability Initiative (GeSI)
- Global Reporting Initiative (GRI)
- Joint Audit Cooperation (JAC)
- MobileMuster
- Science-Based Targets initiative (SBTi)

- Supply Nation
- Task Force on Climate-related Financial Disclosures (TCFD)
- Telco Together Foundation
- Thriving Communities Partnership
- Transparency International Australia
- United Nations Global Compact (UNGCG)
- United Nations Business Ambition for 1.5 degrees
- United Nations Sustainable Development Goals (SDGs)
- We Mean Business Coalition
- Workforce Disclosure Initiative (WDI)
- World Benchmarking Alliance Digital Inclusion Benchmark

## Who and how we engage

Our engagement takes many forms, including listening through:

- face-to-face interactions
- surveys and market research
- industry groups, networks and forums: see above for a list of our affiliations
- stakeholder forums: see previous page for details on FY22 engagements.

## Our stakeholders are any group or individual who influences or is impacted by our business, including:



Suppliers



Unions



Customers

Employees/  
potential employees

Media



Government



Industry

Shareholders/  
investment community

Regulators



Communities

## Why we engage

Stakeholder feedback helps us stay abreast of evolving social and environmental issues, and to develop targeted products, services and programs to improve the experience of our customers and communities

## We engage to understand stakeholders...



Interests



Expectations



Concerns

## Results of engagement

We continuously engage with stakeholders to understand their interests. This informs our material topics, strategic direction, business practices, governance approaches, programs, products and services

## To inform...



Material topics



Strategy and governance



Products and services

# Contributing to the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) comprise of 17 goals and 169 targets aimed at addressing the world's most significant development challenges. Working with government and civil society, businesses have an important role to play in achieving these goals.

At Telstra we see technology as an enabler of action on the SDGs. This is reflected in our purpose, our T25 strategy and the focus of our Responsible Business Strategy. We periodically undertake an assessment to determine which SDGs best reflect our business context and strategy, our ICT capabilities, as well as our key risks and impacts across our value chain. In FY21 we refreshed our assessment and have identified five SDG priorities as outlined below.

These reflect the areas we believe Telstra is best placed to contribute to, given our role as a major Australian employer and a leading telecommunications and technology company.

Our SDG priorities are reflected in our Responsible Business Strategy which includes initiatives and targets to address our impacts and opportunities in relation to sustainable development.

For more information on how our SDG priorities are reflected in our Responsible Business Strategy, our FY22 performance highlights, and the stages across our value chain where we can make the greatest impact, please see the Responding to the SDGs page available at our [report website](#).

## Delivering against the SDGs in FY22

5 GENDER EQUALITY	Achieving gender equality and empowering all women and girls	8 DECENT WORK AND ECONOMIC GROWTH	Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Building resilient infrastructure, promote inclusive and sustainable industrialisation and fostering innovation	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure responsible consumption and production patterns	13 CLIMATE ACTION	Taking urgent action to combat climate change and its impacts
	Achieving gender equality and empowering all women and girls		Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		Building resilient infrastructure, promote inclusive and sustainable industrialisation and fostering innovation		Ensure responsible consumption and production patterns		Taking urgent action to combat climate change and its impacts
<b>33.5%</b>  female representation for Telstra Total and 39% for Executive Management	<b>SDG target 5.5</b>	Achieved a sustainable engagement score of <b>82%</b>  SDG target 8.5	Invested over <b>\$21.6 million</b> in employee learning and development the 'per head' equivalent of \$3,100 per employee	Our world-leading network covers <b>99.5%</b> of the Australian population	Reused or recycled <b>554,240</b> devices, including 221,608 customer devices and 332,632 devices through the Telstra eCycle program	Transitions <b>77%</b> of Telstra branded products to new sustainable packaging that is made of recyclable materials and is fully recyclable	Reduced our combined scope 1 & 2 emissions by <b>14%</b> and scope 3 emissions by <b>31%</b> from FY19 baseline		SDG target 13.1
 Introduced superannuation contributions after 16 weeks paid parental leave during any periods of unpaid parental leave	<b>SDG target 5.c</b> <b>SDG target 8.5</b>	 In FY22 our gender pay differential was <b>0.023</b>	<b>SDG target 5.2</b>	 Completed <b>38</b> sustainability audits in our supply chain as part of our target to apply a risk-based approach to audits	<b>SDG target 8.7</b>	 Supported over <b>29,000</b> Australians to build digital skills	<b>SDG target 9.c</b>	 Achieved renewable energy generation of <b>31%</b> towards our target of 100% by 2025	<b>SDG target 13.1</b>
 Launched Gender Affirmation Leave Policy which provides eligible employees access to <b>8 weeks</b> paid leave to affirm their gender	<b>SDG target 5.c</b> <b>SDG target 8.5</b>	 Received <b>118</b> whistleblowing reports covering people and workplace culture issues (~40%), ethical behaviour (~24%), fraud and theft (~10%)	<b>SDG target 8.5</b>	 <b>#1 ranked</b> company in the Asia-Pacific region and 3rd globally for digital inclusion	<b>SDG target 9.b</b>	 Recycled <b>87,620 kg</b> of metals and e-waste through network equipment recycling trials at four network facility sites	<b>SDG target 12.2 &amp; 12.5</b>	 Invested <b>\$13.7 million</b> in energy reduction projects, saving <b>13,494 t CO2e</b>	<b>SDG target 13.1</b>

<sup>1</sup> World Benchmarking Alliance Digital Inclusion Benchmark, December 2021

# Priority Sustainable Development Goals

## Goal 5: Gender equality

We are committed to achieving gender equality at Telstra and have implemented a range of policies, programs and engagement initiatives to help us achieve this goal. Telstra is also a signatory to the UN Women's Empowerment Principles.

See the 2022 Corporate Governance Statement for information on our approach to gender equality and our 2022 Data Pack for detail on the gender breakdown of our workforce available at our [report website](#).

## Goal 8: Decent work and economic growth

We are committed to creating opportunities for meaningful and productive work. This commitment extends across our value chain and into developing the skills we will require in the future. Our approach is values-led and focused on building a diverse and inclusive workforce that reflects our customers and the countries in which we operate. It is underpinned by our commitment to work to eradicate modern slavery and protect labour rights. It also includes supporting future generations of digital innovators and problem solvers to build STEAM (Science, Technology, Engineering, the Arts and Mathematics) capability.

For more information on our workforce see the [Our people](#) section of this report.

## Goal 9: Industry, innovation and infrastructure

We believe that the more connected people are, the more opportunities open up to them. We are making significant investments in our network infrastructure to provide additional regional coverage, improve network resilience and ensure we are able to meet the rising demand for data and content, including through the rollout of commercial 5G services. We are focused on minimising our environmental impacts. We also help vulnerable customers to stay connected and our communities to build digital skills and capabilities through our Everyone Connected programs.

For information on our network investment, resilience, and our response to major outages and natural disasters see the [Our communities](#) section of this report.

## Goal 12: Responsible consumption and production

As a leading provider and user of telecommunications hardware, we are committed to maximising the value of the resources we use, reducing consumption and waste across our business, and investing in 'circular solutions' that are designed to be sustainable across their lifecycle. Our resource efficiency targets commit us to promoting responsible consumption and production across our value chain. We are well on track to achieve our target that 100 per cent of Telstra branded packaging would be made of renewable or recycled material and will be fully recyclable by the end of 2022, having achieved a rate of 77 per cent half-way through the year. We have reused or recycled 554,240 modems and other devices this year, against our target of 500,000. In FY22 we also increased our network waste recycling rate to 75 per cent, including recycling 4,517 tonnes of waste, against our target of 85 per cent by 2025.

For more information on these targets and our performance in FY22, see the [Resource efficiency](#) section of this report and for detail on our waste production and disposal see the 2022 Data Pack available at our [report website](#).

## Goal 13: Climate action

We believe businesses, and technology companies in particular, have a critical role to play in addressing climate change. As one of the largest consumers of power in Australia, we are committed to mitigating our impact and meeting our three climate change targets:

- maintaining our carbon neutral status, which we first achieved in July 2020
- enabling renewable energy generation equivalent to 100 per cent of our consumption by 2025
- reducing our absolute emissions by at least 50 per cent by 2030

We are also committed to helping our customers to manage their own environmental impacts using technology.

For more information on these targets and our emissions performance in FY22, see the [Climate change and energy](#) section of this report, as well as the 2022 Data Pack available at our [report website](#).

# About this report

## Our reporting

Our 2022 Annual Reporting Suite for 1 July 2021 to 30 June 2022 (FY22) comprises this Bigger Picture Sustainability Report, the Climate Change Report (including TCFD), the Human Rights and Modern Slavery Act Statement, the Telstra Annual Report and the Corporate Governance Statement. All of these documents are available to download via our [report website](#). Our reporting website also contains more information regarding our impacts across our value chain, infographics and tables that detail our FY22 performance, and a number of documents to download – such as detailed data tables, our FY22 Assurance Statement, Glossary and Content Index.

The Bigger Picture Sustainability Report is included in our Annual Reporting Suite to provide a detailed overview of our approach and performance in relation to the non-financial issues most important to our [stakeholders](#), as determined through our annual [materiality assessment](#).

All Sustainability Report content is subject to a detailed internal review and approval process involving subject matter experts and relevant accountable executives. The Board reviews selected disclosures to satisfy itself that the Sustainability Report provides a balanced and accurate view of our ESG performance and approves its publication.

The structure of our 2022 Bigger Picture Sustainability Report is aligned to the three pillars and corresponding focus areas of our Responsible Business Strategy. Material topics identified through our materiality assessment have been aligned to these areas as relevant. Some topics represent global challenges, such as responding to the threat of climate change and respecting human rights. Others are key challenges for most large businesses, such as protecting our customers' privacy and data security, and ensuring vulnerable customers can access the benefits enabled by modern communications technologies.

For each issue we have provided an overview of our approach and progress across the reporting period, including our performance against set targets, with the aim of providing readers with a clear view of how we are addressing our most material impacts.

## Reporting standards

Our sustainability reporting is prepared in accordance with the GRI Reporting Initiative (GRI) Standards: Core Option; the UNGC Communication on Progress, the Sustainability Accounting Standards Board (SASB) Standards and the Task Force on Climate-related Financial Disclosures (TCFD).

Our alignment with these international Standards and Frameworks is provided in our Content Index.

The GRI topics and disclosures we have reported on throughout this report and on our website have been determined through our materiality process. The Content Index accompanying this report contains a full list of disclosures, including their internal and external boundaries and scope, and discloses alignment with these international Standards and Frameworks.

## Reporting scope

This report covers the activities of the Telstra Corporation Limited and its controlled entities (together referred to as we, us, our, Telstra, the Telstra Group or the Group) for the financial year 1 July 2021 to 30 June 2022 (FY22), unless otherwise stated. Information regarding the controlled entities in the Telstra Group can be found on our website.

In instances where GRI aspect boundaries extend beyond the scope of our reporting, we are working to increase our disclosures.

We are working to extend our data collection to more comprehensively cover our international operations, with a view to broadening the overall scope of our reporting over time. Wherever possible and relevant under the GRI Standards we have extended the scope of this report to include our operations across the Telstra Group, as well as a discussion of any broader impacts across our value chain.

## Assurance

Ernst & Young (EY) provides limited assurance in accordance with ISAE 3000 over a selection of performance disclosures in our Bigger Picture 2022 Sustainability Report.

Additionally, we obtain limited assurance over our application of the principle of materiality, as outlined in the GRI Reporting Standards. This provides readers with comfort that we have adequately identified and reported on our material issues.

We also obtain reasonable assurance in accordance with ASAE 3000 and 3410 assurance standards over greenhouse and energy performance information as disclosed each year over the greenhouse and energy metrics that form part of our regulatory National Greenhouse and Energy Reporting (NGER).

For an overview of the metrics that underwent assurance this year, please see EY's Assurance Statement, available at our [report website](#).



Trusted operations



# Approach

## How we do business responsibly

At Telstra, we are committed to acting responsibly and being transparent and accountable, wherever we operate. We recognise that the long-term success of our company depends on maintaining the trust of our customers, people and partners, not just within our own operations but also across our broader supply chains.

The Trusted operations pillar of our Responsible Business Strategy demonstrates our commitment to engage responsibly with our customers, suppliers and people.

We work to build trust by:

- improving how we design products and services and supply them to customers, so they understand what we are supplying and choose to deal with Telstra
- ensuring we are ethical, responsible and transparent in how we do business, including with our suppliers and customers
- investing in our people to ensure we treat them fairly and prioritise their wellbeing and health.

Our goal to grow trust and operate responsibly is one of the foundations of our reputation build. We use the reputation measurement platform RepTrak to understand how customers and the broader community think and feel about us. The model tracks a range of drivers including innovation, conduct, products and services, and citizenship and provides data and insights that help us make decisions to better serve our customers and stakeholders. This year we increased our RepTrak reputation score by 0.9 points from 61.3 to 62.2.



## Leadership, ethics and governance

Across our operations, we promote a fair and responsible culture through our [Code of Conduct](#), governance policies, mandatory compliance training and by recognising employees who demonstrate our values. Our purpose and values, Code of Conduct and supporting policies guide our people and partners to uphold our expectation to act fairly, ethically and in accordance with the law.

Telstra's values and Code of Conduct define how we do business and inform the behaviours we need to deliver our strategy and meet our customer expectations. All our people and partners in all areas of Telstra and our broader entities are responsible for understanding and complying with our governing principles and policy requirements, along with reporting any concerns or incidents that conflict with our Code of Conduct. Our Group Executives and leaders are accountable for creating and promoting a culture in which acting responsibly is core to all our daily decision-making to deliver compliant and sustainable outcomes. Management reports on serious conduct that is inconsistent with the Code of Conduct or our values to our People and Remuneration Committee and where appropriate, to our Audit and Risk Committee and the Telstra Board.

### Speaking up

Our Code of Conduct further ensures a culture where our people are encouraged to speak up and raise concerns with confidence. We have a dedicated portal on our Intranet which helps guide our people on how to raise a concern. One of these options is our Whistleblowing Policy. The Whistleblowing Policy and the relevant legislation establish protections for a range of people – including current and former employees, their relatives and dependants, and suppliers – to report concerns, illegal, unethical or improper conduct, including misconduct, or an improper state of affairs or circumstances at Telstra.

Our Whistleblowing Policy is supported by a confidential process that provides appropriate protections for anyone to report their concerns, a whistleblowing service where people can report their concerns anonymously via phone or



webform and professional investigators and case managers who investigate eligible reports. Telstra's Whistleblowing Committee, which is chaired by the Company Secretary, receives eligible whistleblowing disclosures and oversees an investigation of each matter and any follow-up actions required. The Whistleblowing Committee reports on the process and investigations it has overseen to our Audit and Risk Committee.

We received 118 whistleblowing reports in FY22, which was an increase of three per cent compared to FY21. Of these reports 89 were eligible whistleblowing disclosures. We completed 92 investigations in FY22, with the allegations being substantiated in whole or in part for 17 reports, noting that one report might cover multiple matters and the types of issues being reported vary in terms of the seriousness of the allegation.

The nature of matters reported covers people and workplace culture issues (around 40 per cent), ethical behaviour (around 24 per cent), fraud and theft (around 10 per cent), and a small number of reports on other issues such as health and safety and misuse of systems.

## Compliance training

Our group wide compliance training ‘Business Essentials’ and our comprehensive Anti-Bribery and Anti-Corruption (ABAC) training are aligned to our Code of Conduct. The training outlines what we stand for as an organisation and how our people are expected to conduct themselves as we deliver our strategy. We monitor, manage and report compliance training completion rates across the Telstra Group as part of our Group Compliance framework. We consider a range of potential consequences for those who fail to complete our mandatory Business Essentials training by the required date each year, including suspending their access to Telstra systems until they have completed it and applying conduct or performance impacts where appropriate.

This year 100 per cent of employees completed the mandatory refresher training, with 98.4 per cent of our total target audience of employees, contingent workers and partner staff completing it.

## Bribery and corruption

Our reputation is built on our values and how we do business at Telstra is just as important to what we do and why we do it. We are committed to being a responsible business that does the right thing by ensuring we always conduct ourselves with integrity, accountability and transparency.

We take a zero-tolerance approach to bribery and corruption as outlined in our [Anti Bribery & Corruption \(ABAC\) Policy](#).

We prohibit corruption, bribes, kickbacks or facilitation payments of any kind. Our ABAC mandatory compliance training is designed to educate targeted employees and contractors on recognising the numerous forms bribes can take and how to avoid them, even at the risk of losing business opportunities. Additional education is provided to those in high risk roles to ensure our people understand the increased risk of corruption that may be relevant to their operations.

We also expect that our suppliers and business partners acting on our behalf comply with our minimum standards in relation to ethical dealings, which are described in our [Supplier Code of Conduct](#).

We exercise caution when offering or accepting gifts or hospitality to ensure these do not and are perceived to not improperly influence a business outcome as outlined in our Gifts and Hospitality Policy.

As part of our broader commitment to the communities in which we operate, we make donations and partner with many community and non-profit organisations. We do not make cash donations to political parties as outlined in our Government Relations Policy. We do however, in line with other major publicly listed companies, pay fees to attend or facilitate events that allow for discussion of major policy issues with policy makers and opinion leaders, which are sometimes organised by political parties or related entities. These payments are therefore declared to the relevant electoral commission or government agency as appropriate.

Any identified instances of potential non-compliance with these policies are reported to our Board, People and Remuneration Committee or our Audit and Risk Committee depending on the nature of any confirmed breach. In addition, each quarter we review the controls and monitoring processes in place to ensure compliance with the ABAC Policy and Gifts and Hospitality Policy.

## Competition

It is critical for our success to be able to compete fairly and deliver the best value to customers. Our Competition and Consumer Protection Policy sets out our obligations to prevent practices that limit or prevent competition in Australia. The policy also stipulates the responsibility of users to understand and comply with obligations of overseas jurisdictions in which we operate, as they may differ to Australian rules. We monitor performance against our Competition and Consumer Protection Policy through our Competition Law and Compliance Program, which forms part of our Group Compliance framework.

In Australia we provide other telecommunications operators access to certain Telstra facilities as required by law and as negotiated commercially. This year we announced a novel new network sharing deal with TPG Telecom which is currently being reviewed by the Australian Competition and Consumer Commission.



## Corporate governance

We are committed to excellence in corporate governance, transparency and accountability. This is essential for the long-term performance and sustainability of our company and to protect and enhance the interests of our shareholders and other stakeholders.

Our governance arrangements and practices play an integral role in supporting our business and helping us deliver on our strategy. They provide the structure through which our strategy and business objectives are set, our performance is monitored and the risks we face are managed. They include a clear framework for decision making and accountability across our business and provide guidance on the standards of behaviour we expect of each other.

We review our governance practices in light of current and emerging corporate governance developments of relevance to our company, and to reflect market practice, expectations and regulatory changes as appropriate. For more information about governance at Telstra, please refer to our 2022 Corporate Governance Statement available at our [report website](#).

## Human rights

Respecting human rights is a key part of how Telstra does business fairly and responsibly. Across our value chain we aim to ensure that we and our business partners operate with respect for human rights. Since 2011 we have been a signatory to the United Nations Global Compact, which commits companies to 10 guiding principles on human rights, labour rights, environmental protection, and measures to fight corruption. Our commitment to respect and support human rights is aligned to the UN Guiding Principles on Business and Human Rights and is outlined in our [Human Rights Policy](#). Detailed information regarding how we manage human rights risk is contained in our 2022 Human Rights and Modern Slavery Act Statement available at our [report website](#).

## Managing our tax affairs

We are committed to the highest standards of tax governance and compliance with the tax laws and obligations in the jurisdictions in which we operate. We pay tax consistent with our business presence and operations. We apply the Australian Board of Taxation's Voluntary Tax Transparency Code and provide the recommended disclosures. Refer to Managing our tax affairs as well as Note 2.4 of the Financial Statements in our 2022 Annual Report available at our [report website](#).

# Progress



## FY22 progress against targets

● Achieved ● In progress ○ Not achieved

Strategic focus area	Headline target	SDG	Progress	More info
Product and service responsibility	Reduce our Telecommunications Industry Ombudsman (TIO) referral complaints by one-third in FY23 and 50% by FY25	n/a	● Reduced our TIO referral complaints by more than 40% in FY22	<a href="#">page 32</a>
	4-7 point uplift in RepTrak reputation score by FY25		● Increased our RepTrak reputation score by 0.9 points	<a href="#">page 21</a>
Our suppliers	Apply a risk-based approach to identify suppliers and undertake site sustainability audits in our supply chain	Goal 8	● Completed 38 sustainability audits in our supply chain	<a href="#">page 35</a>
	Onboard suppliers to Telstra's new Know Your Supplier (KYS) platform		● Onboarding and questions were completed on the KYS platform for 417 suppliers	<a href="#">page 34</a>
Our people	Achieve an engagement score that is in line with the global high performing norm by 2022 (84%)	Goal 8	○ Achieved an engagement score of 82%, which didn't meet our target, but puts us in the high performing range (between 75th and 90th percentiles) of employee engagement against global benchmarks	<a href="#">page 37</a>
	Achieve at least 98% annual completion of Business Essentials refresher conduct training course		● 100% of Telstra Group employees completed the mandatory refresher training, with 98.4% of our total target audience of employees, contingent workers and partner staff completing it	<a href="#">page 23</a>
	Achieve female representation of 34% for Telstra Total, 36% for Executive Management and 33% for all people management roles (excluding Executive Management)	Goal 5	○ Achieved female representation of 33.5% for Telstra Total, 39% for Executive Management and 32.6% for all people management roles (excluding Executive Management). This exceeded our target for Executive Management, but we did not meet targets for Telstra Total or all people management roles	<a href="#">page 40</a>

# Product and service responsibility

## Demonstrating responsible digital citizenship

### Protecting our customers' privacy

We are committed to being transparent with our customers about how we collect, use and manage their personal information. We take a global approach to privacy management and apply the Australian Privacy Act, the European Union General Data Protection Regulation and local legislation where applicable.

We manage privacy and data access through our [Code of Conduct](#), [Privacy Statements](#) and other relevant policies and security controls. These set strict standards relating to privacy and confidentiality, and protect customer data from interference, misuse and unauthorised access.

We are committed to protecting and securing our customers' personal information and complying with all relevant privacy legislation. We do not share with third parties any information that identifies or could reasonably identify a customer, except in line with our Privacy Statements, or if we are required or permitted by law to do so.

We are regularly responding to changing regulation, customer expectations and the increasing sophistication of fraudsters and cyber threats. To protect our customer data we regularly improve our framework and data protection processes and are focused on implementing 'Privacy by Design' into our product development processes. Our Privacy Statements explain to our customers how we manage the personal information entrusted to us. We undertake regular reviews of the Privacy Statements to ensure they remain fit for purpose.

In FY22 we had 10 privacy incidents requiring notification to the Office of the Australian Information Commissioner and one incident relating to incorrect Integrated Public Number Database (IPND) listing updates, which we also self-reported to the Australian Communications and Media Authority. For more information see the [Delivering the right customer experience](#) section of this report.

In all cases, we directly contacted the impacted customers to discuss concerns they may have and offered solutions appropriate to their situation, such as updating customer accounts, covering costs of credit check subscriptions (for customers whose credit history may be at risk) or referral to third party identity and cyber support services.



We also took action to manage or remediate the breaches, which included reviewing policies and procedures, implementing additional controls, and providing additional training and guidance to staff members to ensure processes are correctly followed.

In FY22 we also responded to the Australian Government's review of the Privacy Act and Consumer Data Review which both seek to enhance consumer protections, increase competition and drive innovation.

### Technology and ethics

At Telstra, we purchase, develop, use and sell products that use Artificial Intelligence (AI) and Machine Learning (ML). We also analyse our data to gain insights into our network performance and how our customers use our products and services. As a responsible business, we are conscious of the potential impacts of AI and ML on our community and particularly those who are most vulnerable. At the same time, we are aware of the exciting opportunities they represent to deliver enhanced network performance and a personalised customer experience. We take our responsibility to develop, deploy and monitor these products seriously. We strive to do this in ways that not only respect the privacy of our customers and the wider community, but also take into account broader ethical considerations.

Our approach is informed by our Responsible AI Policy which is closely aligned to the [Australian Framework for Ethical AI](#). This provides guidance to everyone in the Telstra Group for the responsibility and care they are expected to take regarding these technologies. The Policy is governed by Telstra's Risk Council on AI and Data (RCAID).

In FY22 we introduced new operational procedures to embed the implementation of our Responsible AI Policy. This included:

- creation of an AI Model Register of all AI use cases in Telstra
- review of all in-production AI use cases with significant stakeholder impact by the RCAID
- update of processes for new projects to ensure that those with significant impact are properly assessed.

In FY22 we also completed the initial rollout of our Data Governance program, which has identified all Telstra's critical data and has assigned a business owner for each critical data asset. These data owners have accountability for improving the health of our critical data to ensure that this data meets our business and compliance objectives. A baseline health assessment has been done for each critical data asset and health targets set for each of them.

## Managing cyber security

The past 12 months have seen our cyber security capability further grow in strength and demonstrate its resilience in the face of a more dynamic threat landscape than we've ever seen. This is reflected in the findings of our materiality assessment that ranked cyber security as one of the most material risks to our organisation and our stakeholders. In FY22 we launched our cyber security strategy up until 2025 and protecting our customers and network remains at the heart of what we do to enable a safer connected future for everyone.

We design, build and manage the security for our global network in three main ways:

### Technology

We use a range of technologies and security controls to minimise the likelihood and impact of unauthorised access to our networks and systems. Such technologies and controls include logging and monitoring capabilities to pre-empt and proactively prepare for internal and external threats and industry standard infrastructure configuration.

We continuously invest in our security capabilities, including maintaining and enhancing our existing technologies to continue to stay ahead of new security threats. We also deploy new technologies to ensure we can adapt to the range of changing security threats.

### Process

Our approach to cyber security risk management ensures appropriate ownership, oversight and ongoing risk management. Cyber security subject matter experts provide oversight and our risk and internal audit functions independently assure the process.

We also have security processes that include technical reviews of projects and solutions and due diligence of third parties to ensure the presence and assess the effectiveness of security controls at critical points.

### People

Cyber security is as much about people as it is about technology. We deliver programs designed to foster a strong cyber security culture including our industry leading Cyber Security Evangelist program which equips our people with the knowledge and skills to help keep themselves safe online.

We invest in our people to prepare them against a range of different cyber threats. We have mandatory annual training for all employees and contractors and run regular drills on our employees to test its effectiveness.

In FY22 we doubled down on efforts to address scam calls. Since introducing [our scam call blocking feature](#) in mid-2021 we've blocked over 200 million scam calls from reaching our customers.

We also turned on a brand new [SMS scam filter feature](#) to better protect those using our network from scam text messages. This feature blocks scam SMS messages at the network level so they don't even reach the mobile device. Since turning this feature on in April 2022 we have blocked over 185 million scam SMS messages.

We are also currently blocking around 30,000 malicious domains a month protecting approximately 5,000 unique users a week.

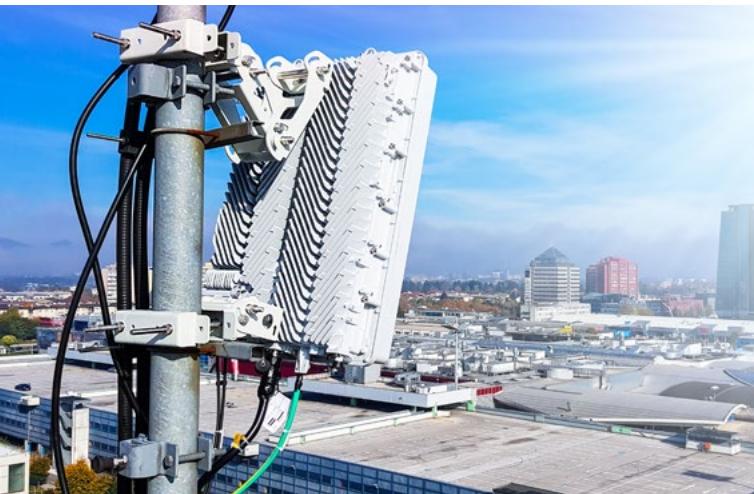
For more information on our commitment to cyber security and how to stay safe online visit <telstra.com/cyber-security>.

## Cyber safety in our communities

As an organisation responsible for enabling so much of today's connectivity, we also have a responsibility to support communities to be smart, safe and responsible when it comes to technology use. We provide our customers with products, including the recently launched [Telstra Device Security](#) and [Practical tips to build confidence online](#).

## Mobile communications and health

As we continue our rollout of 5G technology around Australia, we're committed to sharing information on our real-world tests of 5G Electromagnetic Energy (EME) levels and demonstrating compliance with the EME safety standards.



In FY22 we added 381 5G macro sites for a total of 4,210 5G macro sites in the network. In addition to the macro sites, we also densified the network by deploying 115 5G small cell sites to boost speed and capacity. In FY22 the Australian Communications and Media Authority (ACMA) confirmed it received five enquiries, 21 complaints and conducted 14 compliance assessments about Telstra's mobile phone base station deployments. None of these assessments resulted in investigations. This is in comparison to 12 complaints in FY21 and 83 in FY20. These numbers have remained consistently low over the past two years and continue to reflect Telstra's significant stakeholder engagement and 5G safety educational initiatives.

We are increasing the deployment of 5G small cells including 5G mmWave and we have conducted extensive testing at more than 50 locations in both real-world settings and our own laboratory and demonstration centres. Testing undertaken in early 2022 in a residential apartment at Melbourne with over 100 devices connected found the 5G mmWave EME levels were over 10,000 times below the [public safety limits](#).

We use the [Radio Frequency National Site Archive](#) (RFNSA) to provide the community with access to up-to-date information about new and existing base station proposals. The RFNSA received more than 500,000 visits in FY22 to access information about network deployment activities, and information on EME and site safety. In addition, every mobile handset we sold in FY22 was certified by the manufacturer as compliant with the mandatory ACMA Radiocommunications (Electromagnetic Radiation – Human Exposure) Standard 2014 (Cth).

This year we also continued our [mobile safety information campaign](#) updating our web site, fact sheets and consumer information on [EME](#), [Small Cells](#) and using dedicated QR codes for easy access on community notification letters and fact sheets. We continue to offer an EME help desk for anyone seeking further information at [eme.enquiries@team.telstra.com](mailto:eme.enquiries@team.telstra.com)

The ACMA has continued their audit on Carrier Deployment Code activities and EME measurement. Findings released this year from the latest audits in FY21 found Telstra compliant and that the measured EME levels for all mobile technologies (including 5G) were well below the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) limits for public exposure. The ACMA has also recently incorporated [ARPANSA's new safety standard RPS-S1](#) into regulatory arrangements to ensure that the latest [EME safety standards](#) apply to mobile networks, broadcast and radio communications systems and devices in Australia aligning with the International EME safety limits.

We continue to contribute to the ongoing development of international EME standards through chairing the International Electrotechnical Commission TC106 committee, which is charged with developing standards for the assessment of EME compliance of mobile devices, base stations and wireless communications systems.

# Delivering the right customer experience

## Products and plans

We're committed to helping Australians get the most out of their connectivity, whether at home, at work or on the go. Central to that is delivery of products and plans which are customer focused to deliver on this commitment.

This year we continued to migrate our customers onto new, simpler mobile plans. Our new mobile plans have no excess data charges, no late payment fees and no lock-in contracts, just a simple upfront subscription payment like a video or music streaming service. We now have more than 10.2 million services on 20 simplified Consumer and Small Business plans. Throughout the year we also moved 2.8 million pre-paid services from 54 plans to four new simplified plans.

This year we also scaled our new technology stack with over 77 per cent of sales and 100 per cent of our frontline teams active on the new platform. In addition, 48.1 per cent of sales transactions and 76.4 per cent of service interactions are now delivered digitally and all consumer and small business voice calls are now answered in Australia.

We are also well progressed with plans to transition to full ownership and operation of branded retail stores across Australia by July 2022. Once complete this will enable us to deliver a consistent experience across all of our branded stores network and launch new retailing capabilities in FY23.

## Customer experience

We design and measure customer experience to ensure our customers can access the best products and services when and where they need them.

### Customer experience built into design

Our Customer Experience Design Framework is a set of 16 principles that define what good, better and brilliant experiences look like for Telstra customers. The Framework outlines acceptable standards and design considerations around the environment, affordability, inclusivity and accessibility. The Framework helps our teams design customer centric and responsible offers, products and services and is supported by a governance process and new online training module to improve its use.



### Connecting Telstra leaders to customers and frontline teams

In March 2022 we launched the Experience Connect portal to connect Telstra's leaders with our customers and frontline teams. The portal is a one-stop-shop for leaders to easily access synthesised customer data and research, curated with relevant insights, engagement opportunities and actionable pathways.

### Measuring customer experience

We measure customer experience using the Net Promoter Score (NPS) system. NPS enables us to measure our customers' experiences and respond to their feedback. We measure NPS in two ways: Strategic NPS and Episode NPS. Strategic NPS is a measure that obtains customers' feedback on their overall perceptions of and experiences with Telstra and is relative to experiences they have with other organisations, including competitors. Episode NPS directly measures feedback from customers in relation to a specific service experience our customers have with Telstra, such as moving home or connecting a service.

This year we over-achieved our Group Episode NPS target and finished the year at +37, with a target of +36. Positive movements were observed across all episodes across FY22, but especially across our Assurance episode. Our Strategic NPS for FY22 was +4, which is eight points under the FY22 target of +12. Our small business segment overachieved this year, our consumer segment has stayed flat, but our enterprise segment was significantly challenged by business changes to how we group and service customers.

## Responsible selling

Maintaining fair sales practices and ensuring we provide products and information to customers responsibly is very important to us. In the vast majority of cases our sales ecosystem works well. However, when we become aware of material issues that impact our customers, we are determined to ensure our processes and policies, as well as the actions of our people reflect our commitment to learn from our mistakes, listen to feedback and continually improve.

## Improving our approach to responsible selling

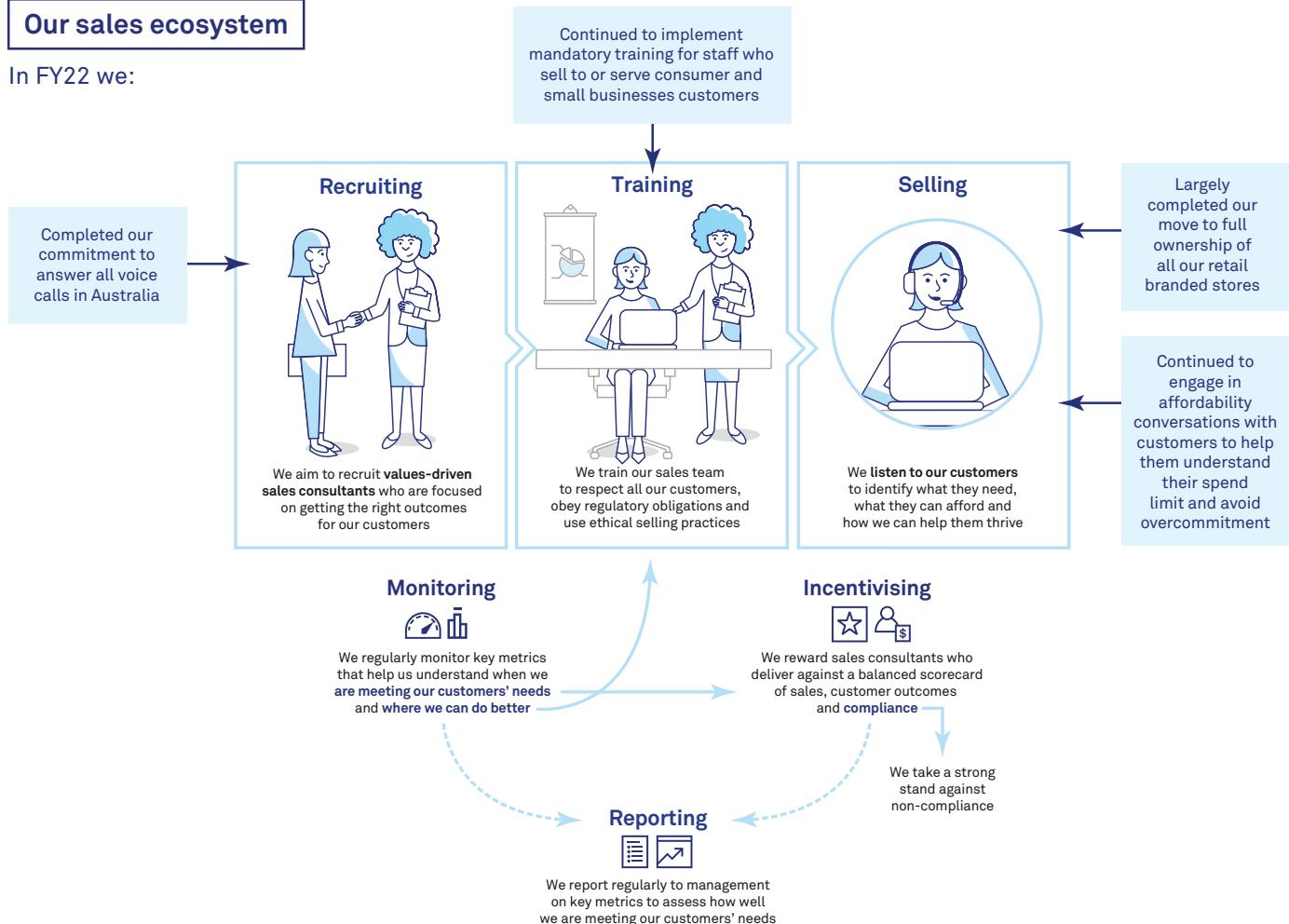
We seek to find a balance between what customers want, need and can comfortably commit. In FY22 we continued to engage in responsible sales and affordability conversations

with customers and took steps to embed this approach through ongoing training for our frontline employees. Our approach is supported by tools, processes, and systems so that customers can understand their spend limit with us before purchasing. For more information on affordability and how we support customers in vulnerable circumstances see the [Our customers](#) section of this report.

We also continue to implement mandatory training courses including 'Customers in Vulnerable Circumstances', 'Responsible Business' and 'Priority Assist' for staff who serve or sell to consumer or small business customers. In FY22 we also updated our new mandatory training course called 'Our Mob' to improve the First Nations cultural capability of our employees. This year more than 90 per cent of staff completed this training. Frontline employees who failed to complete the training within the required timeframe were suspended from accessing our core systems. This ensures that only trained staff sell to and serve customers.

### Our sales ecosystem

In FY22 we:



## When we don't get it right

It is important that we provide our customers with products and services that are safe and easy to understand and that meet their underlying needs. However, we acknowledge that sometimes we don't deliver the experience our customers deserve. We're continuously working to improve our performance and engage openly in industry wide audits and investigations and proactively report when we've fallen short of our high standards and customer expectation.



### Responding to industry wide audits

In January 2022 ACMA released their report into telco contactability, which was an audit of telco compliance with customer contact and related complaints handling rules. Both Telstra and Belong participated in the audit. Overall, the audit results were positive, indicating the telco industry had recovered strongly from the disruption caused by the COVID-19 pandemic.

In December 2021 we were asked to provide information and documents relating to the handling of complaints for small business. Issues raised under the Complaints Handling Standard provisions included the time taken to resolve complaints. The ACMA published their report in June 2022, which highlighted the telco industry performed well overall with no underlying systemic issues. However, we know further work is required to improve our handling of complaints for small business and we are committed to continuously improving this experience. We also acknowledge that our partners can and have adversely impacted the expeditious and successful resolution of complaints. We are focused on working collaboratively with our partners to ensure impacts to services are minimised when resolving small business complaints.

### Proactive self-reporting

Even when we think our systems and processes are working as we had expected, there is always the chance that in a small percentage of situations things do not work as planned. We recognise that as a large company, even small errors can impact many customers. Where we identify a significant issue, we self-report to the regulators in line with community expectations and our obligations.

In July 2021 the ACMA found that we failed to notify, within applicable timeframes, almost 50,000 customers that the maximum speeds advertised for their internet plan were not attainable with the nbn infrastructure available to them. This finding followed us self-reporting these issues to the ACMA and proactively developing a comprehensive remediation plan offering eligible customers refunds, alternative plans or an opportunity to leave their contract without penalty.

Separately, and in relation to a larger group of customers, the Australian Competition and Consumer Commission instituted proceedings against Telstra in relation to similar conduct. These proceedings, which also follow Telstra proactively self-reporting issues, are due to be heard in September 2022.

In December 2021 the ACMA found that Telstra uploaded around 50,000 numbers to the Integrated Public Number Database (IPND) without noting the customer's preference to have the number unlisted or silent. This resulted in some of the numbers being published against the customer's wishes. Additionally, Telstra failed to pass on updates to customer information to the IPND information for over 65,000 Belong customers. We self-reported this to the ACMA, corrected the information we provided to the IPND and paid a fine of \$2.53 million.

In April 2022 an ACMA investigation found that more than 11,000 customers had been inadvertently overcharged due to the issuing of inaccurate bills from July 2018 to October 2021. The inaccuracy resulted from data transfer errors, manual processing errors and out of date instructions. We self-reported this to the ACMA, proactively refunded customers more than \$1.73 million and paid a fine of \$506,160.

In May 2022 we gave an enforceable undertaking to the ACMA in which we committed to improve our systems for making Customer Service Guarantee (CSG) payments. This followed us self-reporting instances to the ACMA where we had failed to make CSG payments on time. We have now made the CSG payments to customers.

We continue to review all elements of our business, address issues as we find them and strengthen our operations.

## TIO complaints

In an industry as complex as ours, things will sometimes go wrong. When they do, we work with customers to resolve issues as quickly as possible. To help ensure customers are treated fairly, including those in vulnerable circumstances, our Telstra Chief Customer Advocate works across the business to ensure the voice of the customer is considered in the design of products and processes to enhance our customer experience and in complaint resolution. If a customer is not satisfied with the resolution of their complaint, our preference is for the customer to provide us another chance to review the previous correspondence. If the customer remains dissatisfied with the response, external dispute resolution can be accessed through an industry-funded scheme – the Telecommunications Industry Ombudsman (TIO). It is a condition for accessing TIO services that customers have attempted to have their complaint resolved with Telstra in the first instance before involving the TIO.

In addition to COVID-19 operational impacts in FY21 stabilising; throughout FY22 we have seen consistent reductions in complaints being created and escalated to the TIO for assistance. This has been driven by the transition of voice calls being answered on shore, our new simpler plans and price certainty including the removal of excess data charges. We reduced our TIO referral complaints by more than 40 per cent in FY22. We are committed to reducing the drivers of customer dissatisfaction and aim to reduce TIO referral complaint volumes by 50 per cent by 2025.

## Our new Chief Customer Advocate

In FY22 we announced Teresa Corbin as our new Chief Customer Advocate. Prior to joining Telstra, Teresa was CEO of the Australian Communications Consumer Action Network. The role of the Chief Customer Advocate is to ensure fair treatment of customers and explore ways to continue to improve the design of products and processes to enhance our customer experience and deliver our responsible business goals. To ensure independence, the Chief Customer Advocate operates separately from business units and reports regularly to the Board and CEO.

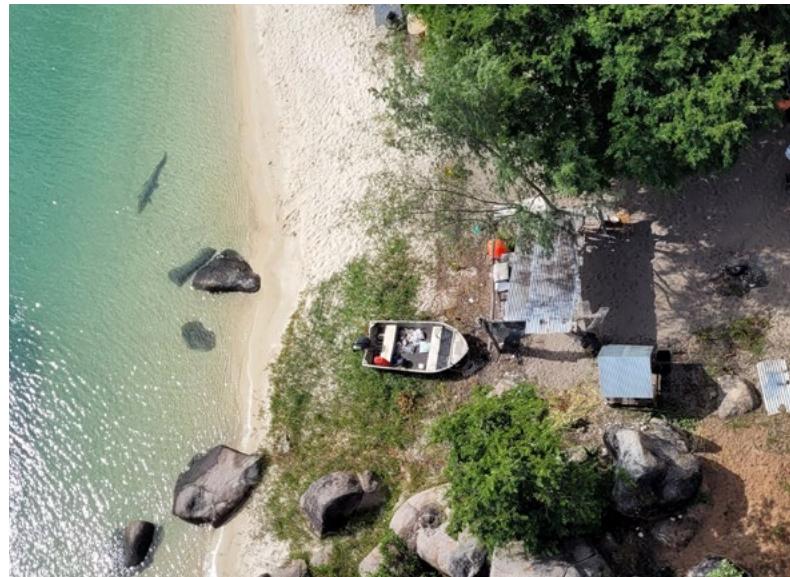


Photo taken by Network Technician Justin Gould of Bawaka Homeland, with Nike the crocodile in the water.

## Reconciliation

In recognising our past successes and acknowledging our past failures with First Nations communities, this year our focus was to embark on a journey of listening, learning and understanding.

In FY22 led by Lauren Ganley, Telstra's first Chief First Nations Advocate, we undertook extensive consultation, both internal and external, and developed our first company-wide First Nations Strategy. Our new [Stretch Reconciliation Action Plan](#) launched in July 2022 and reflects a new starting point for us as we rebuild trust and engagement with First Nations peoples and communities across Australia.

While many of our flagship programs remain in place and are being expanded on, we have also identified five areas of leadership in reconciliation that we have committed to focusing on over the next three years – they are truth telling, social procurement, indirect employment, infrastructure and digital literacy in remote and regional communities and addressing racism. Through these commitments we are purposely dedicated to a better path towards reconciliation.

# Working with our suppliers

## Setting clear expectations of our suppliers

As a major telecommunications and technology company, we rely on a large and complex supply chain. In FY22 we engaged directly with more than 5,800 suppliers from 98 countries<sup>1</sup>. Approximately 77 per cent of our total spend was with our top 100 suppliers. Additionally, these suppliers often have supply chains of their own, meaning our scale gives us the opportunity to work with them in a way that positively influences their environmental, social and ethical performance.

Where we identify concerns about supplier performance, we engage constructively with the supplier, driving improvement to deliver the best outcomes for the workers we are seeking to protect, the community and the environment. In instances where suppliers are not willing to improve their performance, despite our attempts at engagement, we may withdraw from contracts or switch to alternate suppliers.

For more detail on our supplier spend, where we source our products and services, as well as our supply chain risk areas, grievance mechanisms and remediation practices, refer to our 2022 Human Rights and Modern Slavery Act Statement available at our [report website](#).

## Supplier Code of Conduct

Our [Supplier Code of Conduct](#) (SCOC) sets out the minimum standards we expect from our suppliers and forms part of our standard purchasing terms.

Through our policies, Supplier Governance Framework, training and audit program, we work with our suppliers to assess whether they are meeting our standards.

Our SCOC is aligned with 10 universally accepted principles of the UN Global Compact, Responsible Business Alliance (RBA) Code of Conduct and Joint Audit Cooperative (JAC) Supply Chain Sustainability Guidelines, as well as legislative obligations such as the Modern Slavery Act 2015 (UK) and the Modern Slavery Act 2018 (Cth). The SCOC was updated in June 2022 to include enhanced requirements in relation to climate change, energy consumption and resource efficiency. A copy of the updated SCOC was communicated at the end of June 2022 to all suppliers engaged in FY22.



All suppliers engaged subsequently receive the updated SCOC as part of our standard purchasing terms.

This year we hosted our third supplier forum with a number of our top 200 suppliers to reinforce Telstra's commitment to responsible business and support their understanding of our SCOC requirements.

Suppliers' ability to meet or exceed standards detailed in the SCOC is considered by Telstra when making procurement decisions. This happens regardless of whether the SCOC has been formally incorporated into a particular contract with the supplier. In addition to the SCOC, we may also include more specific social, environment, and/or ethical requirements in our contract terms based on the inherent risk of the agreement.

We work with our suppliers to assess whether they are meeting the SCOC in a number of ways. Many of our suppliers also have processes in place for managing their own risks and are open to working with us to meet the SCOC. The approach we take is based on the nature of the risks and the category of the goods or services being provided and is governed by our Supplier Governance Framework.

<sup>1</sup> By supplier, we mean any entity that supplies goods or services to Telstra Corporation Ltd or its related companies anywhere in the world. Where the SCOC refers to workers, this includes employees, contractors, agency, migrant, student and temporary staff of the supplier and of its related entities. For more detail on how we manage the risks associated with our indirect workforce refer to our 2022 Human Rights and Modern Slavery Act Statement available at our [report website](#).

## Supplier Governance Framework

To help our people make more informed purchasing decisions we have a Supplier Governance Framework, which assesses suppliers against 12 categories of risk (see diagram below). This includes labour practices, environmental practices, health and safety, and bribery and corruption risks. We assess these risks as part of our selection and contract renewal process and ongoing monitoring using a combination of due diligence reports, Know Your Supplier (KYS) platform, documentary review and, where warranted, worker voice surveys or site audits.

### Supplier risk categories



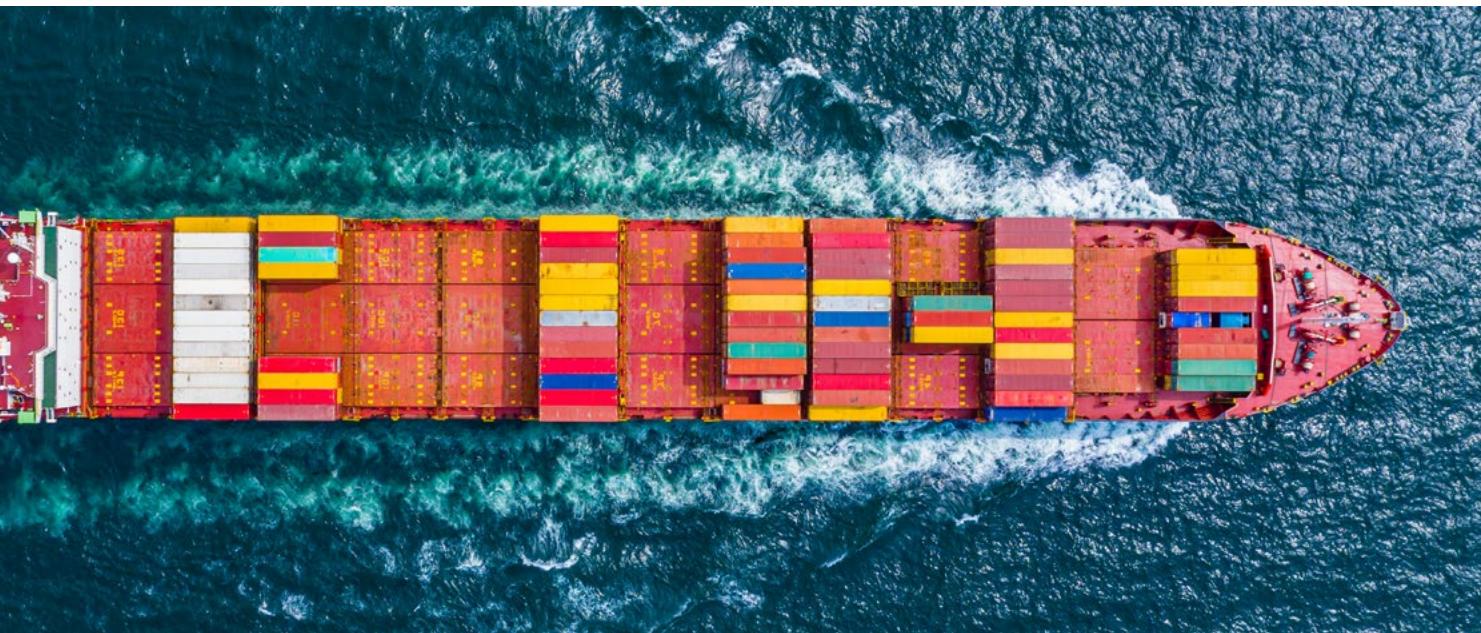
### Supplier onboarding, due diligence, and ongoing monitoring

In FY21 to help us gain a more in-depth understanding of our suppliers, we engaged a third party to complete Enhanced Due Diligence (EDD) screening of those suppliers we engage regularly.

We have to date completed EDD screening of 1,394 suppliers, including 100 per cent of the 1,100 suppliers we committed to screen at the start of the EDD program, as well as a further 294 suppliers as part of the selection and contract renewal process. This includes 77 new suppliers which were engaged in FY22.

This year to help us maintain an understanding of our suppliers, we implemented KYS, a secure web-based platform targeting suppliers which we engage regularly.

The KYS platform provides a central repository for suppliers to respond to Telstra's questions about the 12 supplier risk categories, including labour practices, as well as uploading and maintaining information about their compliance with our SCOC and evidence of their accreditations. The questions asked through the platform have been designed using internal and external supplier sustainability experts and industry standards. The KYS platform also monitors onboarded suppliers against public records, including media reports and civil litigation, regulatory, criminality and bankruptcy checks.



As at 30 June 2022 onboarding has been completed for 740 suppliers on the KYS platform, of these, 417 suppliers have completed the KYS questions<sup>2</sup>. KYS onboarding and questions will continue to be rolled out across Telstra in FY23 and as part of our supplier selection and contract renewal process, targeting approximately 1,100 suppliers which we engage regularly, representing over 95 per cent of our total spend.

For more detail on our supplier governance framework, KYS platform and EDD screening refer to our 2022 Human Rights and Modern Slavery Act Statement available at our [report website](#).

In addition to the KYS platform and EDD monitoring, we monitor sustainability risks through a combination of internal and external questionnaires and site audits. As part of this ongoing monitoring in FY22:

- 106 of our higher risk suppliers completed a detailed questionnaire about their environmental impact. For more information on how we are working with suppliers to help lower the environmental impacts created while providing the products and services we purchase work with supplier audits see the [Decarbonise Telstra](#) section of this report.
- 38 sites across 18 suppliers were selected to complete site audits by independent third-party auditors. These site audits focus on health and safety, environment, human rights including labour rights and modern slavery indicators, business ethics, privacy and export controls. For more detail on supplier audits refer to our 2022 Human Rights and Modern Slavery Act Statement available at our [report website](#).



## Upskilling our people to identify sustainability risks

To assist people making purchasing decisions to understand how to apply our Supplier Governance Framework, we provide mandatory online training. This training provides our people with an overview of their responsibilities and the tools and resources that help manage suppliers across the 12 supplier risk categories including labour practices. In FY22 96.7 per cent of people in roles targeted for this training completed it.

Our approximately 106 procurement specialists, who support us with complex high value purchases, are also required to follow more stringent training requirements. They complete an additional annual online training program explaining their responsibilities and providing information on ensuring compliance with the SCOC. In FY22 97.2 per cent of procurement specialists completed the training.

These training courses are supported by our mandatory Business Essentials training which covers our commitment to acting ethically and responsibly. In FY22 100 per cent of Telstra Group employees completed the mandatory refresher training, with 98.4 per cent of our total target audience of employees, contingent workers and partner staff completing it.

<sup>2</sup> The remaining 323 onboarded (activated) suppliers have completed registration on the KYS platform but have not completed the KYS questions.

# Partnering with suppliers to deliver results

## Social and environmental partnerships

In place for over a decade, Telstra's social and environmental partnerships have delivered critical business objectives, community outcomes and employment opportunities.

We continue to work with supplier enterprises that support people with disability or from disadvantaged backgrounds. This year our Supported Workforce Program created opportunities for 155 people who performed cleaning and grounds maintenance activities at 5,080 sites across the nation. Our Indigenous Workforce Program (IWP) also continues to deliver results with around 40 First Nations enterprises undertaking maintenance at over 1,500 regional and remote sites.

In FY22 we also spent over \$14 million with 45 First Nations businesses, certified or registered by Supply Nation, more than doubling our last year's spend of \$5.4 million. We continue to build our strategy at a category level and actively work with our strategic partners to promote supplier diversity more broadly throughout our supply chain.

We also actively work with our suppliers to gain better insights into our emissions and identify reduction opportunities. We've partnered with CDP through their Supply Chain Program to engage our suppliers to more

effectively account for and address their climate change impacts. This partnership enables us to deliver training, tools and support to our top 113 suppliers (covering over 78 per cent of our spend), to help them disclose their environmental impacts to Telstra via the CDP. See the [Decarbonise Telstra](#) section of this report to learn more.

We also work with various partners to provide waste and resource efficiency programs for our customers, employees and business. See the [Resource efficiency](#) section of this report to learn more.

## Providing our suppliers with support and building capacity

We collaborate with industry bodies and non-profit organisations to support our suppliers to improve their environmental, social and ethical performance. As part of the JAC, we are working with suitable suppliers to build their capability to assess and improve the environmental, social and ethical performance within their own supply chains. Once trained, these suppliers can complete audits of their own supply chain. Due to COVID-19-related travel restrictions the program was postponed in FY20 and FY21. Training of suppliers recommenced in FY22. It is expected trained suppliers will start undertaking their own audits in FY23.

## Industry cooperation on supply chain

Supply chain sustainability, particularly in the ICT sector where there are complex supply chains, is an area that requires cross-sector collaboration. We work with ICT industry bodies such as the Joint Audit Cooperative (JAC), Global e-Sustainability Initiative (GeSI) and Global System for Mobile Communications (GSMA) to drive improvements in sustainability practice throughout the global supply chain.

Our 2022 Human Rights and Modern Slavery Act Statement available at our [report website](#) provides details of how we are working with the global telecommunications and information technology industries to investigate allegations of labour rights abuses in the global ICT supply chain.



# Our people

## Building culture and capabilities

### Sustainable engagement

Our culture is critical to our ability to deliver on our purpose and business strategy and is underpinned by a strong commitment to our values.

We measure employee engagement through a quarterly Experience Pulse, which provides insights into how our people feel about their experience of working at Telstra. Our target for FY22 was to reach 84 per cent for employee engagement. We finished FY22 with an engagement score of 82 per cent, which didn't meet our target, but puts us in the high performing range (between the 75th and 90th percentiles) of employee engagement against global benchmarks. Further this result was achieved in a year when many other organisations reported a decline in employee engagement.

Cultural practices introduced as part of our T22 strategy have been embedded across the business and our people tell us through our quarterly Experience Pulse that being 'treated with respect', having the 'flexibility to meet both work and personal needs' and their pride in working for Telstra are creating a positive experience for them.

Our values 'We care' and 'We are better together' are frequently demonstrated in the way we work. 'We make it simple', which has historically been a challenge due to our size and complexity, has also been improving as a result of our efforts to make things simple for our customers and each other.

Similarly, each quarter we have heard that 'enablement' issues related to internal tools and processes have the greatest negative impact on employee engagement, though we have seen improvements over the course of the year. The most significant issues relate to simplifying our processes and tools, resourcing and workload. We are making progress in systematically fixing and improving processes and systems, and this is reflected in significant improvements in our process enablement Experience Pulse score in FY22.

Continuing to listen to employee sentiment and ideas will be key to making Telstra 'the place you want to work' through the T25 strategy, and to achieving and maintaining employee engagement at the 90th percentile or global high performing norm.



## Flexible working

We remain committed to enabling maximum flexibility and choice for when, where and how our people work.

Our four new Enterprise Agreements support even greater flexibility such as split shifts for our employees. This followed a decision by the Fair Work Commission (FWC) to vary Telstra's underpinning 'safety net' Award to provide for greater flexibility. The FWC accepted that the COVID-19 pandemic heightened Telstra's focus on flexible working, that this will continue to be a focus for us into the future and that flexible work is a significant contributing factor to creating a positive employee experience at Telstra.

In doing so, the FWC amended the Telstra Award to provide for new flexible work arrangements that allow employees to work at times that suit their personal circumstances, subject to reasonable business arrangements. The changes include allowing employees to work outside standard Monday-Friday hours, for employees to split shifts in a day and for employees to safely vary meal break times on an ad-hoc basis. These Award changes are reflected in our Enterprise Agreements.

As COVID-19 restrictions ease, hybrid working offers the ability to experience greater autonomy over where and how we work. Our people want to have greater choice in relation to their workspace and the ability to connect socially in the office – something they tell us they miss the most. To support this we held 'Orientation to Office' or 'O week' experiences in May 2022, that helped orient people back to the office, break the habit of working from home and supported them to connect socially with their peers and support local businesses. The week-long event included experiences such as Welcome to Country, foyer experiences, fireside chats with leaders, access to professional photography to take headshots and a charity bake off.

In FY22 we continued to build our Agile maturity, transforming how we work. More than 17,500 of our workforce now work in Agile teams. Agile has brought about a significant change in how we prioritise, organise and get work done. It has empowered teams with more autonomy over how their work is organised and delivered more opportunities for individuals to build thriving career experiences.



## Learning and capability development

We have assessed the capabilities required to prepare our workforce for the future. To build the capability we need to deliver on our future ambitions, we invested over \$21.6 million in training and development in FY22, including over \$6.5 million in technology training.

Through strategic curriculum design, digitisation and scale purchasing we have been able to offer a 'per head' equivalent of \$3,100 per employee learning value annually.

We invested \$3.6 million in developing critical capability in the areas of human-centred design, Gallup Strengths teaming, high performance mindfulness, industry masterclasses and the Future Ready curriculum, along with \$1 million for all company access to LinkedIn Learning. To support our operating model changes we invested over \$1.1 million in capability development to embed Agile.

## Future Ready Program

In FY22 we launched Future Ready, which develops the critical capabilities needed to support Telstra's T25 strategy and growth ambition and are applicable to all roles at Telstra (the seven capabilities are Innovates and Improves, Adapts and Grows, Collaborates and Influences, Customer Focused, Informed Decision Maker, Team Performer, Leads the Way).

As of 30 June 2022, 17,070 employees are participating in the Future Ready program, which starts with the Insights Questionnaire resulting in a report giving insight into their potential against the capabilities and links to a personalised learning path including Future Ready curriculums, on-demand content and masterclasses facilitated by industry thought leaders. Employees can also choose to apply for Future Ready credentials, which provide recognition of employees' capability against a global standard. They are digital, portable and shareable on social media. Future Ready credentials may also be used for credit towards university degrees with our partner universities.



## Continued investment in technical skills

Over the past year we have continued to invest in our employees by building new technical skill programs for Software Engineering, Data and Analytics and Cyber Security including skills assessments and Capstone projects. We have partnered with Forage to build our first virtual internship in Cyber Security Malware. This is a four to five hour practical immersion for current University, TAFE and High School students and anyone considering changing their career. It is at no cost for the student and available globally. We have also continued our investment in the Operational Excellence program (a skills program to enable operational excellence in maintaining or enhancing business performance), launching two new credentials. In FY22 over 2,000 employees were issued a micro credential. We also invested \$2.2 million in FY22 in digital learning platforms to build Cloud, Data, Cyber Security and Network skills with over 80,000 hours of consumed learning across videos, books, labs, live experiences, exam practice and sandboxes.

## Building a high-performance culture

We continue to fully embed our quarterly planning cycle with clearly prioritised objectives and key results (OKRs) to support rapid decision making, allocation of resources to the highest priority work and to deliberately stop and backlog work that is not a priority in the quarter. Our people have quarterly conversations with their leader about how they have performed against their OKRs, the feedback they have received from colleagues and their development needs. These conversations are the key to unlocking organisational performance as they provide a way to frequently check in with our people to evaluate their achievements against priorities and support their growth and career development.

At the end of the financial year, our people receive an individual performance rating that equally assesses what they achieved and how they role modelled our values and desired behaviours. The overall rating informs pay decisions and outcomes. The 2022 Remuneration Report, which forms part of the 2022 Annual Report, has details regarding senior executive pay and is available at our [report website](#).

## Diversity and inclusion

Telstra serves millions of diverse customers. We recognise the value of having diverse and inclusive teams where people can bring their uniqueness to work. Diversity of thought, skills and experience drives innovation, which is essential to achieving our business strategy, and supports our purpose to build a connected future so everyone can thrive.

We are passionate about creating an environment that is inclusive, accessible, and supportive; a place where everyone can fully be themselves and feel a sense of belonging. We strive for an equitable workplace, where under-represented employees and candidates have fair and equal access to opportunities.

This year we saw growth in the representation of women in our management and executive leadership levels. Success factors include our commitment to 50 per cent representation of women in short list and interviews, having a pipeline of talent internally, greater visibility of female technology talent in the market and our brand and values (including flexible ways of working).

We are committed to achieving gender equality at Telstra and have a broad range of policies, programs, and engagement initiatives in place to help us achieve this goal. For more information refer to our 2022 Corporate Governance Statement available at our [report website](#).

We are required by the Workplace Gender Equality Act 2012 to report our workforce gender profile as at 31 March each year. Our 2022 report was lodged with the WGEA on 30 May 2022 and is available at our website at [telstra.com/governance](#).

### Employee diversity and inclusion

During the year, our initiatives to enhance diversity and inclusion at Telstra included:

#### Fair and accessible recruitment

To formally drive gender equality across Telstra and ensure a standard of equality across our recruitment process, our Recruitment Equality Procedure mandates a minimum female representation of 50 per cent on shortlists and interview lists for all roles (except some specified roles where a 35 per cent requirement applies due to a known significant gender imbalance in the job market).

### Representation of women in Telstra as at 30 June 2022

Role	Number	%
Board(i)	3	37.5
Executive management*(ii)	69	39.0
CEO	0	0.0
CEO-1	5	38.5
CEO-2	18	37.5
CEO-3	46	40.0
Middle management*(iii)	2,848	28.7
Operational*(iv)	6,037	36.0
Telstra Total*	9,510	33.5
<b>Telstra Group Total**</b>	<b>9,412</b>	<b>33.5</b>

\* Includes full time, part time and casual staff in Telstra Corporation Limited and its wholly owned subsidiaries within Workday (our internal people management record system), excluding contractors and agency staff. It does not include staff in any other controlled entities within the Telstra Group.

\*\* Includes full time, part time and casual staff in controlled entities within the Telstra Group within Workday (our internal people management record system), excluding contractors and agency staff. Information regarding the controlled entities in the Telstra Group can be found on our website at [telstra.com.au/aboutus/investors-financial-information/financial-results](#).

Notes: (i) Number and percentage relates to non-executive Directors. (ii) Executive management comprises persons holding roles within Telstra designated as Bands A, B and C. CEO is also included in the executive management total. (iii) Middle management comprises persons holding roles within Telstra designated as Bands 1 or 2, or equivalent. (iv) Operational comprises persons holding roles within Telstra designated as Bands 3 or 4, or equivalent.





## First Nations

In FY22 we achieved our employment target of one per cent representation of Aboriginal and Torres Strait Islander people in our Australian workforce. As part of our 10-year partnership with [Career Trackers](#), a national program that creates paid opportunities for First Nations students, we took on 21 Career Trackers interns in FY22. Seven interns from our FY22 Career Trackers intake have been offered placements in our 2023 Graduate program.

## Employment for people with disability

We continue to carry a Disability Confident Recruiter accreditation through the Australian Network on Disability (AND). We also completed AND's Access and Inclusion Index and were awarded for Innovation.

## LGBTQI inclusion

Lesbian, Gay, Bisexual, Transgender, Queer and Intersex (LGBTQI) inclusion is important to us. During Trans-Awareness week in November 2021 we proudly launched

our Gender Affirmation Leave policy which provides eligible employees access to eight weeks' paid leave to access legal, medical or social steps to affirm their gender.

We are active members of Pride in Diversity and in 2022 we achieved Silver in the Australian Workplace Equality Index (a national benchmarking instrument for LGBTQ inclusion within Australian workplaces run by Pride in Diversity). Employers receiving Silver recognition are considered to have been highly active in LGBTQ inclusion in comparison to the national benchmark for the assessed year.

## Cultural and linguistic diversity

MOSAIC, Telstra's Cultural and Linguistic Diversity (CALD) employee representative group, launched the first CALD learning course. This course helps our employees better understand cultural differences and similarities, as well as cross cultural communication in Australia. Our employees gain practical skills and culturally specific knowledge when interacting within the workplace, talking to our customers and everyday life.

## Gender pay equity

Gender pay equity continues to be of key importance at Telstra as we further evolve our policies and initiatives to drive greater equity across the organisation. We are continuously looking to identify, target and reduce any gender pay gaps that exist within the organisation, focussing on any differences in remuneration for individuals doing similar work.

We are confident that we pay women and men fairly and equally for like roles.

As has always been the case, a pay gap in fixed remuneration does exist at the operational level. This is predominantly driven by a significant portion of operational employees being managed against fixed pay rates under our Enterprise Agreement known as Workstream. These fixed pay rates, which are typically in male dominated professions, tend to be higher when compared to the fixed remuneration of peers at the same level who are not employed under the Workstream fixed pay rate structure. Those employed under the Workstream structure are not eligible for Telstra's variable remuneration programs which provide additional remuneration.

We use a 'compa-ratio' to compare the remuneration for individuals. Compa-ratio compares an employee's fixed remuneration to the median of the market remuneration range that they are mapped against. This enables us to compare the relative 'fairness' of fixed remuneration for different employee groups, taking account of the kind and level of work that they are doing. Variable remuneration is not included as it depends on a range of factors, is expressed only as a target, and is not guaranteed.

During FY22 we conducted a specific and detailed gender pay analysis for each of Telstra's businesses and functions. Each leadership team identified any gender pay anomalies across their Australian employees (excluding those on Workstream fixed pay rates which are the same for each employee). This initiative used customized tools to enable leaders to visualise gender pay differences in a new way, using a compa-ratio distribution as well as our more usual 'average compa-ratio' approach. The initiative coincided with Telstra's annual remuneration review in August 2022, so any identified gaps could be addressed at the same time.

The two tables opposite show Telstra's overall position when averaging the compa-ratios for both male and female employees. We have been close to parity for some time, but we do not expect or strive for a Delta of zero.

## No place for sexual harassment

At Telstra, we are committed to creating a safe and inclusive culture where everyone is treated with respect. Sexual harassment, in all its forms, is unethical, against the law and against our Code of Conduct.

This year we became aware of a small number of incidents of sexual harassment and misconduct within our workplace. As always, we took these complaints seriously, investigated them thoroughly and took appropriate action.

Rather, we work to ensure that the natural and ongoing variation of individual compa-ratios over time reflects factors such as experience, performance, talent, and promotions into new roles, and that it is not the result of any discrimination or bias (including but not limited to gender bias).

## Australia Avg. Compa-ratio\*

Year	Male	Female	Delta
2015	1.04	1.01	0.031
2016	1.04	1.00	0.035
2017	1.01	0.99	0.024
2018	1.01	0.98	0.023
2019	1.01	0.97	0.034
2020	0.98	0.95	0.035
2021	1.01	0.97	0.042
2022	0.98	0.95	0.026

## Australia Avg. Compa-ratio\* excl Workstream employees^

Year	Male	Female	Delta
2015	1.00	0.99	0.012
2016	0.99	0.98	0.011
2017	0.98	0.97	0.006
2018	0.97	0.97	0.000
2019	0.96	0.95	0.011
2020	0.93	0.94	0.015
2021	0.98	0.96	0.026
2022	0.97	0.95	0.023

\* Compa-ratio analysis includes full time and part time staff in Telstra Corporation Limited and its wholly owned subsidiaries within Workday (our internal people management record system), excluding casuals, contractors and agency staff. It does not include staff in any other controlled entities within the Telstra Group. Ratio calculated as base salary plus superannuation (female Fixed Remuneration vs of male Fixed Remuneration).

<sup>^</sup>Workstream employees are paid fixed pay rates as determined under the Telstra Enterprise Agreement.

## Providing leading employment conditions

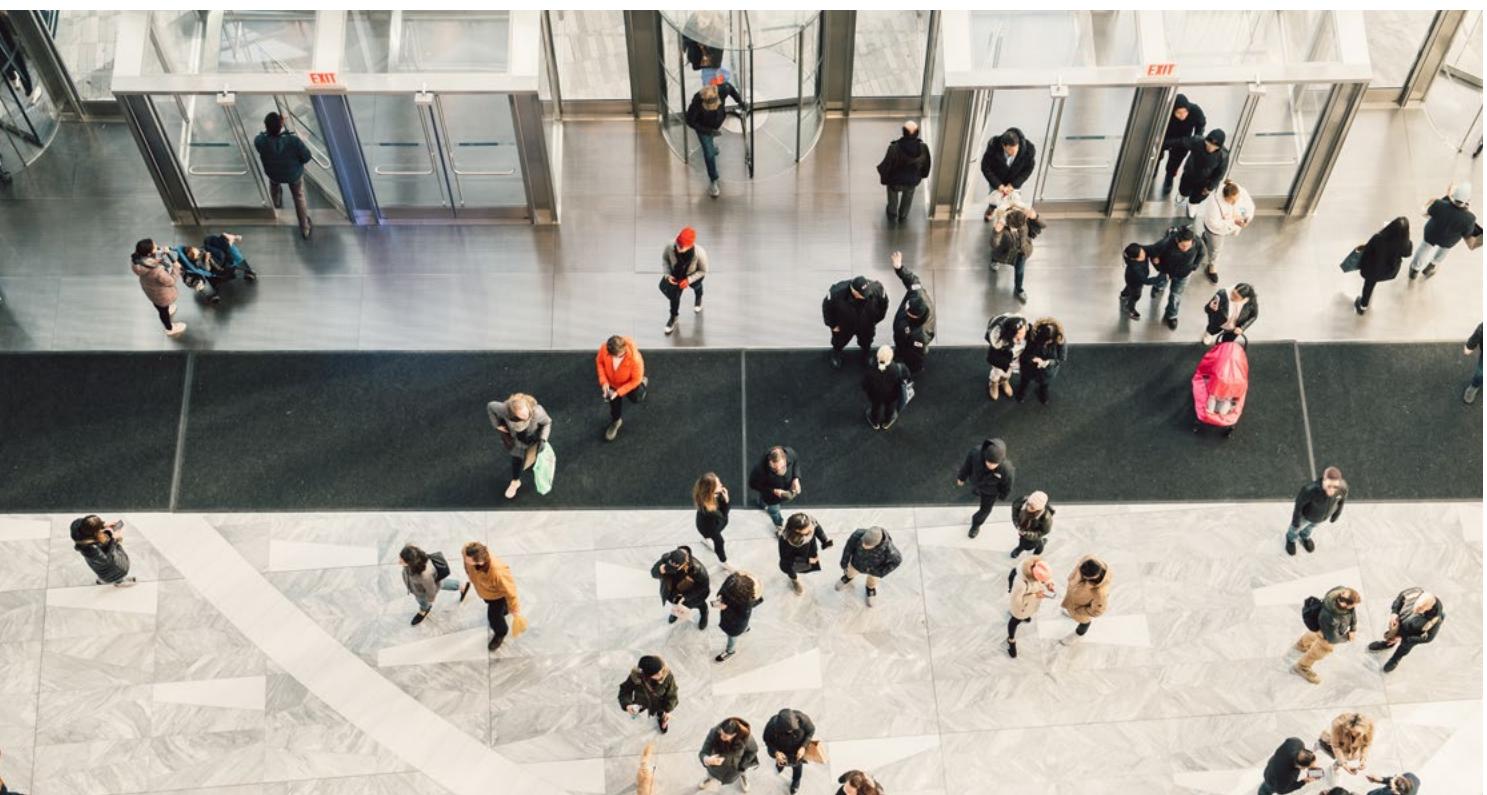
We consult with our people before we implement any significant changes to the way we work. We regularly engage with our three employee unions – the Communications, Electrical and Plumbing Union of Australia (CEPU), the Community and Public Sector Union (CPSU) and Professionals Australia (APESMA). Our people have the freedom to form or join a trade union, to bargain collectively and to engage in trade union activities. We do not monitor union membership by our people. Our aim is to maintain an open and constructive relationship with the representatives of these unions.

This year we conducted more than 15 formal consultation meetings with unions and Telstra employees. This included discussions about how we have been protecting the health, safety and wellbeing of our people in response to COVID-19 and what our proposed Telstra Group legal restructure will mean for our employees.

In late July 2021 we commenced bargaining with Telstra unions and employee bargaining representatives to replace

the current enterprise agreement covering our workforce – the Telstra Enterprise Agreement 2019-2021. We negotiated four new Enterprise Agreements (EAs) to support the entities we're setting up as part of our legal restructure. These EAs cover Telstra InfraCo Fixed, Amplitel, Telstra Limited and one specifically for our Retail business that covers people working in our retail stores. The majority of employees voted in favour of all four new EAs in April 2022. In early May 2022 we submitted the EAs to the Fair Work Commission (FWC) for approval. All EAs have been approved by the FWC and will nominally expire in September 2024.

The new EAs introduce new and improved benefits for our employees. This includes introducing Gender Affirmation Leave policy into our new EAs. This provides employees with eight weeks' paid leave for eligible employees based in Australia who choose to affirm their gender so they can take the legal, medical or social steps they need to be who they are. In a new industry-leading benefit, Telstra also committed to paying superannuation contributions after the 16 weeks of paid parental leave during any periods of unpaid parental leave. This means parents will keep getting paid super up to a total of 24 months. We also increased the number of paid Family and Domestic Violence leave days available from 10 to 20 per year for permanent and fixed term employees.



## Promoting health, safety and wellbeing

As our people and the communities in which we operate emerged from COVID-19 lockdowns, FY22 saw us continue to help our people manage their health and wellbeing, stay safe and well, and feel supported in times of need.

### Working differently and keeping people safe and well in a time of COVID-19

The impacts of COVID-19 have been far-reaching, with everyone impacted in some way. It has tested and challenged our ways of working and living. The change for the workplace was unexpected, sudden and significant. Telstra's office-based teams moved to remote working and our field, retail and call centre teams faced increasingly challenging customer interactions and workplace aggression. All the while, as individuals, enduring lockdowns and social isolation, loneliness and health anxiety (including concern for family) and parents juggled remote learning.

Supporting our people to stay safe and well during the changing phases of the pandemic shaped our priorities for FY22. Whilst continuing to actively manage our critical risks, we built on what we learnt from FY21 and further evolved our approach to both mental health and wellbeing and safe hybrid ways of working.

In addition to paid pandemic leave to allow staff to care for themselves or others in the event of COVID-19 exposure (including for our casual employees), in FY22 we introduced Telstra's vaccination policy requiring approximately 8,300 of our essential workers who remained on the frontline supporting our customers and the community to get vaccinated. We provided our people with paid vaccination leave, initiated a medical vaccination exemption process and have continued to supply Rapid Antigen Test kits (RATs) to our frontline and essential workforces. In preparation for flu season and the increased risk of serious ill health, all of our employees have also again been offered access to our fully-funded flu vaccination program.

Telstra moved more than 20,000 employees to work from home when the pandemic first hit in March 2020. To support our people to work safely from home we developed our

MyHome Toolkit, providing our people with access to all of the necessary equipment for safe and sustainable work including sit/stand desks, adjustable chairs, monitors and other electronic hardware all delivered to our employees' homes. We also provided expert ergonomic assessments and guidance material on safe office setup. Our employees embraced this program, and we've had more than 11,000 furniture and 15,175 technology orders since the program's launch in March 2021.

Building on our long-standing flexible ways of working, FY22 saw us fully embrace hybrid ways of working as COVID-19 restrictions started to ease. This included making work location-agnostic supported by technology that lets our people work from any location at any time.



COVID-19 impacted our communities in many ways, including increased demand for and pressure on community health services. This included significantly increased demand for ambulance services, particularly in Victoria. Telstra operates the Triple Zero call centre which connects callers to emergency services. In response to and in recognition of heightened pressure on our Triple Zero call centre teams, we stood up designated response teams to support them. In conjunction with regular onsite trauma psychological support at our Triple Zero call centre sites and Telstra's Employee Assistance Program (MyCoach), we also provided additional specialist support and training to assist in the management of vicarious trauma, compassion fatigue and resilience.

Our retail and contact centre workforces were also impacted by COVID-19 related heightened stress and anxiety in the community. This led to an increase in customers behaving aggressively towards our frontline teams. In late 2021 we rolled out refreshed training for our frontline team members to equip them with the necessary skills to de-escalate aggressive situations and provide empathetic support and assistance to our customers. A targeted campaign to encourage incident reporting was also launched and resulted in increased reporting and people accessing support.

Our continued campaign to de-stigmatise mental health and encourage early reporting for support saw our people continue to reach out in times of need. Our MyCoach use also remains higher than the industry average at 7.7 per cent and more than 10,000 people attended our mental health and wellbeing webinars throughout the year.

## Supporting our people during natural disasters

The floods in Queensland and New South Wales significantly impacted our people, infrastructure, and the communities in which we operate. We prioritised our people's safety and wellbeing as they worked to restore services and support our customers. We ensured that our workforces were aware of and able to manage the physical health and safety risks associated with floods, such as working safely with electricity and the increased risk of mosquito-borne diseases. We worked with our partners to provide specialist mental health support sessions for impacted leaders and staff in addition to providing leave provisions, financial support and temporary accommodation for our impacted people.



## Supporting our international teams

Our support for Telstra's international workforces has included:

- supply of 4,000 doses of Moderna vaccines for the Philippines at no cost to our people and at cost price to their dependents
- partnering with a local hospital provider in India to provide a vaccination venue exclusive to our people and their families
- supply of 4,000 RATs to our Hong Kong teams and reimbursement programs for medical supplies
- facilitating health and wellbeing seminars and MyCoach support services for our people and their families during periods of lock downs or movement restrictions.

## Recovery following injury or illness – equity of access to support, irrespective of cause

In 2019 Telstra expanded its early intervention model to include case management support in partnership with a panel of external rehabilitation providers, for both work-related and non-work-related injury/illness. Since the introduction of this expanded model, we have seen sustained improved outcomes for our injured workers and the business. In FY22 we have continued to see improved results: return-to-work is more effective, fewer injuries proceed to claim and costs of claims are lower as a result of targeted treatment and rehabilitation.

Equitable access to early treatment and support is the foundation of Telstra's early intervention program. Our primary goal is to support our people to bring their best to work every day. With access to general practitioners, psychology, physiotherapy services as well as some costs for various diagnostics and aides, our people can focus on their recovery, rehabilitation and return to work. In some instances, more tailored return to work services are required. In these cases, services are facilitated via a panel of rehabilitation providers whose consultants are all allied health trained and specialise in the development of workplace rehabilitation programs that support safe and sustained recovery and return to work outcomes.

Where work-related injuries hinder return to full-time or pre-injury duties, we endeavour to support our people in finding long term semi-permanent, modified or alternate duties through our Work Transition Program. This program is aimed at employees who have reached optimal recovery however due to the nature of their injury or illness will be unable to return to their pre-injury roles. Our aim is to work collaboratively with the employee to identify actual roles in the business that would benefit from their transferable skills or to support them in roles whereby they can build on their existing capability, thus making them more employable both internally and externally.

## Licences, accreditations and compliance

Telstra maintains a self-insurance licence in the Commonwealth jurisdiction, with direct oversight by the Safety, Rehabilitation and Compensation Commission (SRCC) and Comcare. We are also accredited by the Office of the Federal Safety Commissioner to work on Australian Government building contracts, including the National Broadband Network. Our HSWE management system is certified to Australian Standard AS/NZS4801 and International Standards ISO14001: 2015 and ISO 45001:2018.

## Key health and safety performance indicators

We have actively campaigned on the importance of reporting as a critical way to prevent harm and access support from our safety and health management teams. The more our people report, the better our understanding of the risks in our business and the earlier we can provide tailored support.

Consistent with this reporting campaign, both Lost Time Injury Frequency Rates (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR) have increased during the last 12 months.

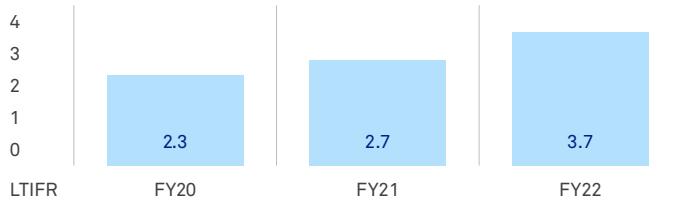
### Total Recordable Injury Frequency Rate

Our increase in TRIFR is due to a number of factors including a rise in pre-existing and COVID-19-related psychological incidents as well as a rise in reported customer aggression in our frontline retail and contact centre teams.



### Lost Time Injury Frequency Rate

Our LTIFR increased in FY22. Consistent with the TRIFR rise, we have seen an increase in the number of reports of psychological injury. We have also seen an increase in sprains/strains consistent with the resumption of field-based manual work following the easing of COVID-19 restrictions.





Digital inclusion



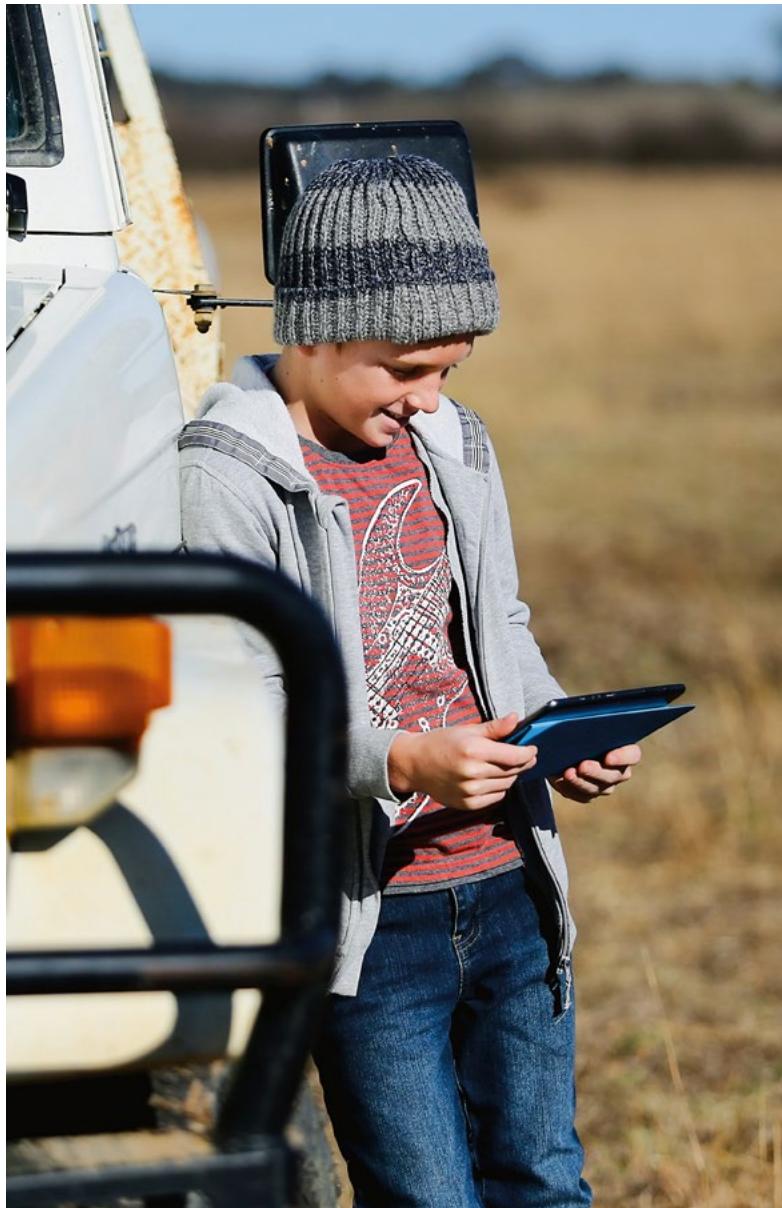
# Approach

The COVID-19 pandemic has accelerated the adoption and reliance on digital technologies, transforming the delivery of government, business and social services. Yet more than 2.5 million Australians are still highly digitally excluded<sup>1</sup> and therefore may miss out on the social and economic benefits that come with being online.

Digital inclusion is about ensuring that all Australians can access and use digital technologies effectively. Digital inclusion is a pillar of our Responsible Business Strategy and is central to our purpose of building a connected future where everyone can thrive. Today, more Australians are considered to be ‘digitally included’ (gap is narrower) but the impacts of digital exclusion are more profound on those who are ‘digitally excluded’ (gap is deeper)<sup>2</sup>. Digital inclusion is an area where the telecommunications sector, including Telstra in particular, can take a leadership role in creating change to deliver social and economic impact through increased digital inclusion.

We partner with government and community organisations so that those in vulnerable circumstances can not only participate, but also benefit from the digital economy. This includes those on low-incomes, people with disability, older Australians, regional and remote communities, First Nations peoples and individuals who are experiencing unemployment, homelessness or family violence. In doing so, we focus on improving digital capabilities, ensuring our products, services and information are accessible and easy to use, in addition to keeping people connected, especially when they are doing it tough.

In FY22 we refreshed our Digital Inclusion Strategy, building upon our long history of improving digital access, affordability and ability across Australia. Our Strategy aims to make a difference nationally in closing the ‘narrower but deeper’ digital divide that our research through the Australian Digital Inclusion Index has tracked for several years. It does this by maintaining our leadership in public policy advocacy, collaborating for impact and championing affordable products and services. The strategy is underpinned by a renewed focus on the digital capability of our own customers through large-scale programs. This focus will be elevated in responsible business objectives to 2025.



<sup>1</sup> Thomas, J., Barraket, J., Wilson, CK, Holcombe-James, I., Kennedy, J., Rennie, E., Ewing, S., MacDonald, T. (2020). Measuring Australia's Digital Divide: The Australian Digital Inclusion Index: 2020. RMIT and Swinburne University of Technology, Melbourne, for Telstra.

<sup>2</sup> Thomas, J., Barraket, J., Parkinson, S., Wilson, C., Holcombe-James, I., Kennedy, J., Mannell, K., Brydon, A. (2021). Australian Digital Inclusion Index: 2021. Melbourne: RMIT, Swinburne University of Technology, and Telstra.

# Our Digital Inclusion Strategy

Vision	Help Bridge Australia's Digital Divide				
Principles	Protect vulnerable customers	Drive change from the inside out	Innovate for the future	Lead the digital inclusion agenda in Australia	Deliver impact through collaboration
Pillars	 Access		 Affordability		 Ability
Goals	Telstra will influence greater network access where it is needed most and raise awareness of the importance of accessibility and affordable devices to digital inclusion		Telstra will help keep one million customers in vulnerable circumstances connected each year from FY22–FY25		Telstra will increase digitally active customers by two million, by FY25, including building digital skills for 500,000 Australians, by FY25
Activities	Government co-investment	Telstra accessibility plan	Device and connectivity options	Affordable options Concessional broadband Low income package refresh	Customer ability Demonstration programs First Nations ability
Leadership	Research and insights	Advocacy	Partnerships and collaboration	Engagement	Awareness

## Principles for success and impact

Our Digital Inclusion Strategy is underpinned by five principles to create positive social and economic impact for customers and their communities. For example, improving the digital inclusion of customers means they can engage with and get the most out of our products and services. They are also able to access our online channels that deliver an improved and simplified customer experience. Beyond Telstra, individuals and communities with access and ability to use online services can improve their social and economic participation as well as social connectedness and financial wellbeing.

## Our principles

<b>Support vulnerable customers</b>	Preserve and enhance initiatives that support our most vulnerable customers who are more likely to be digitally excluded
<b>Drive change from the inside out</b>	Prioritise digital inclusion for our consumer and small business customers, and partner with our enterprise customers and suppliers
<b>Innovate for the future</b>	Invest in research led demonstration projects, share insights, but allow others to deliver at scale in local communities
<b>Lead the conversation</b>	Use our standing and voice to influence and advocate for change at a national scale in service of greater digital inclusion outcomes
<b>Deliver impact through collaboration</b>	Invest in partnerships, and work closely with program partners, customers, government and communities to drive impact

## Telstra ranks number one in digital inclusion in the Asia-Pacific

In FY22 we were recognised as the top-ranked company in the Asia-Pacific region and third globally in the World Benchmarking Alliance Digital Inclusion Benchmark. Our approach was assessed against the performance of the top 150 most influential technology companies which looked at company progress in improving access to technology, enhancing digital skills, fostering trustworthy use, and innovating openly and ethically. Read more about the Benchmark [here](#).



## The Australian Digital Inclusion Index

Telstra is a long-term partner of the Australian Digital Inclusion Index (ADII). This collaboration is a key mechanism that drives our advocacy and action around digital inclusion. It is an example of our commitment to create partnerships, invest in research and share insights to drive better outcomes for communities, stakeholders and shareholders.

The ADII provides a comprehensive picture of Australia's online participation by measuring three key dimensions of digital inclusion: Access, Affordability and Digital Ability. The ADII 2021 showed improvement in key areas, including more people engaging in a range of basic and advanced internet activities, greater use of a diverse range of communication technologies, purchasing larger data allowances and taking up high-speed nbn services. However, it also showed that the overall rate of improvement has slowed. The digital divide continues to follow clear economic, social and geographic contours: Australians with low levels of income, education, employment and those living in some regional areas have lower levels of digital inclusion.

We undertake this research each year in partnership with RMIT University and Swinburne University's Centre for Social Impact, gaining insights required to drive informed and effective action by policy makers, businesses and the community sector to help to bridge the digital divide and improve digital inclusion outcomes for those most at risk of exclusion.

In FY22 the ADII was refreshed to ensure it continues to best capture the intricacies of digital inclusion, respond to emerging challenges and opportunities and meet the needs of users of the research. New interactive data dashboards were also introduced enabling users to explore the digital inclusion questions that are most important to them.

For more information and to view the interactive dashboards visit the [ADII website](#).

## Innovation and leadership

In an increasingly dynamic and inter-connected world, technology has an enormous capacity to create and support social and environmental change. Digital technology disrupts traditional operating models and helps society respond to major issues in a more agile and scalable way – from managing the threat of climate change and supporting the transition to a lower carbon future to making healthcare, education and employment more universally accessible.

We deliver social and environmental innovation through the [Telstra Foundation](#), which philanthropically supports digital inclusion and community action on climate change, and [Telstra Labs](#), which turns emerging technologies into innovative new products, developing and trialling together with our customers and partners. More information about these programs can be found in the [Tech for good](#) section of this report.

# Progress



## FY22 progress against targets

● Achieved ● In progress ○ Not achieved

Strategic focus area	Headline target	SDG	FY22 Progress	More info
Our customers	Help keep one million customers in vulnerable circumstances connected each year from FY22 - FY25	Goal 9	○ Assisted 747,364 customers to stay connected, which didn't meet our target of one million	<a href="#">page 52</a>
	Increase digitally active customers by two million, by FY25, including building digital skills for 500,000 Australians, by FY25		● Supported over 29,000 Australians to build digital skills	<a href="#">page 59</a>
Our communities	Enhance digital access in regional communities by delivering >200 Mobile Black Spot Program sites from FY21 to FY22	Goal 9	○ Delivered 46 Mobile Black Spot Program sites in FY22 and 73 in FY21, totalling 119 which didn't meet our target of >200	<a href="#">page 56</a>
	Expand regional coverage by 100,000 km <sup>2</sup> by FY25		● Expanded regional coverage by 20,000 km <sup>2</sup> in FY22	<a href="#">page 56</a>
Tech for good	Commit at least \$15.9 million over three years (FY21-FY23) to the Telstra Foundation	Goal 8 Goal 9	● We committed \$5.3 million to the Telstra Foundation in FY22	<a href="#">page 62</a>

# Our customers

## Caring for customers in vulnerable circumstances

In FY22 we continued to offer a range of products, services and programs to improve digital inclusion outcomes for our customers and communities. These activities include:

- the provision of lower-cost services for people on a low income
- support during times of financial hardship, including access to safe and secure communications for victims of domestic and family violence
- ensuring we have accessible product and service options for people with disability
- assisting seniors to get online.

This year we also announced that local and national calls to standard fixed line numbers and calls to standard Australian mobiles across our 15,000 public payphones are free. Even in the age of the smartphone, payphones still play a critical role in our community, especially for those who are vulnerable, isolated or escaping an unsafe situation like a natural disaster or family violence. In FY22 around 17 million calls were made across Australia from Telstra payphones with around 9,163 people using this service to seek help from crisis line services such as Lifeline and beyondblue. For more information visit [Telstra Exchange](#).

In FY22 we contributed **\$82.5 million** through social and community investment. This marks a reduction on our FY21 contribution, when we provided extensive COVID-19 relief to support impacted customers during this period. In addition, a number of our customer support programs are changing as we continue to migrate customers to new simpler plans.

To view the breakdown of our community contribution for FY22 see the 2022 Data Pack available at our [report website](#).

Through these activities we have assisted 747,364 customers in vulnerable circumstances to stay connected this year.

Whilst we have not met our target of one million, we are confident that we have assisted more customers than reported as we have not been able to identify unique recipients of some of our programs and support. For example, this total does not include Telstra short term disaster assistance packages, Telstra Flood Grants, unmetered access to the Ask Izzy mobile website or free calls to Ukraine, Poland, Hungary, Moldova, Slovakia and Romania. In FY23 we will work to improve our internal tracking of assistance provided to unique customers facing vulnerable circumstances to provide a more accurate reflection of the support we provide.



## Improving affordability

We recognise that affordable telecommunications services are critical to staying connected and that some of our customers experience temporary hardship or longer term financial challenges. We offer affordability initiatives for people on low-incomes or for those experiencing financial hardship, partnering with local community organisations across Australia to develop and deliver programs to assist our most vulnerable customers and communities.

We partner with more than 2,000 local community organisations across Australia to deliver our Access for Everyone programs. This includes products and services that specifically address affordability barriers to staying connected and are designed to support people in [financial hardship](#), including those who are in a crisis, homeless, pensioners and low-income families.

In FY22 we supported 11,936 people impacted by homelessness, domestic and family violence or natural disaster with a free \$40 pre-paid mobile recharge, 362,376 pensioners with a discount on their Telstra services and 5,083 low-income families with emergency bill assistance. The low-income package concessional benefits totalled \$40 million, a reduction of seven per cent compared to FY21 (\$43 million). The decrease in the value of concessional benefits continues to reflect the further movement by pensioners to newer plans that have higher calling inclusions. This year an additional 10,000 customers took up our concessional mobile plan available to low-income customers holding a Health Care Card.

In addition, we provide unmetered data access for those on the Telstra mobile network to the [Ask Izzy](#) mobile website, which connects people in need with housing and food, financial assistance, family violence support and connection to other relevant support services. In FY22 this service saw over 3.1 million searches for help, of which around 50 per cent came unmetered from Telstra's networks. For a detailed breakdown of our community investments for FY22 see the 2022 Data Pack available at our [report website](#).



## Connecting customers to the support they need all in one place

We are proud to be a funding partner of the [Thriving Communities Partnership](#) and of the [One Stop One Story \(OSOS\) Hub](#), a world-first cross-sector digital platform, connecting people in our community to support programs in a simple, easy and secure way. The Hub enables frontline workers in corporate and community organisations to connect and refer their clients to a range of support services and programs through a single access point reducing the burden and complexity involved in contacting each individual support program.

In FY22 our Specialised Assistance Team responded to around 47 customer referrals per month as part of the OSOS pilot and provided assistance such as payment relief and account check-ins to keep our customers connected.

## Accessibility

Our aspiration for accessibility at Telstra is to enable all Australians to enjoy a more connected and accessible future. Telstra's accessibility journey began nearly 40 years ago with the introduction of specialised products that assisted people with disabilities to use a standard telephone service. Since then, accessibility has expanded into all areas of our business, from products and digital services for our customers, to new recruitment practices and workplace adjustments for our employees.

Our Accessibility Action Plan (the Plan) prioritises how we make accessibility ubiquitous and part of our always-on business across our operations to the benefit of our customers, people and partners. We are currently developing a new Plan that will build upon the learning and opportunities of our last Plan where we met 24 out of 27 commitments. One remains actively in progress, while two were paused to prioritise other opportunities.

In FY22 we continued our user testing program for people with disability, utilised our new automation testing tool that identifies defects relating to accessibility requirements across web-based assets and updated our digital accessibility policy and charter. This year we also continued to build international Web Content Accessibility Guidelines (WCAG) 2.1 standards into our core digital assets. This has enabled an uplift in the accessibility of our main website (Telstra.com) and app (My Telstra) to A and AA standards meaning they are accessible for the majority of people with or without disability.

We have several partnerships with supplier enterprises around Australia that create employment opportunities for people with disability or for those from disadvantaged backgrounds. In FY22 our Supported Workforce program created opportunities for 155 people who performed cleaning and grounds maintenance activities at 5080 sites across the nation.

Telstra maintained its commitment to the Disability Enquiry Hotline, Disability Equipment Program and Directory Assistance Helpline. The Disability Enquiry Hotline was moved onshore in June 2022 and all Disability Enquiry Hotline enquiries are now answered in Australia. During FY22 we provided 480 pieces of disability specific equipment through the program, including 27 TTYs (Tele-Typewriters) for customers who are deaf or have speech impairment.



## Safe Connections

[Telstra Safe Connections](#) assists victim-survivors of domestic and family violence by providing access to safe and secure communications – a smart phone, \$30 pre-paid starter kit and information to help them stay safely connected. Delivered in partnership with the Women's Services Network (WESNET), Telstra Safe Connections has distributed more than 33,000 phones to women since its inception in 2016, including more than 5,000 in FY22.

To better assist victim-survivors, Telstra has a designated customer service team in place, staffed by specially trained agents who are equipped to take a high care approach.

Although we have delivered several key initiatives this year, we acknowledge we don't always get it right. In FY22 we received two complaints of disability discrimination from the Australian Human Rights Commission and two through the Telecommunications Industry Ombudsman. These complaints have been resolved.

# Our communities



## Building connected communities

### Networks

Having access to a reliable telecommunications network underpins economic growth and social interaction and is a critical foundation of digital inclusion. We have a long history of investing in the next generation of mobile and fixed network services, expanding coverage and improving resilience, digitising our systems and processes and making major improvements to our customers' experience.

### Investment

There are some parts of rural and regional Australia where access to our networks remains challenging. Telstra has a longstanding commitment to planning and investing in a digital future that champions the needs of regional and remote communities. Over the seven years to end FY22 Telstra will have invested \$11 billion in our mobile network nationally with \$4 billion of this invested in our regional mobile network, providing additional capacity and new and improved coverage. With our fixed networks, over the six years to end FY22, Telstra will have invested more than \$5.7 billion in our fixed network nationally with \$1.4 billion of this invested in regional areas improving reliability and resilience.

In FY22, we continued to strengthen our regional and remote network coverage by investing to upgrade 92 3G-only sites and augment capacity at selected 4G sites experiencing high traffic growth. We also continued our participation in co-investment programs and announced that \$75 million from the partial sale of the InfraCo Towers business will be directed to regional connectivity enhancements as guided by the outcomes of the 2021 Regional Telecommunications Independent Review Committee report.



## Coverage

Our mobile footprint stretches across more than 2.6 million square kilometres, vastly more than any other mobile network in Australia, and reaches 99.5 per cent of the Australian population.

In FY22 our main areas of focus were increasing our 5G coverage and expanding our 4G footprint so that more Australians can access the benefits of a faster network. Our 5G footprint now covers 80 per cent of the population, and there are now more than 4,100 Telstra 5G sites on-air across the country, providing coverage in more than 400 cities and towns. Our customers are increasingly accessing this technology, with the number of 5G devices connecting our network growing each week.

We continued to progress the expansion of our 4G footprint to establish 4G coverage, equivalent to current 3G coverage, ahead of 3G network closure in June 2024. This year we added 4G to 92 sites that were previously 3G only, with more customers transitioning from 3G to 4G. Importantly, this transition will free up a portion of low-band (850MHz) spectrum for 5G. The use of this low-band spectrum can extend 5G further and deeper into buildings and facilitate 5G expansion sooner in regional areas. For more information visit our regional coverage FAQ page on [Telstra Exchange](#).

This year we also delivered 50 satellite small cells to improve connectivity in regional and remote communities where it is not feasible to construct a full mobile base station.

In February 2022 we announced a network sharing deal with TPG Telecom aimed to ensure our customers continue to experience Australia's best and fastest network across the country. Subject to regulatory approval, the deal will support TPG services to regional Australia and give Telstra access to more spectrum meaning access to faster speeds in more locations for Telstra customers in regional and rural areas.

## Mobile Black Spot Program

In FY22 we delivered 46 Mobile Black Spot Program (MBSP) sites and 73 in FY21, totalling 119 sites, falling short of our target to deliver more than 200 sites over the two years. This was due to operational delays and labour impacts caused by COVID-19, coupled with international supply chain issues and significant weather events over the last two years. However, we continue to deliver MBSP sites and have more than 80 in our pipeline.



## Improving connectivity in remote areas with satellites

In March 2022 we announced a partnership with OneWeb to explore the possible use of Low Earth Orbit Satellites (LEO Sats) to improve connectivity across Australia and our region for our customers. LEO Sats have potential, from backhaul to back-up, from enabling the Internet of Things to supporting emergency services, from improving home broadband to supporting agriculture technology. While LEO Sats appears promising, the capabilities and capacity of traditional geo-sat technology continues to develop and will remain an essential component of our satellite strategy for the foreseeable future. For more information visit [Telstra Exchange](#).

## Disaster preparedness and response

We know how important access to network connectivity is for communities, especially in times of crisis. We work extensively to prepare for disaster seasons. In FY22, our priorities continued to be ensuring the safety of our people, protecting and maintaining our infrastructure, keeping our customers (including emergency service organisations) connected and providing short and long term assistance measures.

This year we activated disaster relief on 10 occasions including disasters due to severe weather, volcanic eruptions and unrest in Europe. We also provided 27,010 short term assistance packages which included additional data for post-paid and pre-paid services. We also applied long term assistance packages or discretionary credits to 5,029 consumer and small business customers, totalling \$1,651,834 to assist customers who may have been displaced to relocate their services.

In March 2022, we suffered significant impact to our network following severe weather and power outages across Queensland (QLD) and New South Wales (NSW). Due to the scale of the damage, we prioritised restoration efforts for services to isolated communities, with the remaining network issues addressed shortly after. During the isolation period we provided 24,295 customers with credits for mobile services they were unable to use.

Earlier in the financial year we also supported customers impacted by severe weather events in Victoria (October), NSW (November and December) and in QLD (December and January).

Free calls were offered to customers contacting Tonga after a volcanic eruption. We also announced a relief package to help our customers stay in touch with friends and family in the Ukraine, Poland, Hungary, Moldova, Slovakia and Romania – as Ukrainians may have left their homes seeking refuge in neighbouring countries. In these circumstances 1,552 customers received a credit totalling more than \$36,400.



We continued to provide emergency response leave for our people who volunteer with emergency services.

While we continue to communicate the risks associated with sole reliance on the mobile network, particularly in disaster-prone areas, we recognise the importance of network resiliency for our customers. That is why we participate in the Australian Government's Strengthening Telecommunications Against Natural Disasters (STAND) program. In FY22, we contributed around \$3.2 million towards 198 projects under Phase 2 of the program which will deliver a mix of battery upgrades, permanent generators and portable generators at locations across Australia.

In addition, we have an ongoing program to improve battery life at our mobile network sites. This program focuses on battery replacement, power resilience and reliability and uses natural disaster risk to prioritise battery replacement. In FY22, we completed battery life cycle replacement at 644 mobile network sites throughout our network. Additional battery replacement works occurred at around 1500 network and transmissions sites which are critical in supporting services to mobile sites.

## Rural and regional engagement

We maintained our focus on connecting with regional and remote communities across the country while continuing to invest in our regional networks.

This year we continued to support and run Regional Advisory Councils (RAC) in Queensland, Victoria, Western Australia and New South Wales through virtual and in-person meetings including with our CEO and Board Members.

In FY22, we continued to facilitate open discussions with representative bodies and communities from across Australia by visiting more than 30 regional areas.

This included meeting with the Country Women's Association, the Isolated Children's Parents' Association, the Australian Rural Leadership Foundation and the Australian Trucking Association. We also attended every Regional Telecommunications Independent Review Committee community meeting to hear issues raised, and where appropriate, respond to areas of concern.

In April 2022 we announced our [Telstra Connected Communities](#) initiative which will see an expansion of our presence in regional Australia, with more Regional Engagement Managers and highly experienced Regional Network Advisors.



# Developing digital ability

## Older Australians

Adults aged over 65 are the least digitally included age group in Australia<sup>3</sup>. This year we continued to support older Australians through our digital literacy programs, giving older people, particularly those in regional areas, the opportunity to develop the skills and confidence to embrace digital technology.

We partner with state governments to deliver our Tech Savvy Seniors program and in FY22 provided 8,324 face-to-face and virtual digital literacy training places for older Australians. This is a decrease from previous years due to the impacts of COVID-19 and floods that affected large areas of northern New South Wales that reduced our ability to deliver face-to-face. However, the program still made a significant impact in alleviating social disconnectedness, particularly for seniors from Culturally and Linguistically Diverse (CALD) backgrounds through our partnership with the Ethnic Communities Council of NSW. For more information visit [Telstra Exchange](#).

In Victoria we partner with the University of the Third Age (U3A), Public Libraries Victoria and the Department of Families, Fairness and Housing to deliver Social Seniors. Social Seniors is a series of workshops that have a ‘learn by doing’ approach to technology through digital storytelling. The program builds digital confidence and capability in older Australians, encouraging them to use technology to connect with family, friends and groups of interest. In response to COVID-19 and associated restrictions, the program design was refreshed to enable virtual delivery to become a part of the program’s standard offering. In FY22 Social Seniors engaged with 303 participants.



<sup>3</sup> [www.digitalinclusionindex.org.au/interactive-data-dashboards](http://www.digitalinclusionindex.org.au/interactive-data-dashboards)



Daniel and co-researcher Yungirra Bukulatjpi doing a survey with resident Jasswlina Dhamarrandji in Galiwin'ku, June 2022 © First Nations Media Australia

## First Nations communities

Improving First Nations digital inclusion is critically important. We provide programs to establish local digital mentors, improve digital literacy, support connectivity solutions, provide technical advice and develop appropriate and relevant learning tools for First Nations peoples.

In FY22 we continued to offer programs within First Nations communities to improve digital inclusion by addressing barriers to digital ability.

### These programs include:

- [inDigiMOB](#), a pioneering co-designed digital inclusion project, supported by Telstra and delivered by First Nations Media Australia. The project supports community aspirations for digital inclusion and cyber safety awareness. This year the program reached 1,247 people across 21 remote locations in the Northern Territory, South Australia and Western Australia. For more information visit [inDigiMOB](#).
- [Deadly Digital Communities](#), a community-based digital literacy and technology training program in First Nations communities in Queensland. This year 388 people gained new digital skills through the program.
- [Mobile My Way](#), an educational resource for remote First Nations communities.

## Checking in with our First Nations customers

For our First Nations customers who live in remote communities, Telstra stores or representatives can often be hundreds of kilometres away from where they live. That's why in FY22 we visited 56 remote communities to help our customers better understand their Telstra products and services and to answer any questions they had. This brings the total number of communities visited since 2019 to 140, with plans to visit an additional 200 by the end of next financial year. To read more visit [Telstra Exchange](#).

## Mapping the Digital Gap

While the [Australian Digital Inclusion Index](#) (ADII) provides valuable insight into the dynamics of digital inclusion experienced across the country, the sample poses some limitations for reporting on First Nations remote communities. The [Mapping The Digital Gap](#) project, funded by Telstra and based at the [ARC Centre of Excellence for Automated Decision-Making and Society](#) is working with 8-10 communities over a four year period (2021-2024) to track and measure digital inclusion over time to inform local strategies to bridge the divide.

## Students from low-income households

The transition to online education, even before COVID-19, was a significant challenge to low-income families with school-aged children, who also experience low levels of digital inclusion.

In FY22, we continued to measure the impacts of removing affordability barriers to digital inclusion for low-income households in the Shepparton region. Working in partnership with Greater Shepparton Secondary College (GSSC), Telstra's Connected Student's program provided technology kits to low-income households with at least one student at the school between the ages of 15-18 years. The kits consisted of a laptop, a router and an activated SIM providing unlimited broadband for the duration of the project.

The program has found that:

- interventions at the individual level positively impact digital inclusion at the household level
- devices are critical to digital inclusion
- access to an affordable and quality internet service is critical to digital inclusion.

The findings from this program were shared with policy makers and key stakeholders ahead of the 2022 Federal election. Affordability is a major factor driving the digital divide and we see a policy opportunity for the Australian Government to make home broadband more affordable for those on low incomes.

### Accelerating action on digital inclusion

We continue to advocate for change through advocacy. Key areas of focus include broadband affordability, the need for a national digital inclusion roadmap and targeted measures to improve First Nations digital inclusion.

In FY22 we provided recommendations to the Australian Government's Indigenous Digital Inclusion Plan and the 2021 Regional Telecommunications Review. This year we also supported The McKell Institute in the development of their report [Bridging the Digital Divide](#) that aims to help the Queensland Government work towards a future where no Queenslander is digitally excluded.



# Tech for good

## Telstra Foundation

[Telstra Foundation](#) (Foundation) is Telstra's registered, philanthropic charity in Australia that enables social change through technology. Through the Telstra Foundation, we have improved the digital skills of young people, supported community-led climate action and funded tech for good non-profit projects. The Foundation also provides opportunities for Telstra employees to engage with this community work.

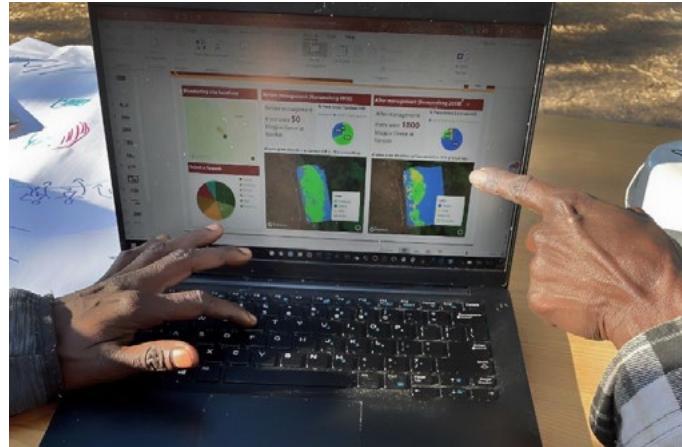
This year we worked with 16 charity and social enterprise partners, committing \$5.3 million through the Foundation to support community programs and partnerships. The Foundation also facilitated over \$850,000 in charitable donations from Telstra shareholders and customers.

We know opportunities to learn digital skills for the future of work are not equally distributed. To help address this, the Foundation continued to manage [Code Club Australia](#) (incorporating [Moonhack](#)) to get kids coding via free, volunteer-led code clubs in schools and libraries. We also funded coding and digital literacy programs to enable young people to use and understand technology as well as creatively problem solve.



Image: Code Club Australia, powered by Telstra Foundation

As part of this work, we partnered with [Indigital](#), [Alannah & Madeline Foundation](#) and [Young Change Agents](#) to help scale their innovative education programs across Australia. Given digital inclusion is not just about learning how to use technology; it's also about leveraging use to the next step, we also supported five innovative charities helping diverse, vulnerable, and disadvantaged youth via our [Tech4Good Challenge](#).



## Backing First Nations-led approaches to AI tech for healthy country

Our partnership with North Australian Indigenous Land and Sea Management Alliance (NAILSMA) and CSIRO has funded the delivery of the [Healthy Country AI training initiative](#) in three remote First Nations communities (Kakadu, Cape York and Arnhem Land).

This is a collaborative partnership to train Indigenous Rangers and community practitioners in digital technologies and data analysis to adaptively manage their lands. Training is grounded in traditional knowledge to better support effective decision-making on Country.

The initiative brings together Indigenous Rangers and Traditional Owners, NAILSMA, CSIRO, Telstra Foundation, Microsoft, the Australian Government's National Environmental Science Program (NESP) Resilient Landscapes Hub and the Women in STEM and Entrepreneurship program.

Image: Bininj traditional owner ladies in Kakadu National Park using an interactive data dashboard to explore changes coverage of weeds after management

To support community-led climate action, we partnered with North Australian Indigenous Land & Sea Management Alliance and CSIRO, Australia's leading science agency, on the Healthy Country AI Training initiative. We also helped to build a movement of tech-enabled climate-focused citizen scientists across Australia in partnership with Earthwatch; along with funding innovative climate technology projects as part of our Founding Funder partnership with the Australian Red Cross Humanitech initiative.

## Social and environmental innovation

This year we continued to invest in technologies that will dramatically transform Australia in the coming years. The overarching theme of our innovation effort is that we cannot do it alone – it takes an ecosystem of partners from the tech world, academia, government, industry and the community to make lasting, scalable change.

Our technology innovation efforts are centred around the transformative potential of our infrastructure and platforms. These range from our investment in Australia's largest quantum computing company, to 'Stadium of the Future' experiences that we are building in partnership with the Australian Football League at Marvel Stadium to autonomous transport initiatives with Transport for NSW. We are also focusing our innovation efforts in the key industries that power the Australian economy, such as agribusiness, where we closely collaborate with industry bodies, major corporate partners like Microsoft and IBM, and domestic Australian start-ups like Farmbot to introduce technologies that make agriculture more sustainable and competitive, from monitoring water levels, to keeping track of livestock – even simple things like being able to tell when a gate in a paddock has been left open.

### Telstra Labs

[Telstra Labs](#) continued to explore and validate emerging technologies including 5G, artificial intelligence, Internet of Things, augmented reality, vehicle-to-everything (V2X) and drone communications.

In FY22 we completed a trial with Transport for NSW and several heavy freight logistics companies using V2X technology. One of the key components was to investigate the benefits of giving green light priority to heavy freight vehicles at key intersections on their routes. With average trip time savings of nearly 15 seconds per intersection realised, the benefits extend beyond the logistics companies' day-to-day operation. Reduced stopping means there is less brake noise and less fuel consumed by these vehicles leading to reduced emissions. Other vehicles on the road also benefit from not having to wait behind a heavy freight vehicle that moves slowly off the line after waiting at a red light.



We continued our four-year partnership to make Marvel Stadium one of the most advanced in the world. This year we worked on a method to help visitors to Marvel Stadium get around the venue quickly and in an engaging way. We brought in two of our strategic partners, Google and Accenture, and together used an early form of the ARCore Geospatial API which can accurately locate stadium patrons indoors, e.g. when GPS doesn't work. This technology was trialled with a prototype wayfinding application that also included Marvel characters. This prototype is now being scoped for further commercial application.

We also announced trialling new technology to plant thousands of native trees in northern NSW to restore the land and extract and store carbon from the atmosphere. For more information see the [Environmental action](#) section of this report.

## Telstra Data Hub

[Telstra's Data Hub](#) platform allows companies to securely share, view and exchange data that can deliver real benefits to their productivity. Some of the ways we have used this platform in FY22 include optimising rural water management in Queensland (QLD) with the Department of Regional Development, Manufacturing and Water, developing weather forecasting solutions for farmers with the QLD Department of Agriculture and Fisheries and Bureau of Meteorology and collaborating with IBM Blockchain Transparent Supply to provide traceability for Western Rock Lobsters to enhance operational efficiency and sustainability in food supply chains.



## muru-D

[muru-D](#) is our vehicle for partnering with players in the Australian start-up ecosystem. It provides start-ups with access to our core technologies and helps identify opportunities to partner with more mature start-ups, as either a supplier to Telstra or as a go-to-market partner. As part of this program in FY22 we invested \$1 million into muru-D company [Farmbot](#) to help the company grow its business of enabling farmers to more efficiently and sustainably manage their water.





# Environmental action



# Approach

## Our environment strategy

As Australia's leading telecommunications and technology company and a large energy user, Telstra has an important role to play in addressing climate change and responding to the many environmental challenges we face. Climate change and environmental sustainability are the defining challenges of the decade and we have a responsibility to act. We are committed to leading by example and using our scale and voice to drive better environmental outcomes. We can also make a difference beyond our business by encouraging and enabling our customers, suppliers and communities to do the same.

Our Environment Strategy sets our ambition to tackle climate change and create a more sustainable future by using resources sustainably and efficiently.



Murra Warra Wind Farm, Victoria

Principles	Lead by example	Reduce our impact	Drive change from the inside out	Enable our customers and economy	Ensure resilience of our services
Pillars					
Goals		Climate change and energy use		Resource efficiency	
Activities	<ul style="list-style-type: none"> <li>Carbon neutral in our operations from 2020</li> <li>Enable 100% renewable energy generation equivalent to our consumption by 2025</li> <li>Reduce our absolute emissions by at least 50% by 2030 (from FY19 baseline)</li> </ul>	 Decarbonise Telstra  Decarbonise grid  Decarbonise economy  Adapt to climate impacts	<ul style="list-style-type: none"> <li>Reuse or recycle 500,000 mobile phones, modems and other devices each year to 2025</li> <li>100% of Telstra branded packaging is made of renewable or recycled material and is fully recyclable by 2022</li> <li>Increase our network waste recycling rate to 85% by 2025</li> </ul>	 Create more sustainable products  Create more sustainable packaging  Recover network technology  Improve waste and recycling	
Foundations	<b>Reporting and disclosure</b> <b>Managing environmental risks and compliance</b>				



Utility-provided Standalone Power System trial at Mount Ney, Western Australia

## Climate change and energy use

Telstra has been certified carbon neutral since July 2020. We continue to be the largest carbon neutral certified organisation in Australia under the Australian Government's [Climate Active](#) program. Our investment in carbon offsets complements our focus on decarbonising our operations, the energy grid and the economy.

Operating our network, buildings and data centres requires a lot of electricity. In an interconnected energy grid, investments in renewable energy generation help to decarbonise the grid for everyone. By 2025, our target is to enable renewable energy generation equivalent to 100 per cent of our consumption. This commitment builds on our work to underwrite Australian renewable energy generation projects via Power Purchase Agreements.

Our emissions reduction target is part of our longer-term commitment to achieve net zero greenhouse gas (GHG) emissions by 2050 aligned with the Paris Agreement. We plan to achieve at least a 50 per cent reduction in absolute emissions from a FY19 baseline by 2030 through a range of initiatives.

We are improving the energy efficiency of our mobile network sites, fixed network sites and data centres and decommissioning legacy equipment and infrastructure to reduce our overall energy use. We are increasing investment in this program, exploring new and more efficient technologies and building climate change considerations into business planning. We will also benefit from the progressive decarbonisation of the electricity grid as the proportion of renewable energy grows. We are contributing to this 'greening of the grid' ourselves through our renewable energy generation target as outlined above.

In December 2021 we broadened our emissions reduction target to also include a 50 per cent reduction in our scope 3 emissions by 2030, from a FY19 baseline<sup>1</sup>. Scope 3 emissions are indirect emissions that occur as a result of our activities, from sources not owned or controlled by us (such as from the activities of our suppliers or the use of our products by customers). Our emissions reduction target has also been validated by the Science Based Targets initiative (SBTi) as aligned to a trajectory to limit global warming to 1.5°C.

<sup>1</sup> We are assessing the impact of retail energy growth in relation to our scope 3 emissions profile and will provide an update once this has been completed. We are also confirming the implications of our recently completed Digicel acquisition in relation to our emissions reduction target, and we will provide an update should there be any material impact once this analysis has been completed.

We've set three climate change goals that reflect our overall ambition:

### Our climate and energy use goals:



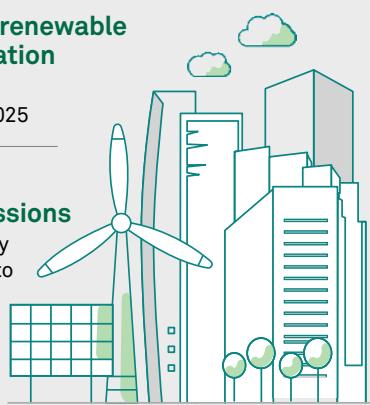
#### Carbon neutral in our operations from 2020

We achieved this in July 2020 through one of Australia's largest ever carbon offset purchasing programs – and will do so every year moving forward.



#### Enable 100% renewable energy generation

equivalent to our consumption by 2025



#### Reduce our absolute emissions

by at least 50% by 2030 (compared to FY19 baseline)

### To achieve our climate change and energy use goals we will 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.

### Our approach to decarbonisation

Our decarbonisation plan is built on three pillars: low emissions decision making, designing out emissions and promoting growth with low emissions sources. In FY22 we trialled an internal shadow carbon price with the aim of aligning emissions reduction with financial decision making. This helps us design a net-zero emission network of the future by using a lifecycle approach aimed at reducing energy consumption and emissions.

For more information about our decarbonisation plan, please refer to our 2022 Climate Change Report available at our [report website](#).

#### Low emissions decision making

Incorporate emissions reduction into business processes such as corporate governance, business planning and financial accounting

#### Design out emissions

Reduce energy consumption through design, planning, operation and decommissioning of buildings, network equipment and customer devices

#### Promote growth with low emissions

Transition to lower emissions energy including on-site renewable energy, hydrogen, battery storage and off-site renewable energy

## Resource efficiency

As a leading provider and large-scale user of telecommunications hardware, we are committed to optimising the resources we use, reducing consumption and waste across our business and investing in circular solutions that are designed to be sustainable across their lifecycle. To do this, we have set three resource efficiency goals:

### Our resource efficiency goals:



**Reuse or recycle 500,000 mobile phones, modems and other devices**  
each year to 2025



**100% of Telstra branded packaging is made of renewable or recycled material**  
and fully recyclable by 2022



**Increase our network waste recycling rate**  
to 85% by 2025



### To achieve our resource efficiency goals we will focus on:

**Creating more sustainable products** by creating circular opportunities and providing our customers with convenient reuse and recycling options for their devices

**Using more sustainable Telstra-branded packaging** by increasing recycled content, reducing plastic and helping our customers to easily recycle Telstra branded packaging

**Recovering e-waste and network technology** by recovering, recycling and reusing e-waste as we upgrade our network

**Improving waste and recycling** by using technology to reduce the waste going to landfill and partnering with the industry to recover more waste materials for re-use



## Governance

The Telstra Board is responsible for monitoring the effectiveness of our Environment Strategy and has oversight of processes to manage and integrate sustainable development considerations into our operations. More information about our approach to sustainability governance can be found in the [Our sustainability approach](#) section of this report. For information about our climate change governance information please refer to our 2022 Climate Change Report available at our [report website](#).



## Risk management

Telstra's risk management framework provides the foundations and key processes for identifying, assessing and managing environmental risks. We maintain a register of risks and plans to mitigate them. Our risk register is a living document and all risks are reviewed on a regular basis. Climate change is a material topic for Telstra and we are working to mitigate and adapt to its impacts through our Environment Strategy.

For more information on how we manage risk, please refer to our FY22 Corporate Governance Statement and 2022 Climate Change Report at our [report website](#).

## Compliance

Protecting the environment remains a key priority and we have set minimum performance standards for managing current and emerging environmental issues. Our Global Health, Safety, Wellbeing and Environment (HSWE) Management System is certified to the International

Standard ISO14001:2015 and applies to Telstra's global operations. We continue to review and improve our environmental management system in response to current and emerging environmental requirements, changing legislation and increasing shareholder, customer and community expectations.

As a minimum standard, Telstra seeks to comply with all operationally relevant and applicable environmental laws. We have not been prosecuted for, or convicted of, any significant breaches of environmental regulation in FY22.

## Industry associations and the valuable role they play

We are a member of a number of industry associations that provide value to our business, industry, the economy and the community. We regularly review our key industry associations' positions in relation to climate change and energy policy to make sure we continue to be broadly aligned on material sustainability matters – and take action where we aren't. More information can be found in the [Managing material impacts across our value chain](#) section of this report.

## Our commitment to transparency

Our Environment Strategy is underpinned by a strong foundation of reporting and disclosure and our risk and compliance framework. This includes maintaining our CDP (formerly Carbon Disclosure Project) leadership. For more information visit the [2021 CDP submission](#) and the CDP Case Study on Telstra's supply chain [here](#).

We have aligned our reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and will continue to enhance our climate-related disclosures to reflect our response to manage the impacts of climate change. For more information about our decarbonisation plan, please refer to our 2022 Climate Change Report available at our [report website](#).

For a detailed breakdown of our environmental performance data, see the 2022 Data Pack at our [report website](#).

We have engaged Ernst & Young (EY) to provide limited assurance over a selection of our FY22 environmental performance data. For an overview of the metrics included in the assurance, see EY's Assurance Statement at our [report website](#).

# Progress



Telstra carbon farm located at Yarrowyck, NSW

## FY22 progress against targets

● Achieved ● In progress ○ Not achieved

Strategic focus area	Headline targets	SDG priorities alignment	Progress	More info
Climate change and energy use	Carbon neutral in our operations from 2020	Goal 13	● Maintained certification as a carbon neutral organisation	<a href="#">page 67</a>
	Enable renewable energy generation equivalent to 100% of our consumption by 2025		● Achieved renewable energy generation of 31% towards the target	<a href="#">page 78</a>
	Reduce our absolute emissions by at least 50% by 2030		● Reduced our combined scope 1 & 2 emissions by 14% and scope 3 emissions by 31% from FY19 baseline	<a href="#">pages 72 &amp; 77</a>
Resource efficiency	Reuse or recycle 500,000 mobile phones, modems and other devices each year to 2025	Goal 12	● Reused or recycled 554,240 mobile phones, modems and other devices in FY22	<a href="#">page 80</a>
	Ensure 100% of Telstra branded packaging is made of renewable or recycled material and is fully recyclable by 2022		● Transitioned 77% of Telstra branded products to new sustainable packaging that is made of recyclable materials and is fully recyclable	<a href="#">page 83</a>
	Increase our network waste recycling rate to 85% by 2025		● Increased our network waste recycling rate to 75%	<a href="#">page 84</a>

# Climate change and energy use

This year we have improved the energy efficiency of our infrastructure and network to reduce emissions, purchased carbon offsets for our remaining emissions and invested in renewable energy Power Purchase Agreements (PPAs) to help decarbonise the electricity grid.

We are a member of the [United Nations Global Compact's Business Ambition](#) for 1.5°C, pledging to help limit global temperature rise to 1.5°C above pre-industrial levels.



## Decarbonise Telstra

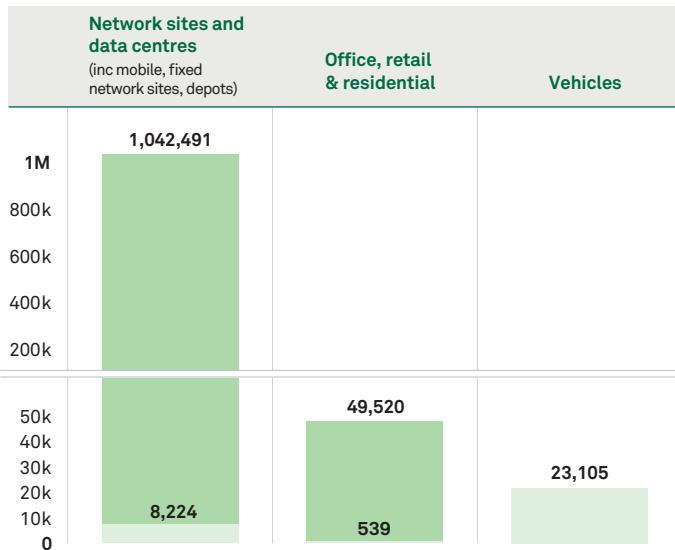
In FY22, we achieved a 3.4 per cent reduction in our scope 1 and 2 GHG emissions compared to the previous year and have achieved a cumulative 14 per cent reduction against our baseline year of FY19. We did this by improving our infrastructure and network energy efficiency, accelerating the decommissioning of legacy technology and leveraging the reduced emissions intensity of the electricity grid as the use of renewable energy increases. In alignment with our carbon neutral goal, we offset our residual emissions to maintain our carbon neutral certification.

### Greenhouse gas emissions (scope 1 and 2)

	FY19	FY20	FY21	FY22
Greenhouse gas emissions <sup>2</sup> (tCO <sub>2</sub> e)	1,306,495	1,247,050	1,163,669	1,123,879
Australia	1,237,452	1,180,531	1,110,879	1,077,235
International	69,044	66,519	52,790	46,644

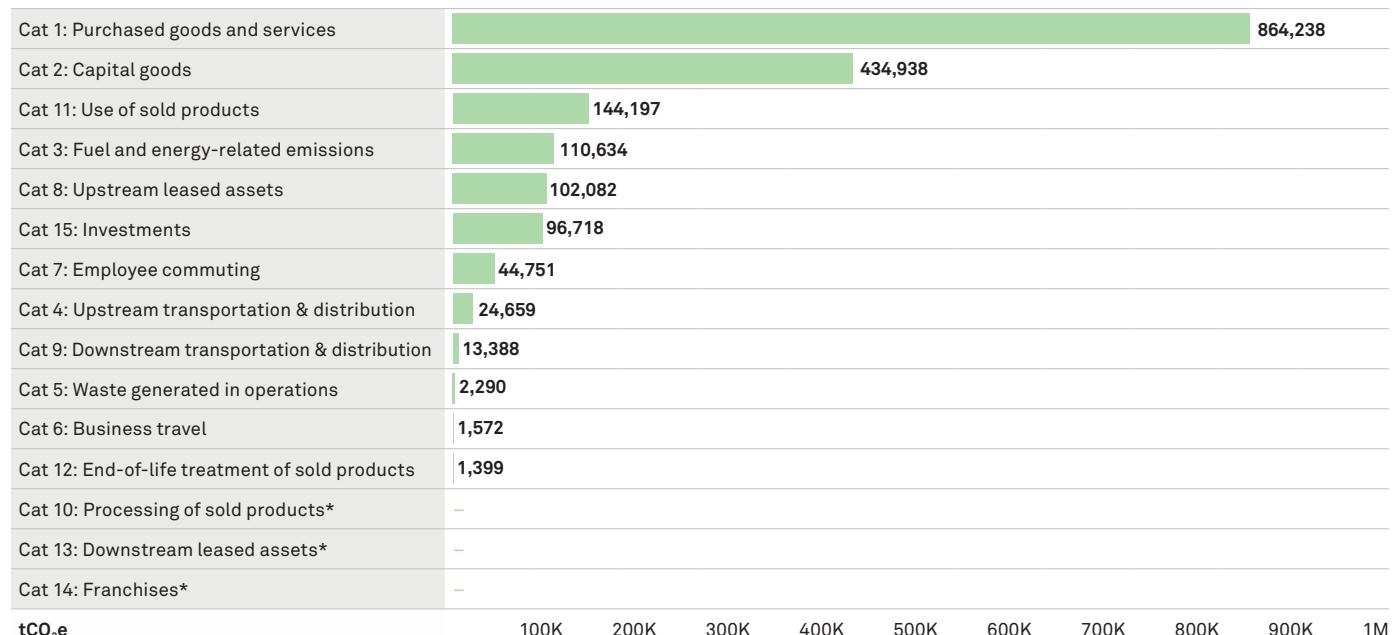
### FY22 greenhouse gas emissions (scope 1 and 2) by category

tCO<sub>2</sub>e     Fuel (scope 1)     Electricity (scope 2)



<sup>2</sup> Greenhouse gas emissions are calculated using the latest emission factors at the time of reporting. Scope 1 and 2 emissions include Telstra's Australian and International operations.

## FY22 scope 3 greenhouse gas emissions by category



\* Not applicable or material. For more information, please refer to our 2022 Data Pack available at our [report website](#).

This year, we have implemented changes to our scope 3 emissions inventory back to our FY19 baseline year to ensure relevance, completeness, consistency, transparency and accuracy across the reporting years. In accordance with the WRI Greenhouse Gas Protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard we have recalculated the FY19 baseline year and subsequent years emissions to improve accuracy related to improvements in our calculation methodology, emissions factors and data inputs. We continue to improve the data quality of our scope 3 emissions to better manage and reduce our overall emissions footprint. For more information, please refer to our 2022 Data Pack available at our [report website](#).

In FY22 we have purchased 2.81 million carbon offsets from wind, solar, and energy efficient manufacturing processes in India and savanna burning projects in Australia. Over the last three years we have purchased 6.22 million carbon offsets.

Investing in carbon offsets accelerates climate action, catalyses community activity and supports innovation and uptake of emerging breakthrough technologies and practices. With operations in Australian and international markets, we recognise the importance of developing a robust and mature market for sequestration in Australia and the value of channelling capital from developed to developing countries in support of climate resilience.

In Australia, our offset purchases have been focused on investments in [First Nations led projects](#) in savannah burning, as well as reforestation projects with biodiversity outcomes in Queensland, Northern Territory and Western Australia.

These projects combine traditional knowledge on how to read country and knowledge of when to burn with high-tech hardware to perform targeted patchwork burning early in the dry season when vegetation still contains some moisture. This reduces greenhouse gas emissions from high intensity, uncontrolled fires later in the season when the country is drier. This is consistent with our principles of investing in projects with First Nations involvement and/or connection to local community and economic prosperity. This work also complements Telstra Foundation's investment in the [Healthy Country AI Training](#) initiative in partnership with North Australian Indigenous Land and Sea Management Alliance (NAILSMA) and CSIRO, Australia's leading science agency.

For more information on the emissions we are offsetting, and the carbon offset projects we are investing in, please refer to our Climate Active [Public Disclosure Statement](#).

## Managing our electricity consumption

Electricity consumption from our network, data centres, offices and other buildings accounts for around 97 per cent of our total FY22 GHG emissions (scope 1 and 2). We strive to reduce energy consumption across every aspect of our business through a careful program of planning, equipment monitoring and energy productivity optimisation.

Our network sites, including fixed network sites and data centres, are our largest consumers of electricity. We increased our investment in energy reduction projects, including both energy efficiency and decommissioning, from \$8.6 million in FY21 to \$21.1 million in FY22.

In FY22, our energy efficiency programs delivered a collective saving of 13,494 tCO<sub>2</sub>e and more than 15,702 MWh of electricity per annum. In addition to our energy efficiency projects we saved a further 46,085 tCO<sub>2</sub>e and 52,935 MWh through decommissioning network equipment.

InfraCo's Energy Reduction Program was awarded the 2022 Leading Energy User award at the National Energy Efficiency Conference. This award is recognition of the innovation, leadership and energy reduction work that happens across InfraCo.

For a detailed breakdown of our GHG emissions and energy consumption, please refer to the 2022 Data Pack available at our [report website](#).



New roof top air conditioning plant

## Low emissions decision making – Setting an internal carbon price pilot

In FY22 we trialled a shadow carbon price, recognising that aligning emissions reduction with financial decision making is critical to achieving our target. The pilot focused on understanding the emissions and energy costs associated with our capital investment decisions.

Different carbon price options were considered, and a shadow carbon price of \$40/tonne<sup>3</sup> was applied to investments considered as part of the pilot. The objective was to reflect an estimate of the long-term marginal cost of abatement and show the impact on net present value and other financial metrics as a consideration in decision making.

The pilot has informed recommendations to include an internal carbon price in FY23 planning. We have also established a central budget to prioritise the funding of emissions reduction capital and operational projects for FY23.



Automatic transfer unit located at Powellite Exchange

<sup>3</sup> During the pilot, we applied a static price to enable consistency in the data being reported. This figure was based on carbon price benchmarking of selected technology, telecommunication and Australian companies and the carbon price and market outlooks such as CDP, World Bank and Reputex in mid-2021. We intend to periodically review our carbon price to ensure it remains appropriate.



## Our first carbon farm

In March 2022, we announced that we are trialling new technology to plant thousands of native trees in northern New South Wales (NSW) to restore the land and extract and store carbon from the atmosphere. We are reforesting 240 hectares of land we have acquired at Yarrowyck in northern NSW. We intend to plant 158,000 native trees and shrubs, which are expected to store around 160,000 tonnes of carbon dioxide over the next 25 years. Moreover, this project will serve as an important wildlife corridor between the Gwydir River and the Northern Tablelands.

Technology is at the core of Telstra's Environment Strategy. We will be testing a wide range of technologies including aerial drones, telemetry, robotics and artificial intelligence. These technologies will be applied to every aspect of sequestration, including seeding, pest and weed management, environmental condition monitoring, weather prediction, carbon storage estimation, finance and risk management.

In a world first, the trial is also exploring the use of a probiotic fertiliser produced by maggots in the digestion of food waste, which avoids methane emissions otherwise arising from food waste decay. We are hopeful that these pilots will expose the opportunities and risks in this space, helping other companies to increase their involvement in the Australian carbon market.

For more information visit [Telstra Exchange](#).

## FY22 energy efficiency and decommissioning initiatives

Initiative	Description	Annual savings (MWh)
HVAC optimisation	We conduct physical inspections of our network sites to identify faults affecting power consumption and review equipment performance to identify optimisation opportunities	1,748
Building services energy efficiency upgrades	Our capital works program includes the installation of fresh air cooling systems, high efficiency air-conditioners, improved cooling control strategies, and electronically commutated fans	6,268
LED lighting	We are currently undertaking a large multi-year program to remove over 100,000 old fluorescent lights across hundreds of our facilities and install new LED lights with inbuilt motion sensors	6,446
Upgrading rectifiers	Rectifiers convert electricity from AC mains power to DC power, which is required to run our telecommunications equipment. We continue to upgrade older inefficient units to more modern, high efficiency rectifiers. These are now achieving efficiency levels of 96 - 98%	522
Decommissioning legacy network	We are actively rationalizing and decommissioning our legacy network equipment, reducing both direct energy consumption from the equipment as well as associated energy for cooling.	52,935
Network facilities efficiencies	We identified energy efficiency opportunities at our wireless facilities	718
<b>Total</b>		<b>68,637</b>



## Electric vehicles

We're transitioning our Telstra fleet vehicles to hybrid models to reduce our fleet emissions.

We have committed to the South Australian Government's Electric Vehicle Fleet Pledge. Under the pledge we commit to purchasing electric vehicles, as fit for purpose, cost effective models become available in the transition to low and zero emission fleet.

Telstra has an operational fleet of 3,400 vehicles and 600 trucks and equipment assets. Close to 20 per cent of vehicles are hybrid and six are electric, with charging available at three of our head office locations. Our goal is to convert to electric vehicles where they're operationally fit for purpose, as electric fleet market options increase and charging facilities expand. We've also introduced the first operational hydrogen vehicle into our fleet.

## Backup power that keeps communities clean and connected

Many of our fixed network sites rely on diesel back-up power to keep our network running in the event of an outage on the national electricity grid. We have worked with Decon Australia to trial the deployment of a Smart Power Cell (SPC) at one of our 4G mobile sites in outer Melbourne. The SPC was installed initially as a trial to monitor the financial and environmental benefits of leveraging this technology for backup and temporary power. In one year we saved 48.5 tCO<sub>2</sub>e.



## Energy saving at exchanges

At our Flemington Exchange in Victoria, we implemented an energy saving project which included upgrading the air-conditioning plant, new HVAC (Heating, Ventilation & Air Conditioning) control hardware and programming strategies with an energy monitoring and alarming system, implementation of economy cycle cooling, installation of motion sensing LED lighting, the retrofit of a generator block heater thermostat and a trial of photoluminescent exit lights.

Through this project we have seen the energy consumption for the site reduce by 26 per cent compared to the same months the previous year, and we are on track to save 117 MWh annually.

Image: Flemington Exchange site improvements

## Managing our scope 3 emissions

We recognise that we have a responsibility to contribute to reducing the GHG emissions produced by our partners, suppliers and customers using our products – our scope 3 emissions. Scope 3 represents Telstra's largest emissions source, making up 62 per cent of our total footprint.

In December 2021, we set an ambitious target to reduce our scope 3 emissions by at least 50 per cent by FY30 (from a FY19 baseline). Supplier emissions represent approximately 72 per cent of Telstra's scope 3 emissions (category 1, 2 and 4). We are working with suppliers to identify, prioritise and execute emissions reduction opportunities to achieve this target. This includes providing training and support to vendors on how to reduce their carbon footprint, including our climate commitments in commercial agreements and considering emissions reduction opportunities in the delivery of their goods and services to us. Our scope 3 emissions have already decreased by 31 per cent since FY19 and our new target sets a clear, ambitious goal for us to continue making significant and sustained progress. For more information visit [Telstra Exchange](#).

We've partnered with CDP through their Supply Chain Program to engage our suppliers to more effectively account for and address their climate change impacts. This partnership enables us to deliver training, tools and support to our top 113 suppliers (covering over 78 per cent of our spend), to help them disclose their environmental impacts to Telstra via the CDP.

In October 2021, we hosted a forum with our largest suppliers to discuss how we can work together towards a low carbon future. Since then, 94 per cent of the suppliers we engaged have disclosed their environmental impacts via the CDP, well above the global average rate of disclosure. As a result of our engagement, we were recognised in 2022 as a [CDP Supplier Engagement leader](#), one of only two Australian companies recognised and part of the seven per cent of companies recognised globally for their work to reduce supply chain emissions. We're now using the information collected from our suppliers to help us further understand the volume of their emissions, and to develop strategies to improve supplier emissions performance. Currently over 75 per cent of our disclosing suppliers have set targets to reduce their emissions.

In May 2022 in conjunction with CDP, we met with the suppliers we requested to complete the next round of CDP questionnaires. We have increased the number of suppliers we have engaged this year through CDP to in excess of 200.



The majority of our emissions are concentrated in a relatively small number of suppliers. Meaningful decarbonisation targets and plans by these suppliers will contribute heavily towards achieving our scope 3 target. As part of a pilot from FY22, six suppliers signed up to contract terms to reduce their absolute emissions. In FY23, we will continue to roll out these contract terms to more suppliers. The production and distribution of our Telstra modems is one example. We have worked with our suppliers to reduce the size of our packaging and use smart technology to fit our modems together more efficiently on distribution pallets. This has led to a reduction in shipping and road transport, saving money and reducing emissions.

By decarbonising our downstream supply chain we have a domino effect where companies who operate upstream in our supply chain are now more than likely to look for low carbon alternatives. This helps to drive broader, sustained climate action across the industry.

For more information visit [telstra.com.au/climate/helping-reduce-our-supply-chains-carbon-emissions](https://telstra.com.au/climate/helping-reduce-our-supply-chains-carbon-emissions).

## Decarbonise the grid

Telstra is focused on decarbonising the grid through greater investment in renewable energy, thereby reducing reliance on non-renewable energy from fossil fuels.

Our target is to enable renewable energy generation equivalent to 100 per cent of our consumption by 2025.

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).



Murra Warra Wind Farm, Victoria

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.

In addition to being the principal offtaker at Murra Warra, 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.

We are also tracking the amount of renewable energy that we consume as an organisation, both from on-site solar generation and the physical characteristics of grid-purchased electricity.

## Decarbonise the economy

The energy used by Telstra devices, including modems, comprises approximately eight per cent of our scope 3 emissions. Part of our role in decarbonising the economy is therefore to ensure we actively identify opportunities to reduce the energy consumption of our devices.

In FY21 we initiated a program to engage our modem manufacturers to incorporate greater energy efficiency requirements into future modem designs with the aim of reducing our customers' energy use and emissions. Since FY19 we have reduced our scope 3 emissions by 31 per cent. The largest contributors have been reductions in emissions reported by our suppliers and from customer use of our modems.

We also commissioned Deloitte to prepare an Enabling Positive Climate Action Report showcasing how we can help our customers to reduce their emissions and piloted an internal shadow carbon price for major investment decisions. For more information please refer to our [report website](#).

In February 2022, we announced a new \$100 million deal with Intellihub that will see us provide up to 4.1 million Internet of Things SIMs to Intellihub over the next decade. This will aid Intellihub to deliver real-time monitoring and insights to help them and their customers better manage things like energy demand, solar feed-ins and peaks and troughs.

We recognise that carbon sequestration is an important tool in decarbonising the Australian (and global) economy. Technology is going to be a critical enabler of sequestering carbon efficiently and at scale. We are exploring how technology can assist. As an example, as outlined above our carbon farm at Yarrowyck in northern NSW will use specialised drones for automated planting, as well as using remote sensors to monitor the trees, track weather and atmospheric conditions and calculate the carbon stored.

For more information please refer to our 2022 Climate Change Report available at our [report website](#).



## Prompting customers to use energy in low demand times

Telstra is also helping customers to access more renewable energy, even if they don't have rooftop solar. In a pilot project called Shape Shifters, Telstra helped 300 customers to shift their energy consumption from periods when renewable energy generation is low and/or demand is high, to periods when renewable energy generation is plentiful. The pilot explored the role of technology, economics and customer psychology in reducing household emissions. For example, customers were prompted to complete household chores involving dishwashers, washing machines and vacuum cleaners during low energy demand periods in the middle of the day, rather than at peak demand periods in the evening.

During the pilot, over 60 per cent of participating households shifted their electricity usage to an alternate time of day. At scale, time shifting energy use improves grid stability and reduces market risk and emissions intensity. This is an exciting field of research in which Telstra can play a pivotal role in testing the potential of connected appliances and artificial intelligence.

## Adapt to climate impacts

Adaptation planning is a process of understanding and adjusting to the impacts of climate change. This includes taking action to reduce the negative impacts of climate change and taking advantage of emerging opportunities. In FY22 Telstra developed and implemented our first adaptation plan. The plan looked at these unpredictable events by a risk analysis approach:

- assessing the risk exposure of network sites to fire, flood and cyclone
- revising building standards to improve the resilience of mobile huts and facilities
- revising the standards of backup power systems to provide longer duration power reserves to sites deemed at risk
- using risk assessment data to assist in prioritising life cycle funding to those sites assessed at risk
- establishing, wherever feasible, remote monitoring and management capability to give better and more timely site performance factors
- mapping site transmission dependencies to understand how multiple sites can be impacted by a single event and to expose and minimise the impacts of single points of failure in the network.

We use scenario analysis to understand how these risks might change in the medium to long term. Qualitative and quantitative scenario analysis has provided us with useful insights into the nature, scale and impact of our climate related risks. It has also given us valuable information about the current and future dynamic change in these risks, including an understanding of key signposts which might indicate a change in the short-term risk.

For more information on our scenario analysis and climate risks and opportunities, please refer to our 2022 Climate Change Report available at our report [report website](#).

# Resource efficiency

Telstra is committed to embedding circular economy principles into how we design, develop, manage and operate our networks - as well as the products we put out to market. This year, we stepped up our environmental ambition to improve our use of resources, reduce waste going to landfill and create innovative circular solutions to reduce our environmental impact across the lifecycle of our networks and products. We know e-waste is growing three times faster than general waste streams<sup>4</sup>. As a leader in the telecommunications and technology sector, we are committed to doing our part.

Our strategy has been designed to not just focus on the resources used and the waste generated in our operations, but also the waste we generate from the manufacturing, distribution and use of our products. We are proud of our ambitious approach to improving our resource efficiency because we know that by leading change across our organisation, we can also help our customers, suppliers, contractors and partners do the same.

## Sustainable products

Australians are storing an estimated 38 million<sup>5</sup> electronic devices in their homes. We are helping our customers reduce the number of unwanted devices in their homes and businesses by making it easier for this technology to be reused or recycled. Enabling the valuable precious metals and materials in old technology to re-enter the economy reduces reliance on extracting raw materials, which has a positive and wide-reaching environmental impact.

As part of this ambition, we are aiming to reuse or recycle 500,000 mobile phones, modems and other devices each year to 2025. In FY22 we met this target, reusing or recycling 554,240 mobile phones, modems and other devices. We are designing more circular solutions for our products so that we can keep materials in circulation for as long as possible. We are working to increase the lifespan of mobile devices and modems through our repair, refurbish, re-use and trade-in programs and responsibly recycle devices that have reached the end of their useful life. We do this via the Telstra eCycle program by offering circular solutions for electronic devices - recovering materials for recycling, then using the recycled material in the manufacture of new products.

We have made it easier for our customers to recycle their old devices by expanding the type of devices customers can conveniently recycle at any Telstra store or via our free eParcel option for those who can't get to a Telstra store.

### Devices that can be recycled<sup>6</sup>

- Mobiles
- Tablets
- Mobile batteries and chargers
- Mobile wireless internet devices
- Mobile accessories such as headsets
- Modems and routers
- Home phones
- Smart watches and fitness trackers
- VR headsets and accessories

We are also partnering with Moorup to recover 3G devices and offer trade-in on mobile and ICT technology when people are upgrading. Enterprise and government customers can offset the cost of their new devices on their Telstra account while reducing their e-waste.

We've also formally launched CT Muster, a device recycling program for our field technicians, after first trialling it in 2021. This enables our technicians to collect and recycle customer devices and field equipment through a simplified recycling program.

This year the Telstra eCycle program collected 554,240 devices from customers to be reused or responsibly recycled. We repurposed 221,608 customer devices that were used and/or obsolete. We also recycled 332,632 devices through the Telstra eCycle program via MobileMuster and other partners.

<sup>4</sup> See [About e-waste](#) | Environment Protection Authority Victoria ([epa.vic.gov.au](http://epa.vic.gov.au))

<sup>5</sup> Estimated number of electronic products stored in Australian homes sourced from [MobileMuster](#).

<sup>6</sup> Find out more about what devices can be recycled in stores [Recycling](#) ([telstra.com.au](http://telstra.com.au))

For example in FY22, we:



**Recycled 102,079 mobile phones, 12,915 modems and 141,463 other devices\* through MobileMuster**

\*mobile accessories, tablets, smart home devices, home phones and Internet of Thing devices



**Collected 10,560 mobile phones, 21,734 modems and 5,206 other devices through the CT Muster program**



**Partnered with Kingfisher Mobile Australia via the trade-in and upgrade programs empowering customers to return 105,305 old or out of contract devices**



**Collected 97,904 mobile phones through our Repurpose & Replace program for refurbishment and reuse. We can utilise this stock as customer replacement devices in instances of warranty returns**



**Recycled >35,963 old modems through our warehouse inventory management program**



**Collected >19,506 smartphones, tablets and other ICT technology through Moorup with 85% reused and 15% recycled**



**Donated 1,605 repurposed phones to people in need**



This is all part of creating a more circular economy for the resources we consume – from the phones, tablets and other electronic devices we put out to market to the equipment we operate that our customers rely on to access our network.

## A smarter design for our Smart Modem 3

In recent years, we have been improving our smart modem to increase the use of recycled materials, reduce plastic accessories and improve the recyclability of packaging. This year, we upped our game by incorporating bold, innovative eco-design in the release of the Smart Modem 3.



We have:

- Changed the modem colour from white to black:** This allowed us to use recycled plastics in the Smart Modem 3. The new modem enclosure is made from 85 per cent recycled materials. The materials were fully validated in vendor laboratories to ensure the recycled plastics met the required technical and operational specifications for a modem (such as heat resistance and durability).
- Used 100 per cent recyclable, zero plastic packaging:** As part of the design process, packaging was optimised to minimise waste materials, while ensuring the product is sufficiently protected. This included removing plastic sleeves and inner plastic packaging and minimising the use of paper inserts. Even cable ties are paper based where possible. Our Smart Modem 3 packaging is now 100 per cent recyclable, plastic free and made from a minimum of 50 per cent recycled materials. We have also made it easier for customers to know how each component can be recycled by adopting the Australian Recycling Label.

For more information visit [Telstra Exchange](#).

## Recovering equipment from our enterprise customers

We partner with social enterprise, PonyUp for Good, to recover Telstra and Telstra client technology for reuse or recycling. PonyUp then donates 50 per cent of profits to SecondBite, Australia's largest fresh food charity. In FY22 we teamed up with PonyUp to recover over 4,000kg of obsolete Telstra Cisco routers from ANZ Bank office locations. Ninety per cent of this equipment was reused, the remainder recycled – enabling 95 per cent of material to go back into making new products. Through this program alone, 23,157 meals were donated through SecondBite to help those in need.

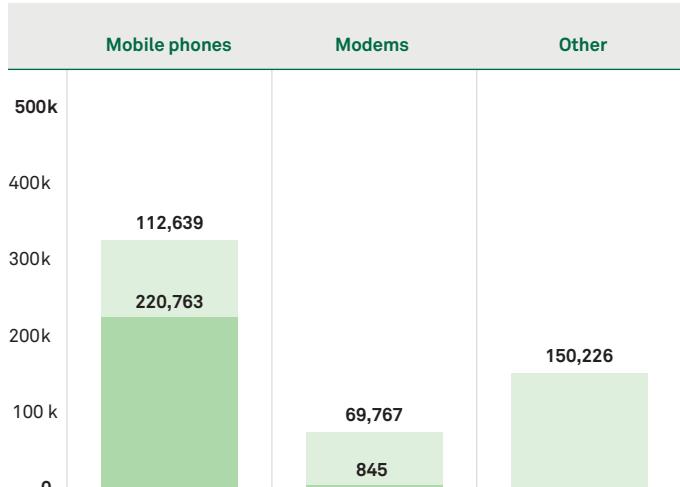
In Victoria, we partnered with PonyUp and the Victorian Department of Environment, Land, Water and Planning (DELWP) to recover decommissioned server equipment that had reached the end of lease. 1,264kg of obsolete tech was recovered and remarketed for reuse – giving it another 3-7 years life in service. Subsequently, 26,590 meals were donated through SecondBite.

Telstra's on-going partnership with PonyUp has now delivered more than 100,000 meals via SecondBite.

For more information visit [Telstra Exchange](#).

## Number of devices reused/recycled

Reuse      Recycle



## Sustainable packaging

Every year, we use over 955,000 kilograms of packaging to deliver our products to customers. We want to help our customers to be able to responsibly reuse or recycle our packaging rather than it ending up in landfill.

### Packing our Telstra-branded products

We are committed to ensuring that 100 per cent of Telstra-branded packaging is made of renewable or recycled material, and is fully recyclable, by the end of 2022. To do this, we have introduced sustainable packaging principles for our Telstra-branded products and released a new and improved Telstra-branded packaging design. Our focus is on not just making our packaging more sustainable, but helping customers know what can be recycled, and how.

Since 2020, we have been optimising our use of materials across a number of product categories including fixed broadband, mobile phones and accessories. We have improved material efficiency through removing unnecessary layers of packaging, reducing material weight and reducing unnecessary waste to landfill.

Telstra has been recognised this year by a number of packaging design organisations around the world. Our design system blends refined brand elements with sophisticated structural design to create a consistent packaging suite that can be executed by multiple suppliers. The design system has been recognised by the [Worldstar Global Packaging Awards](#), the [Good Design Australia Awards](#), the [Penta Awards](#), the [Australia Graphic Design Association Awards](#) and won Gold at the [Transform Magazine Awards](#).

### Moving to plastic free distribution of consumer products

We've also begun work to reduce, then eliminate, the use of the plastic courier satchels we use to deliver products to customers – we're choosing to use recycled paper packaging instead. When you're packaging and delivering products at the scale that we are, these small changes can add up to a big difference.

- **Plastic free distribution** – We use up to 3 million plastic satchels per year, along with plastic void fill in box shipments. The intention is to remove these and to be 90 per cent plastic free by the end of FY23. We are already well underway and have removed almost 25 per cent of plastic in the first few months of the campaign.
- **Right sized packaging** – We have reduced up to 20 per cent of the volume of packaging and ‘air’ that we ship through the introduction of automation that wraps the packaging/box around the product. This removed the need for void fill, secures the product more firmly for shipping (reducing potential for damage), and reduces the cubic dimension or volume of packages we put through the transport network.
- **Sustainable transport options** – We have introduced alternate transport for customer and store shipments, shifting away from 100 per cent air freight. The introduction of road freight reduced our carbon emissions by 60 per cent for these shipments and changes to our mail back process have reduced our carbon emissions for those shipments by 98 per cent.



## Improving waste and recycling

To increase our network waste recycling rate to 85 per cent by 2025, we are working with industry partners and customers to recover technology and other e-waste for reuse and recycling.

Our focus remains on areas where we can affect the greatest change for our people and stakeholders, including reviewing our waste infrastructure and building awareness and education of our teams. In FY22 we optimised and increased our waste recycling bin facilities by analysing foot traffic data, historical bin weight, staff/field technician location and site security. We are rolling out a new tool to help our field workforce find the right bin for their waste, to help reduce waste to landfill and improve recycling behaviors.

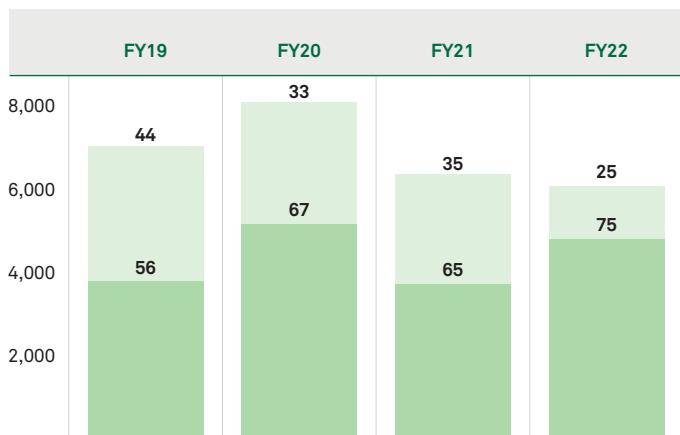
We are also recovering e-waste as we upgrade our network, identifying reuse opportunities for legacy technology, working with suppliers to extend the life of network technology and exploring opportunities to recycle industry-specific equipment. We have conducted network equipment recycling trials at four network facility sites recovering and recycling 87,620 kg of metals and e-waste.

### Recovering network technology

As technology advances and telecommunications needs change at a rapid pace, the equipment we need to operate our network also changes. We are committed to identifying

### Waste from network sites (tonnes) and recycling (%)

Waste (tonnes) Recycled Landfill



and recovering valuable resources for reuse or recycling where we can feed these materials back into our operations or the circular economy.

For most of our 140-year history we have used copper to service our landlines and connect people across our telecommunications network. We are looking at ways to recycle copper that is no longer required from our network.

Our copper cable recovery program is underway and resulted in 10,960 tonnes of metal recycled in FY22. The various metals extracted such as aluminium, copper and lead avoided 8,398 tCO<sub>2</sub>e.

### Recovering obsolete, but valuable, technology to extend the life of our network

There are powered roadside cabinets all over Australia being made redundant in the rollout of the NBN. In late 2020 we took apart 16 of these cabinets to inventory their parts for use as spares. We found an opportunity to reuse these materials, and in the process save \$374,000 on our repairs bill – more than \$23,000 per cabinet. In a year we recovered more than 10,000 spare parts valued at more than \$3 million from roadside cabinets across the country and are on track to save \$2.7 million in repair bills this financial year. The aluminum cabinets themselves can also be recycled for recovery and reuse. We re-introduced old, obsolete equipment back into the

materials economy – not only saving money but also reducing the demand on raw materials from purchasing new. We are planning to reduce the number of roadside cabinets from 7,500 in 2020 to 5,000 by 2025.

We are now recovering old Cisco routers and 3G transmission equipment from across the country to do the same. We are also looking into the use of old chip sets and extracting precious metals from other redundant or faulty circuit boards. Historically, we have assessed our assets only in terms of operational capability. Shifting our mindset to see other forms of environmental and economic value in our assets gives us a valuable business model for systematically assessing and capitalising on opportunities that benefit us, our community and our planet.

For more information visit [Telstra Exchange](#).

