

Bigger Picture



2023 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 our respects 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 2023 Sustainability Report, the terms Aboriginal and Torres Strait Islander, Indigenous Australians and First Nations are used interchangeably to reference Australia's First Peoples.

For more information

For more information about our sustainability approach and performance, as well as access to our *In Focus* papers, 2023 Data Pack and additional downloads, please see our [reports page](#).

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

Sustainability at Telstra

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For more information about our sustainability approach and performance, as well as access to our *In Focus* papers, 2023 Data Pack and additional downloads, please see our [reports page](#).

Statement of commitment from our Chair and CEO



It's our great pleasure to present Telstra's 2023 Sustainability Report

“ When you bring the power of technology together with the will to want to change the world, we can absolutely look forward to a brighter and more sustainable future. ”
Vicki Brady

We've all experienced the world changing dramatically in recent years and know the rate of change is only increasing. The disruption of the next decade is already on our doorstep – we're all grappling with macroeconomic headwinds, cost of living challenges, geopolitical shifts and instability, supply chain disruption, climate change, rapid technology change and the growing threat from cyber-crime.

We also have a transition and disruption underway in regional Australia, thanks to COVID-driven migration, the impacts of a changing climate, and industry transformation.

Telstra is a purpose-led organisation – our role in using technology to create a more sustainable and inclusive world underpins all the work we do in order to:

- help ensure communities in cities and regions prosper
- transform industries to be more productive, competitive, and sustainable
- build foundations to support emerging technologies that will fuel growth and help address challenges, like the impacts of a changing climate.

We see the future as one where connected technologies and services will provide the foundation for our economy and our society. The telco industry is an essential enabler of this future, and we've been vocal in encouraging our industry to think about the larger opportunities we can create by working together.

Technologies like machine learning, data and artificial intelligence, IoT and high-speed networks can help address many of the challenges our world is facing – especially as they all work together to increase their impact. These technologies also need to be carefully managed to ensure they create positive change, with minimal negative effects, and the benefits are shared widely.

This means working closely with our partners to drive sustainability, and in turn be driven by their innovations. Collaboration is key to creating a more sustainable and inclusive world, and we're leveraging our resources, expertise, and networks to drive meaningful change beyond our own operations.

We know that we play a role in driving sustainability in the wider community, and so we actively engage with customers, employees, suppliers, and stakeholders to promote sustainable practices and collaborate on sustainability initiatives.

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

Our commitment and contribution takes many forms:

Facing climate challenges together

The science is clear. Climate change is adversely impacting our economy, environment, communities and individuals. The time to turn things around is now, and it can be done if we work together. As Australia's largest telecommunications provider, we remain focused on delivering on our climate change and energy use goals. We are also helping our customers and society transition to a lower carbon future by accelerating the adoption of innovative emissions-avoiding technologies.

Designing for a better environment

Each year, we use 970,000 kilograms worth of packaging to deliver our products to customers. As we move towards being more sustainable and environmentally aware, this is an area where we can continue to make significant impact with some small changes. In FY23, we achieved our goal of having all Telstra branded packaging made of renewable or recycled material and fully recyclable. These changes to packaging are just the start for us – we're also aiming to recycle or reuse over 650,000 phones, modems and other devices each year to 2025. Our second goal is to increase our network waste recycling rate to 90 per cent by 2025.

Leading the way with reconciliation and inclusion

We recognise and accept that we've not always lived up to the ambition in our vision for reconciliation. In our Reconciliation Action Plan (RAP) launched in July 2022, we talk about our past mistakes, how our previous RAP was revoked, and the comprehensive corrective steps we've taken in response to inappropriate selling to Aboriginal and Torres Strait Islander customers. The RAP also includes wide ranging initiatives to improve connectivity, to build cultural awareness amongst our people, and increase employment and procurement opportunities for Aboriginal and Torres Strait Islander people. This is all part of getting us back on the right path. Telstra supports the Uluru Statement from the Heart, which calls for the establishment of a First Nations Voice to Parliament in the Australian Constitution. Guided by our First Nations Strategy, we're taking a leadership position in educating our people on the Voice to Parliament, to increase understanding and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge, and rights.

Advancing online safety, privacy and security

Cyber-crime is on the rise, but so are the cyber security and safety capabilities developed by us, our peers and government. We know that it's critical we take action to help our customers trust in the connectivity we provide, so we're driven every day to help make digital experiences safer. This has included reviewing and changing how we retain personal ID data, and joining forces with CBA to help protect customers from phone scams. We've also blocked hundreds of millions of scam calls and texts from reaching our customers each year. We recently introduced a way for Telstra customers who receive scam texts to forward them to 7226 (SCAM) to help us identify and block emerging scam techniques.

Building partnerships to collectively drive change

Our strategic partnership with Microsoft was expanded into a five-year agreement to drive growth and value for customers and Australia as a nation. We're working together to boost Microsoft's connectivity on Telstra's leading Asia-Pacific subsea cable network, harness cloud capabilities and collaborate on new product offerings and future ways of working. Our collaborations aim to improve sustainability outcomes in Australia and enable Telstra to meet its own commitments. We also announced a deal with Quantum in December 2022 to form a new venture aligned to Telstra's T25 strategy, which will help unlock the value of data and artificial intelligence for Telstra and its customers.

Working to build digital inclusion

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 those in vulnerable circumstances, are at risk of being left behind in the digital age, thus becoming even more marginalised. The challenges and barriers to increased digital inclusion need to be addressed by us all, including governments and 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 and First Nations communities who are among the least digitally included Australians.

Providing more coverage to more people in regional and remote places

As the digital world continues to transform the way we live and work, having access to reliable telecommunications, whether through mobile networks, broadband, or satellite services is critical. Our mobile footprint stretches across more than 2.7 million square kilometres – around 1 million square kilometres more mobile network coverage than our nearest competitor – and reaches 99.6 per cent of the Australian population. Over the seven years to the end of FY22, Telstra invested \$11 billion in our mobile network nationally with \$4 billion of this invested in our regional mobile network. 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.

Supporting our communities during times of critical need

As well as serving the community, we're a part of it. We're proud of our track record in helping our customers through the good times and the not so good. We understand the importance of communities needing access to network connectivity, especially in times of crisis. That's why we work extensively to prepare for disaster seasons. In FY23, our priorities continued to be ensuring the safety of our people, protecting and maintaining our infrastructure, keeping our customers connected and providing short and long-term assistance measures. We also offer international relief packages, helping our customers stay in touch with friends and family who are experiencing natural disasters or living in a conflict zone. We are also committed to helping people facing cost-of-living pressures by continuing to offer a range of products, services and programs to support customers experiencing temporary hardship or longer-term financial challenges.

Lastly, our contribution includes an ongoing commitment to transparency and transformation

We continue to proudly support the United Nations Sustainable Development Goals and make progress towards them. We're a signatory to the United Nations Global Compact (UNGC) and we are 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 Taskforce on Climate-related Financial Disclosures (TCFD), integrating this disclosure into our Annual Report for the first time this year as a part of building readiness for upcoming mandatory reporting of sustainability-related financial disclosures.

We choose to make these contributions because they will help us create positive outcomes for all our stakeholders – outcomes that are long term, sustainable and transformative. It means holding ourselves to a higher standard and getting the basics right in all aspects of our operations. We recognise our success is intrinsically linked to the digital economy, and that our support helps it grow and deliver on its potential for the nation.

We continue to be proud of our progress, and our increasing pace, in shaping Telstra as a responsible business and a sustainable and community-driven organisation. The challenges we face continue to evolve, but our commitment to face them head on is strong and resilient.

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



Vicki Brady, CEO and Managing Director



John P Mullen, Chair

About Telstra

Telstra is Australia's leading telecommunications and technology provider, offering a full range of communications services and competing in all telecommunications market.

Telstra Corporation Limited was incorporated as an Australian public limited liability company in November 1991 and was initially listed on the ASX on 17 November 1997. Since then, the Group has undergone many changes, including a corporate restructure in financial year 2023, that resulted in Telstra Group Limited becoming the ASX-listed parent entity of the Telstra Group on 31 October 2022.

As at 30 June 2023, Telstra is one of the 20 largest companies listed on the ASX with a market capitalisation of approximately A\$49 billion and has over 31,000 employees.¹

Our purpose is to build a connected future so everyone can thrive. We aim to 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 approximately 99.6 per cent of the Australian population. We have around 290 stores in Australia.

As at 30 June 2023, we provide around 22.5 million retail mobile services and 3.4 million retail bundle and data services in Australia. We also facilitate over 2,000 network points of presence in more than 30 countries and territories around the world. 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.

Our customer base is diverse including consumers, small business, large enterprises and government organisations.

¹ full-time equivalent



FY23 progress against targets

| Strategic focus area | Headline target | SDG | Progress | More info |
|---|--|----------------|---|-------------------------|
| Fair and transparent products and services | Achieve a 1/3 reduction in Telecommunication Industry Ombudsman (TIO) complaints by FY23 | SDG 8 | ● Achieved our goal, reducing our TIO referral complaints by 35 per cent in FY23 | page 26 |
| | Assess the experience of all our products currently in market against our Customer Experience Design Framework that focuses on sustainability and accessibility | SDG 10 | ● Assessed the experience of all our products currently in market against our Customer Experience Design Framework in FY23 | page 22 |
| Ethical supply chain | Continue to conduct independent third-party supply chain audits | | ● Conducted 41 independent third-party audits across 16 suppliers, identifying 239 priority and major findings. Closed 116 corrective actions relating to priority and major findings that were reported in this and last year's findings | page 27 |
| | Increase the number of suppliers who have completed onboarding via the Know Your Supplier (KYS) platform | SDG 8 | ● As of 30 June 2023, we have onboarded 1,204 suppliers on the KYS platform, up from 1,055 in FY22. Of these, 53 per cent have completed the KYS Questionnaire, up from 38 per cent completed in FY22 | page 27 |
| Leading conduct and governance | Achieve a 4-7pt uplift in our RepTrak reputation score by FY25 from our FY21 baseline of 61.3 | | ● In FY23, we increased our RepTrak reputation score by 1.3 points, for a total uplift of 2.2 points from our FY21 baseline | page 25 |
| | Achieve 100 per cent annual completion of Business Essentials refresher conduct training course | SDG 16 | ● Achieved with 100 per cent of our target audience completing the course by end of the reporting period | page 19 |
| Our people | Achieve an employee engagement score placing us in the 90th percentile each year | SDG 8 | ○ Finished FY23 with a score of 80 which means we didn't meet our target, but this still puts us above the global 75th percentile | page 28 |
| | Achieve representation of women at 30 June 2023: • Telstra Total: 34 per cent • Executive Management (Bands A-C): 40 per cent • People management roles (excluding Executive Management): 35 per cent | SDG 5 | ○ We achieved one of our three targets for representation of women: • Telstra Total: 35.2 per cent - target achieved • Executive Management (Bands A-C): 38.5 per cent - target not achieved • People management roles (excluding Executive Management): 34.0 per cent - target not achieved | page 31 |
| Connecting communities | 95 per cent population coverage for 5G by FY25 | | ● On track to deliver our FY25 target with our 5G footprint now covering 85 per cent of the population | page 38 |
| | Expand regional coverage by 100,000 km ² by FY25 | SDG 9 | ● On track to meet our FY25 target, having expanded regional coverage by 55,000 km ² in FY23, and 80,000 km ² since FY21 | page 38 |
| Building responsible tech skills | Increase digitally active customers by two million, by FY25, including building digital skills for 500,000 Australians, by FY25 | SDG 9 SDG10 | ● Supported over 200,000 Australians to build digital skills in FY23, and more than 250,000 over the past two years | page 44 |
| Supporting customers | Help keep one million customers in vulnerable circumstances connected each year from FY22 - FY25 | SDG 9 | ● Helped 1.26 million customers in vulnerable circumstances to stay connected | page 47 |
| | Complete FY23 Accessibility & Disability Inclusion Plan FY23-FY25 commitments | SDG10 | ● All 12 FY23 actions completed | page 49 |
| Taking bold climate action ² | Reduce our absolute emissions by at least 50 per cent by 2030 | | ● Reduced our combined scope 1+2 emissions by 30 per cent and scope 3 emissions by 28 per cent from an FY19 baseline ³ | page 59 |
| | Enable renewable energy generation equivalent to 100 per cent of our consumption by 2025 | SDG 13 | ● Achieved renewable energy generation of 30 per cent towards the target ⁴ | page 67 |
| | Carbon neutral in our operations from 2020 | | ● Maintained certification as a carbon neutral organisation | page 61 |
| Progressing a circular economy ⁵ | Reuse or recycle 500,000 mobile phones, modems and other devices each year to 2025 ⁶ | | ● Reused or recycled 632,919 mobile phones, modems and other devices in FY23 | page 72 |
| | Ensure 100 per cent of Telstra branded packaging is made of renewable or recycled material and is fully recyclable by 2022 | SDG 12 | ● Transitioned 100 per cent of Telstra branded products to new sustainable packaging that is made of renewable or recycled materials and is fully recyclable | page 75 |
| | Increase our network waste recycling rate to 85 per cent by 2025 ⁷ | | ● Increased our network waste recycling rate to 79 per cent | page 76 |

● Achieved ● In progress ○ Not achieved

2 The Digicel Pacific acquisition (which was closed in FY23) has been excluded from Telstra's emissions reporting and targets in FY23 as we have not yet been able to compile timely and quality environment data that aligns to the Greenhouse Gas (GHG) Protocol. A detailed program of work has been launched to align environment data processes and controls with the aim to quantitatively disclose the Digicel Pacific impact in our FY24 reporting.

3 This is significantly ahead of the trajectory required to reach our target of 50 per cent by 2030, however there is still some risk relating to the scope 3 target – see the *Understanding our climate risk* section of our 2023 Annual Report for more information.

4 In addition, we have now contracted renewable energy volumes equivalent to over 80 per cent of our consumption. There is a risk that the operational output of those projects will not reach the equivalent of 100 per cent of our consumption by the end of 2025. At this stage we believe it is more likely than not that this target will be achieved by that date. See the *Understanding our climate risk* section of our 2023 Annual Report for more information.

5 The Digicel Pacific acquisition closed in FY23. Digicel Pacific has been excluded from Telstra's circular economy reporting in FY23 as we have not yet been able to compile timely and suitable data. A detailed program of work has commenced with the aim of progressively reporting relevant Digicel Pacific circular economy data in future periods.

6 From September 2023, we are increasing our device recycling target to reuse or recycle 650,000 mobile phones, modems and other devices each year to 2025 (our previous target was 500,000 each year).

7 From September 2023, we are increasing our network waste recycling rate target to 90 per cent by 2025 (our previous target was 85 per cent by 2025).



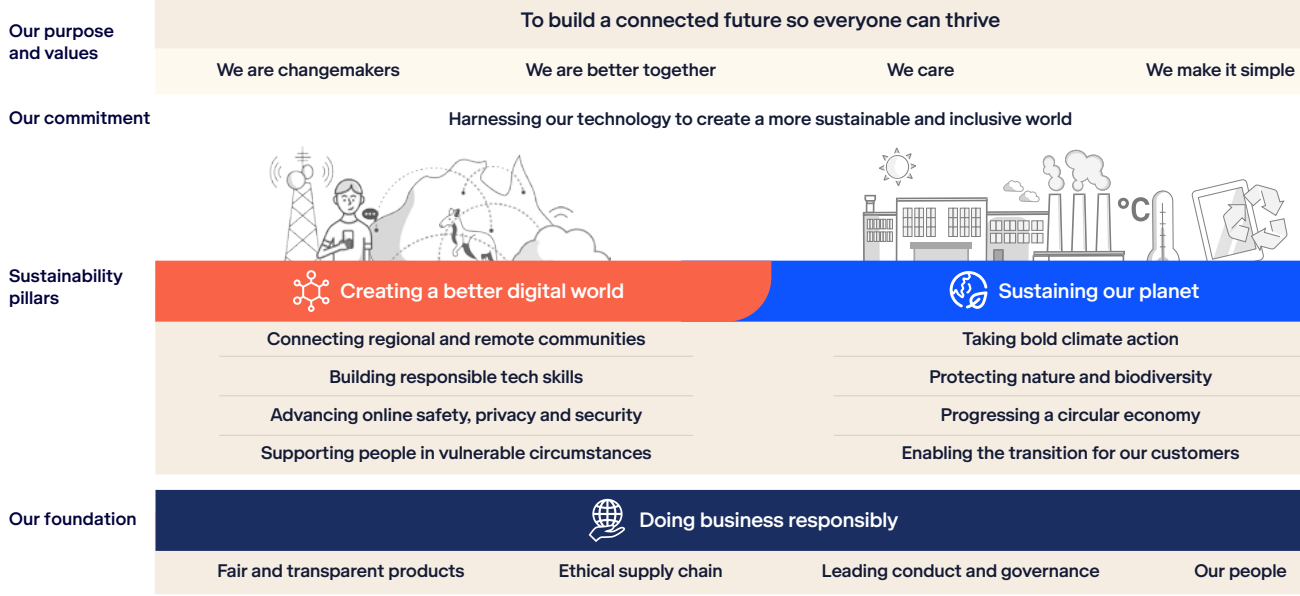
Sustainability at Telstra

Our strategy

For Telstra, doing business responsibly means doing the right thing – for our customers, our people and the communities we serve. We believe every company has a responsibility to operate sustainably and actively consider the impact it creates for customers, communities and the environment. This is why ‘doing business responsibly’ is one of the key pillars in our T25 strategy and the foundation of our refreshed sustainability strategy.

Our purpose is to build a connected future so everyone can thrive. This underpins our belief that Telstra has a real opportunity to play a leadership role in creating a more sustainable and inclusive world. We are harnessing technology to create a better digital world and minimise our impact on the planet, as well as helping our customers, our suppliers and Australia do the same.

Our sustainability strategy



Management approach

At Telstra, we consider technology as an enabler of social and environmental solutions that contribute to Sustainable Development Goals (SDGs). In 2023, we refreshed our SDG alignment and identified eight SDG priorities. These SDGs reflect the sustainability areas Telstra is best placed to contribute to, given our role as a large employer and a leading telecommunications and technology provider.

In 2023, we have been trialling new ways of embedding sustainability into our business, our decision making and our culture. We know that building organisational resilience and capacity to respond to emerging challenges will position us well to anticipate and manage the future risk landscape more effectively. It accelerates innovation by driving the development of new products, services and solutions that lead to new customers and market opportunities. As a purpose driven organisation, it helps attract and retain the best talent, builds our reputation and strengthens our stakeholder relationships.

For more information on how we are contributing to the SDGs through our work, please see the *Contributing to the Sustainable Development Goals: In focus* paper and 2023 Data Pack available on our [reports page](#).

We're managing sustainability at Telstra by:

- **Doing better as a business** – delivering on our commitment to do business responsibly and being transparent, ethical and accountable, wherever we operate.



- **Doing better for communities** – technology connects us all. We are working to create a better digital world by leveraging our advanced network and technology capabilities to connect people and support them to access the skills and tools to get the most out of their tech and stay safe online.



- **Doing better by the environment** – we take bold climate action, protect nature and biodiversity and contribute to a circular economy. We work with our customers and suppliers to minimise the impact of climate change and enable the transition to a low-carbon future.



Leadership

Our sustainability leadership continues to be recognised in the industry. In 2022 and 2023, we were proud to receive an [Australian Financial Review Sustainability Leaders Award](#). In 2022, we were named Category Winner for Technology, Media & Telecommunications for our environmental strategy and our innovative use of maggot fertiliser in drone seed planting for our carbon farm. In 2023, we won the [same award](#) for our work on the Telstra Smart Modem 3 (TSM3). More information on TSM3 can be found in the [Progressing a circular economy](#) section of this report.

We were also a Finalist in the [Finder Awards](#) in the categories of Green Broadband Provider of the Year, Green Mobile Plan Provider of the Year and Green Telco of the Year. In 2023, we won two [WhistleOut Awards](#); the 2023 Sustainable Internet Provider of the Year and Best Mobile Broadband Provider, Everyday Use.

Governance and transparency

The Telstra Board is responsible for approving and overseeing our sustainability ambition, embedding it into business decision making and monitoring our performance against targets. There is an extensive due diligence process applied to ensure the appropriate Executives sign-off on all content in the Sustainability Report. The Board is responsible for reviewing selected

disclosures to ensure a balanced and accurate representation of our sustainability performance and providing feedback prior to publication. Our sustainability reporting is prepared in accordance with the Global Reporting Initiative (GRI) Standards and also draws on the United Nations Global Compact (UNGC) Communication on Progress, the Sustainability Accounting Standards Board (SASB) Standards and the Global System for Mobile Association (GSMA) Metrics for Mobile framework. Our alignment with these international Standards and Frameworks is provided in our Content Index, available on our [reports page](#).

Our environment strategy is underpinned by a strong foundation of reporting and disclosure. This includes maintaining our leadership of CDP (formerly known as the Carbon Disclosure Project). For more information, please see our latest [CDP submission](#).

We have aligned our climate change reporting with the recommendations of the Taskforce 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. Our TCFD disclosure will now be included in our Annual Report. For more information about the most material risks to our business, including sustainability-related risks, please see the *Material risks and Understanding our climate risks* sections of our 2023 Annual Report available on our [reports page](#).

For more information on sustainability governance at Telstra, please see the *Sustainability at Telstra: In focus* paper available on our [reports page](#).

Vision 2045

Vision 2045 is an initiative inspired by the United Nations' upcoming 100-year anniversary in 2045.

Telstra was invited to take part in this groundbreaking documentary series to show how we're harnessing technology to accelerate action on climate change. We are proud to have been recognised as a Vision 2045 global sustainability leader and lend our voice to the initiative. The video showcases the impact we have had improving our own business practices and helping our customers, partners and society do the same. From trialling innovative emission-reducing technology across our network, to planting seeds via drones in our carbon farm in Northern NSW and providing farmers with tech solutions to manage water assets smarter, we are harnessing cutting-edge technology to accelerate climate action.

For more information on how we are harnessing technology to accelerate climate action, watch the video on [our website](#).



How we create value for our stakeholders

We are focused on creating sustainable long-term value for our customers, employees, shareholders, suppliers and the broader community. Our purpose is to build a connected future so everyone can thrive. It's a powerful purpose, which underpins our belief that Telstra has an opportunity to play a meaningful role in creating value that contributes to a more sustainable and inclusive world.

Key inputs

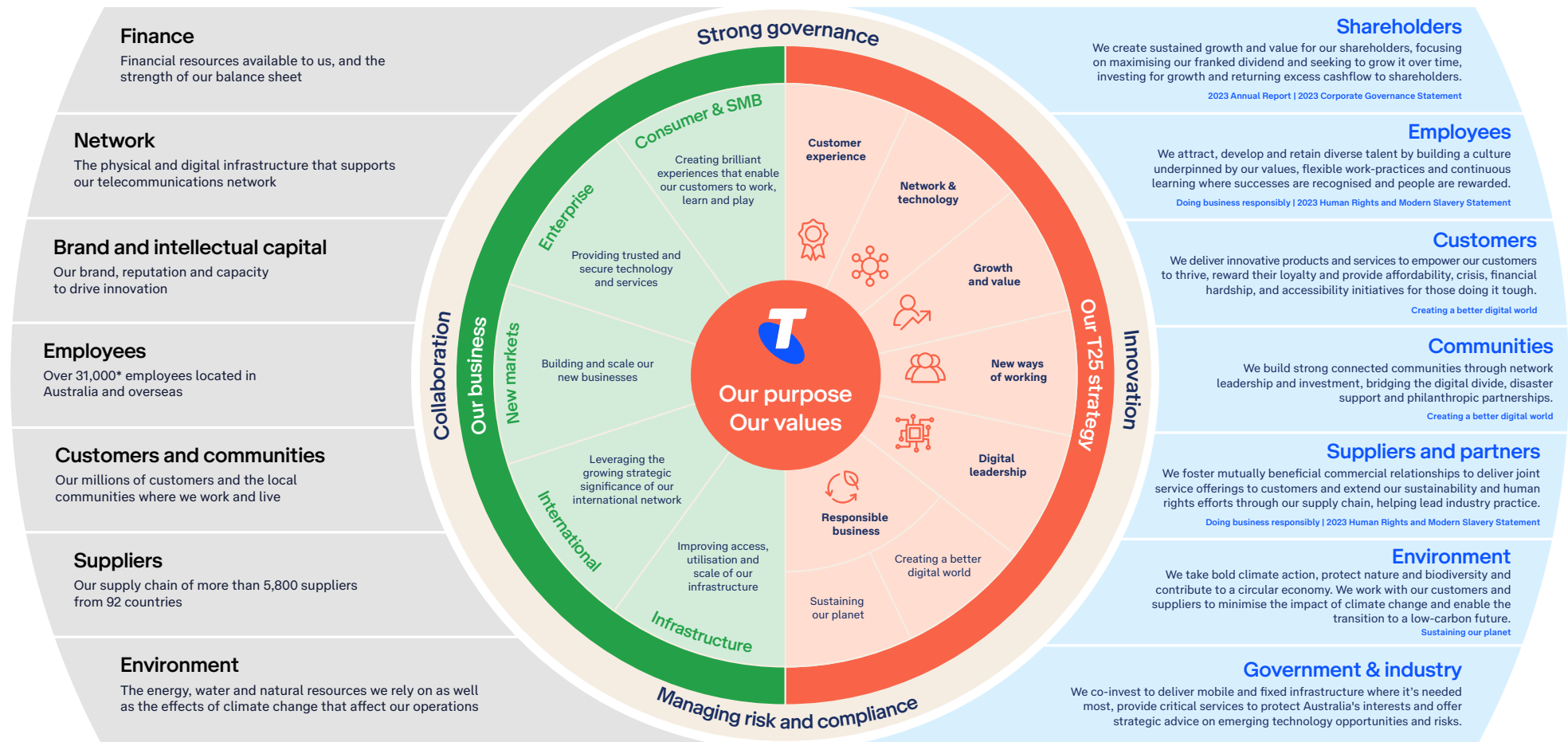
The resources that we rely upon

What we do

We build and operate full-service telecommunications networks that powers a wide range of technology to keep customers connected

Outcomes

The value we create for stakeholders



Sustainability material topics

We regularly review our most significant sustainability impacts on the economy, the environment and society. For more information about our FY23 material impacts, please see the [Material impacts](#) section of this report. For more information about the sustainability related financial risks to our business, please see our 2023 Annual Report available on our [reports page](#).

* Full-time equivalent.



Material impacts

At Telstra, we regularly review our most significant sustainability impacts and undertake our review in accordance with the guidance provided in the Global Reporting Initiative (GRI) Standards. This review involves desktop analysis and includes the issues and concerns of most interest to our internal and external stakeholders.

Our assessment of impact materiality is focused on assessing outward impacts that Telstra creates, or has the potential to create, on people, society and the environment. The output of our material impact assessment informs the content of this report and is a key consideration in how we continue to evolve our sustainability ambitions. For more information about our materiality assessment methodology, please see our *Sustainability at Telstra: In focus* paper available on our [reports page](#).

For FY23, our highest impact materiality findings are provided in the infographic below.

For definitions of our material sustainability impacts, please see our Report Glossary available on our [reports page](#).

As part of our consideration of double materiality, inward impacts that generate or may generate risks or opportunities influencing Telstra’s enterprise value are identified through our risk management process. For more information about the most material risks to our business, including sustainability-related risks, please see the Material risks and Understanding our Climate Risks sections of our 2023 Annual Report available on our [reports page](#).

| Global megatrends impacting our business and our stakeholders | | | | | | | | |
|---|---|---|--|--|--|--------------------------------------|----------------------------|--------------|
| Geopolitical shifts and instability | | Economic shocks / cost of living | | Digital dependence | Ethics and trust | Demographic shifts and social change | Environmental decline | |
| Doing business responsibly | | | Creating a better digital world | | | Sustaining our planet | | |
| Responsible business | | People and human rights | Digital leadership | Customer experience | Connected communities | Climate change | Circular economy | Biodiversity |
| Highest materiality | Ethical business practices | | Privacy, cyber security and data protection | Network resilience and reliability Servicing customer needs | Digital inclusion Critical infrastructure and disaster response | Energy and emissions | | |
| | Leadership and good governance Responsible supply chain | Diversity, equity and inclusion Engaging, developing and enabling people Health, safety and wellbeing | Online safety Innovative tech solutions for good Digital ethics, rights and responsibilities | Responsible sales practices | | Climate impact | Circular economy and waste | |
| Moderate materiality | Political engagement, social issues & advocacy ESG regulation and compliance | Wages, conditions of work and rights to freedom Modern slavery and exploitation | Digital transformation enablement | Consumer health, safety and welfare | Community investment First Nations rights, reconciliation and inclusion | | | Biodiversity |

Stakeholder engagement and partnerships

Our ability to deliver on our sustainability strategy is highly dependent on the strength of our stakeholder relationships. Our stakeholders are any group or individual who influences or is impacted by our business. Our constructive and transparent engagement with them is a foundation of our approach to sustainability.

We are committed to engaging with our stakeholders and deeply value the meaningful relationships we have created. Led by multiple specialised functions within Telstra, our teams regularly engage with key stakeholder groups to ensure we understand their expectations and respond to their diverse interests and concerns.

In FY23, the following consumer and community focused stakeholder forums were convened by Telstra:

| Stakeholder forums convened by Telstra in FY23 | Participants | Consultations held in FY23 |
|--|---|----------------------------|
| CEO Consumer Roundtable | CEOs of peak consumer advocacy organisations | Two |
| Disability Stakeholder Forum | Key disability advocates and consumer groups | Two |
| Low Income Measures Assessment Committee (LIMAC) | Social welfare organisations providing emergency relief and policy advocacy | One |
| First Nations Expert Advisory Committee (FNEAC) | Five First Nations Australians who are leaders in their respective industries | Three |
| Financial Assistance Forum | Financial Counsellors from all over the country | One |
| Regional Advisory Committees (RAC) | 38 influential external 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 | Ten |

For more information on our stakeholder engagement practices and partnerships, and a detailed list of our stakeholders, information on how we engage with them and their key areas of interest, please see our Content Index available on our [reports page](#).

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 people experiencing disadvantage. 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. Our FY23 spend across the cleaning and grounds vendors was \$3.09 million.

In FY23 we also spent over \$20 million with over 30 First Nations businesses, certified or registered by Supply Nation, further improving on our last year's

spend of \$14 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 have 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 on environmental disclosures to over 400 suppliers, an increase from approximately 200 suppliers in 2022. This covers 80 per cent of our spend. See the [Taking bold climate action](#) section of this report to learn more.

We also work with various partners to improve our use of resources, reduce waste going to landfill and create innovative solutions to reduce our environmental impact across the lifecycle of our networks and products. See the [Progressing a circular economy](#) section of this report to learn more.

Industry cooperation on supply chain

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

Our 2023 Human Rights and Modern Slavery Act Statement, available on our [reports page](#), details how we are working with the global telecommunications and information technology industries to build supplier capability to assess and improve the environmental, social and ethical performance within their supply chains and investigate allegations of labour rights abuses in the global ICT supply chain.



Sustainability initiatives and memberships

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

- Australian Digital Inclusion Alliance
- Australian Packaging Covenant
- Carbon Market Institute (CMI)
- CDP (formerly Carbon Disclosure Project)
- Climate Active
- Global e-Sustainability Initiative (GeSI)
- Global Reporting Initiative (GRI)
- Global System for Mobile Communications (GSMA)
- Joint Audit Cooperation (JAC)
- MobileMuster
- Product Stewardship Centre of Excellence
- Science Based Targets initiative (SBTi)
- Sustainability Accounting Standards Board (SASB)
- Supply Nation
- Taskforce on Climate-related Financial Disclosures (TCFD)
- Telco Together Foundation
- Thriving Communities Partnership
- Transparency International Australia
- United Nations Global Compact (UNGC)
- 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

About this report

Our annual reporting suite

Our 2023 Annual Reporting Suite for 1 July 2022 to 30 June 2023 (FY23) comprises:

- Our Bigger Picture Sustainability Report which provides an in-depth look at our approach and performance in relation to our most material sustainability impacts.
- Our Human Rights and Modern Slavery Act Statement which explains how we identify, manage and mitigate the specific risks of modern slavery in our operations and supply chains.
- Our Annual Report which describes our strategy and our financial performance and approach to remuneration. It also includes disclosure on our sustainability-related financial risks, including TCFD.
- Our Corporate Governance Statement which provides information about governance at Telstra.

These documents are available to download from our [reports page](#). Our reports page also contains more information such as our *In Focus* papers and additional resources such as detailed data tables outlining our FY23 performance, our FY23 Assurance Statement, Report Glossary and Content Index.

Reporting scope

This report covers the activities of Telstra Group 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 2022 to 30 June 2023 (FY23), unless otherwise stated. Information regarding the controlled entities in the Telstra Group can be found in 2023 Annual Report available on our [reports page](#).

The GRI topics and disclosures throughout this report and on our website have been determined through our materiality process. The Content Index accompanying this report provides a comprehensive list of disclosures, including their internal and external boundaries, scope, and alignment with international standards and frameworks.

For more information on our materiality assessment methodology, please see the *Sustainability at Telstra: In focus* paper available on our [reports page](#).

We're working to extend our data collection to more comprehensively cover our international operations, with a view to broaden the overall scope of our reporting over time. In FY24, we intend integrate Digicel Pacific into our existing emissions disclosures and targets, including seeking verification with the Science Based Targets initiative (SBTi).

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. In FY23, this has included the inclusion of a value creation framework to map how we are creating sustainable long-term value for our customers, employees, shareholders, suppliers and the broader community.

Assurance

Ernst & Young (EY) provides limited assurance in accordance with ISAE 3000 over a selection of performance disclosures in our 2023 Bigger Picture Sustainability Report. This includes limited 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).

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've adequately identified and reported on our material issues.

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

Doing business responsibly



Approach

How we do business responsibly

At Telstra, we are committed to acting responsibly and being transparent and accountable, wherever we operate. We know that the long-term success of our company depends on maintaining the trust of our customers, community and partners through our value chain.



Doing business responsibly is the foundation for our sustainability strategy and a key pillar of our T25 strategy. It guides our commitment to do the right thing, builds trust, manages risk and drives positive change for our people, our customers and our communities.

We do business responsibly by:

- improving how we create products and services so they are sustainable, inclusive and sold responsibly
- driving transparency of our supply chain and upholding the highest standards in human rights
- conducting business with fairness and transparency to build trust with all our stakeholders
- being a diverse, inclusive and flexible workplace that unleashes the potential of our people.

For more information about our approach to doing business responsibly, please see our Doing business responsibly: In focus paper available on our [reports page](#).



Leading conduct 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 and rewarding employees who demonstrate our values. Our purpose, values and policy framework guide our people and partners to uphold our expectations to act fairly, ethically and in accordance with the law.

For details about how our governance mechanisms guide and enable us to do business responsibly, please see our 2023 Corporate Governance Statement and 2023 Annual Report on our [reports page](#).

For more information on how we govern our supply chain relationships, please see our 2023 Human Rights and Modern Slavery Statement available on our [reports page](#).

Training our people to act responsibly

Our mandatory Business Essentials training covers our commitment to acting ethically and responsibly.

In FY23, we achieved our target to achieve a 100 per cent completion rate of the mandatory refresher training across all Telstra team members, including contingent workers, partners and internal staff.

FY23 progress against targets

| Strategic focus area | Headline target | SDG | Progress | More info |
|--|---|--------|--|-------------------------|
| Fair and transparent products and services | Achieve a 1/3 reduction in Telecommunication Industry Ombudsman (TIO) complaints by FY23 | SDG 8 | ● Achieved our goal, reducing our TIO referral complaints by 35 per cent in FY23 | page 26 |
| | Assess the experience of all our products currently in market against our Customer Experience Design Framework that focuses on sustainability and accessibility | SDG 10 | ● Assessed the experience of all our products currently in market against our Customer Experience Design Framework in FY23 | page 22 |
| Ethical supply chain | Continue to conduct independent third-party supply chain audits | | ● Conducted 41 independent third-party audits across 16 suppliers, identifying 239 priority and major findings. Closed 116 corrective actions relating to priority and major findings that were reported in this and last year's findings | page 27 |
| | Increase the number of suppliers who have completed onboarding via the Know Your Supplier (KYS) platform | SDG 8 | ● As of 30 June 2023, we have onboarded 1,204 suppliers on the KYS platform, up from 1,055 in FY22. Of these, 53 per cent have completed the KYS Questionnaire, up from 38 per cent completed in FY22 | page 27 |
| Leading conduct and governance | Achieve a 4-7pt uplift in our RepTrak reputation score by FY25 from our FY21 baseline of 61.3 | | ● In FY23, we increased our RepTrak reputation score by 1.3 points, for a total uplift of 2.2 points from our FY21 baseline | page 25 |
| | Achieve 100 per cent annual completion of Business Essentials refresher conduct training course | SDG 16 | ● Achieved with 100 per cent of our target audience completing the course by end of the reporting period | page 19 |
| Our people | Achieve an employee engagement score placing us in the 90th percentile each year | SDG 8 | ○ Finished FY23 with a score of 80 which means we didn't meet our target, but this still puts us above the global 75th percentile | page 28 |
| | Achieve representation of women at 30 June 2023: <ul style="list-style-type: none"> • Telstra Total: 34 per cent • Executive Management (Bands A-C): 40 per cent • People management roles (excluding Executive Management): 35 per cent | SDG 5 | ○ We achieved one of our three targets for representation of women: <ul style="list-style-type: none"> • Telstra Total: 35.2 per cent - target achieved • Executive Management (Bands A-C): 38.5 per cent - target not achieved • People management roles (excluding Executive Management): 34.0 per cent - target not achieved | page 31 |

● Achieved ◐ In progress ○ Not achieved





Reconciliation and First Nations advocacy

Telstra's First Nations strategy is shaped around key areas impacting self-determination, building trust, delivering programs that achieve social change and achieving better outcomes through digital inclusion.

This involves multiple programs and initiatives including a focus on the needs of First Nations customers and communities in remote areas. Underpinning our First Nations strategy is strong internal and external governance.

Reconciliation

Our vision for reconciliation will be achieved by embedding reconciliation outcomes and system changes into our organisation. This involves working with First Nations peoples and harnessing the strengths of our organisation to build digital futures, providing employment opportunities to lift economic participation and making Telstra a culturally inclusive and engaged organisation.

In July 2022, we launched our fifth Reconciliation Action Plan (RAP). The RAP outlines more than 90 actions built around better connectivity, digital literacy, employment, training and more spending with First Nations businesses. Our RAP is based on a theme of truth telling, which is a fundamental starting point for reconciliation and we have committed to some important steps to talk about our past and the impact of our decisions on First Nations people. We also outline our commitment to the Uluru Statement from the Heart in full.

For more information on our commitment and action towards reconciliation, please see our [2022-2025 Stretch Reconciliation Action Plan](#).

First Nations Voice to Parliament

Telstra accepts the invitation of the Uluru Statement from the Heart, to walk with First Nations people in a movement of the Australian people for a better future.

Securing a First Nations Voice to Parliament is the first of three actions called for by the Uluru Statement. Telstra believes that a First Nations Voice enshrined in the Australian constitution ensures First Nations peoples' experiences and perspectives are included in the development of policies and laws that affect their communities.

Truth Telling at National Communications Museum

Telstra is funding a new research project that will acknowledge the full history of the Overland Telegraph Line (OTL). The research is part of our commitment to truth telling and is included in our 2022-2025 RAP.

This First Nations led project, through the National Communications Museum (NCM) and supported by Professor Marcia Langton AO, Associate Provost, Melbourne University, will use archival material and community consultation to document the impact on First Nations people, in the construction of the OTL. The project outcome will be a short film and a comprehensive guide to the way the film was made, highlighting the strength of culturally respectful, collaborative and community-led methodologies.

Fair and transparent products and services

Customer experience

In FY23, we continued our emphasis on the importance of experience for our customers, as reflected in one of the strategic pillars for our T25 strategy, ‘*an exceptional customer experience you can count on.*’ A key aspect of this is designing and measuring customer experience to ensure our customers can access and use the best products and services when and where they need them.

Customer experience built into design

Our Customer Experience (CX) Design Framework is a set of 16 principles that defines what good, better and brilliant experiences look like for Telstra customers and underpins key product experience investment decisions.

The framework helps our teams design customer-centric products and services, focusing on sustainability and accessibility, to create offers that are responsible and easy to understand. We continue to evolve the framework, making multiple updates to standards and further embedding them in key governance processes.

We embed the framework in our operations by utilising a CX assessment tool. The tool guides teams through a series of prompts where they articulate how their activity meets our CX principles. With a few exceptions, all activities that have an impact on our customers must complete this assessment. In September 2022, the framework was used to assess the experience of all our products currently in market and helped inform roadmaps for an improved customer experience.

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. In FY23, we made improvements to the portal including the introduction of several new immersion opportunities for our leaders. In Q1, Experience Connect was short-listed for the Ashton Media CX Awards Best Employee Experience Initiative.





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:

- 1. Strategic NPS** is a measure of customers' feedback on their overall perceptions of and experience with Telstra, relative to experiences they have with other organisations, including competitors.
- 2. Episode NPS** measures feedback from customers in relation to a specific service experience they have with Telstra, such as moving home or connecting a service.

This year, we improved our Group Episode NPS by 6 points and finished at +43, exceeding our +40 target. Positive movements were observed across all episodes in FY23 for both Consumer Small Business and Enterprise segments.

Both Consumer and Small and Medium Businesses achieved historic highs this year, but we did see softening in the last quarter due to the challenging macro-economic environment and recent price rise communications, which impacted customers' perceptions on seeing Telstra as worth what they pay for.

The Enterprise segment experienced changes to the service model which impacted their results, recording a nine point drop in the first half of the financial year, only starting to recover slowly in the second half of the financial year. Our Group Strategic NPS for FY23 improved +4 points.

Design and accessibility excellence

Telstra's accessibility program is committed to creating a more inclusive future so everyone can thrive. We believe it is our responsibility to ensure our experiences are accessible and inclusive, rather than burdening users to find workarounds.

As our program expands, we continue to improve existing initiatives associated with digital accessibility and expanded our research and training programs.

Digital accessibility

This year, we expanded our team of accessibility specialists. Now, 40 of our team are people living with a disability. This dedicated capability resulted in our core digital assets achieving Band 1 Accessibility Maturity Scores, which means more than 90 per cent defects found have been fixed. The Accessibility Maturity Scoring system allows us to continuously monitor the maturity of each digital asset and target training and resources where needed. We pair this data with results from our major audits, using third-party vendors to provide us with certification. This year, the MyTelstra app maintained a Website Compliance Accessibility Guidelines (WCAG) 2.1 level A/AA certification, while our Telstra.com.au website achieved WCAG 2.1 level A certification.

This year, we placed an emphasis on ensuring all customer documents are accessible. We improved 5 million dynamic invoices for consumers, 15,000 documents for Enterprise customers each month and remediated and republished 1,200 legacy documents on our website. Additionally, we ensured that approximately 700 new static documents met WCAG AA standards.

Our brand refresh played a key role in improving accessibility by introducing a new set of inclusive colours, a custom font designed specifically for people with dyslexia, low vision and cognitive impairments, along with several other design traits aligned with our branding guidelines. These new design guidelines were tested with people living with disability and shared with disability advocacy groups for feedback and input.

Research and testing

Our ‘push left’ initiative embeds accessibility interventions into the beginning of the product cycle and improves accessibility through more rigorous testing and research methodologies. We also introduced ‘People with Disability’ personas, which aligns with a needs-based servicing model and has enabled us to identify user communication needs sooner, even before the design phase. Additionally, our accessibility automation tool has allowed us to test at scale, identifying 20-30 per cent of defects earlier in the research and testing process. Lastly, we have empowered our designers to conduct their own user testing. Currently, 19 per cent of user testing participants are people living with disability.

In FY23, we updated our procurement processes, systems and templates to provide the necessary guidance and rigour to ensure compliance. Specifically, our tendering materials – e.g. Request for Proposal (RFP) and Request for Tender (RFT), now contain accessibility standards and requirements in line with the Australian ISO standard AS EN 301 549, which specifies accessibility requirements for Information Communication Technology (ICT) products and services. Our Telstra Service Agreement (TSA) template also contains appropriate base contractual clauses.

Training and support

This year, we continued our work to federate accessibility and inclusive skills through a series of 40 online modules and facilitated training sessions to up-skill our designers developers and staff in other product design roles. Each module was designed to provide general disability awareness, combined with role-specific skills.

In addition to our core training programs, we developed custom modules to enhance the skills of Telstra employees in creating accessible documents and presentations using Word, PowerPoint and InDesign. Additionally, we provided training on Easy Reading and Plain Language to our content writers and Accessibility team, integrating these practices into our content guidelines.

We continued our Inclusive Tech Lab this year, engaging 1,000 senior members of Telstra in experiences that simulated disabilities and showcased how technology and design can both help and hinder accessibility.

For more information on accessibility, please see the [Supporting our customers](#) section of this report.

User testing with people with disability

We work directly with people living with disability. This includes user testing that provides feedback straight to the designers and stakeholders and goes well above WCAG standards. For example, user testing with people living with visual impairments provided critical insights about how to improve video transcripts to make them more useful. We also experimented with ways to make digital experiences accessible to individuals who face limitations interacting with non-digital environments. Applying techniques like ‘The Wizard of Oz’ and tactile wireframes allowed us to include individuals with visual impairments in the process.

Products and plans

We’re committed to helping Australians get the most out of connectivity, whether at home, at work or on the go. To enable this, we focus on delivering products and plans that meet the needs of our customers while being transparent about changes in service and pricing.

From 4 July 2023, we increased prices on our in-market post-paid mobile and data plans in line with the Consumer Price Index (CPI), rounded to the nearest dollar. This means a monthly increase of between \$3 to \$6, depending on the plan.

We know price rises can be hard for some people, especially when cost of living pressures are high. We will continue to provide options for customers to help them manage their mobile plan costs. This includes the ability to bundle mobile and data plans for better value, the ability to pay less with Telstra Plus points, as well as the ability to trade in old devices and get credit on a Telstra account. We’ve also increased concession discounts for eligible customers affected by these changes. Moreover, the Telstra Top-up program, in partnership with Infxchange, provides complimentary mobile credit recharges to pre-paid customers doing it tough.

As our customers’ home and work lives increasingly converge, Internet connectivity is more important than ever. Our Internet Optimiser lets customers prioritise what matters most on their network. It’s included at no extra cost for Telstra NBN customers with a compatible Smart Modem.

For more information on how we support customers when times are tough, please see the [Supporting our customers](#) section of this report.

Trust and reputation

Our goal, to grow trust and operate responsibly, is one of the foundations of our reputation. Having a positive reputation is fundamental to achieving our T25 growth ambitions, meeting the expectations of our shareholders and customers and attracting and retaining the best talent. 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 to provide data and insights that help us better serve our customers and stakeholders.

In 2023, we increased our RepTrak reputation score by 1.3 points from 62.2 to 63.5, for a total uplift of 2.2 points from our FY21 baseline of 61.3. This keeps us on track to achieve our goal to uplift scores by at least 4 to 7 points by FY25.



First Nations Connect

This year, our First Nations Connect Hotline celebrated its second birthday. The First Nations Connect Hotline is a dedicated '1800' phone line and service centre that was set up to assist our First Nations and remote customers. The centre is currently based in Darwin and all agents along with the leadership team are of Aboriginal and/or Torres Strait Islander descent. The First Nations Connect Hotline has access to interpreter services with approximately 50 different First Nations languages and dialects. The team listens to and understands the needs of customers and works to deliver an exceptional, tailored experience.

While our First Nations Connect team continued to grow this year, we also entered a partnership with the Queensland Government to set up micro call centres in First Nations communities in Far North Queensland. This will create local employment opportunities and support self-sustained local businesses. The first micro call centres will be set up on Palm Island and Jumbun in FY24, in partnership with the Palm Island Community Company (PICC) and Jumbun Limited.

Improving our approach to responsible selling

Maintaining fair sales practices and ensuring we provide products and information to customers responsibly is extremely important to us. In most cases, our sales ecosystem works well. However, when we become aware of issues that affect our customers, we resolve to listen to their feedback. We want 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.

We seek to find a balance between what customers want, need and can comfortably commit to. In FY23, 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 customers can understand their spend limit. For example, when a customer is not eligible to buy a specific device on repayment due to a spend limit, we will offer them options, including buying the device outright, making a part payment upfront to reduce the monthly repayment terms or purchasing a plan only. Customers are also able to trade-in old devices.

For more information on affordability and how we support customers in vulnerable circumstances, please see the [Supporting our customers](#) section of this report.

We also continue to implement mandatory training courses including, but not limited to; 'Customers in Vulnerable Circumstances', 'Responsible Business' and 'Priority Assistance' for our people who serve or sell to consumer or small business customers. Frontline employees who fail to complete the training within the required timeframe are suspended from accessing our core systems. This ensures that only trained staff sell to and serve customers.

When we don't get it right

It is important that we provide our customers with products and services that are safe, easy to understand and meet their underlying needs. To help ensure customers are treated fairly, including those in vulnerable circumstances, our Telstra Chief Customer Advocate works across Telstra and aims to ensure the voice of the customer is considered in the design of products and processes and to enhance our customer experience and complaint resolution.

We acknowledge that sometimes we don't deliver the experience our customers deserve. We're continuously working to improve our performance and engage openly with regulators in industry wide audits and investigations and proactively report to regulators when we find we've failed to meet our regulatory obligations and had a significant impact on our customers.

Responding to industry wide audits

In May 2023, the Australian Communications and Media Authority (ACMA) published its research report on financial hardship in the telco sector. Telstra provided information to ACMA as an input into the research report. The report found that the telco sector has some way to go to meet the reasonable expectations of consumers facing hardship. We know that some of our customers experience financial hardship and they may need assistance from us, such as arrangements to help them pay their bills.

We understand how important it is to help these customers meet their financial obligations and to stay connected. For this reason, we continue to offer a range of products, services and programs to help keep these customers connected and afford the products and services they need. We know further work is required, so we're committed to helping people facing cost-of-living pressures.

For more information on affordability and how we support customers in vulnerable circumstances, please see the [Supporting our customers](#) section of this report.

Proactive self-reporting

Even when we think our systems and processes are working as expected, there is always a chance that things do not go as planned. As a large company, we recognise that our errors can impact many customers and, in some instances, have a significant impact on a group of customers. This is especially serious when customers in vulnerable circumstances are affected.

Where we identify a significant issue, we self-report to our regulators in line with community expectations and our obligations. For example, we self-reported to ACMA after we found that we had not followed aspects of our Priority Assistance Policy. Following ACMA's investigation of the issue and subsequent findings, they accepted an Enforceable Undertaking from us to implement remedial actions designed to rectify the failings which related to the provision of information about Priority Assistance to eligible customers. We continue to report regularly to the ACMA on our progress.

In another example, we self-reported incorrect credit management actions we had identified. The ACMA found that we had not fully complied with clause 7.7 of the Telecommunications Consumer Protection (TCP) Code, requiring suppliers to suspend credit management actions for arrangements covered under financial hardship policies and in August 2022 issued us with a direction to comply with this provision.

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

Telecommunications Industry Ombudsman (TIO) complaints

In an industry as complex as ours, things sometimes go wrong. When they do, we work with customers to resolve issues as quickly as possible. If the customer remains dissatisfied with the response, external dispute resolution can be accessed through an industry funded scheme: the Telecommunications Industry Ombudsman (TIO).

In FY23, we continued to see reductions in complaints escalated to the TIO. Following the reduction of TIO referral complaints by 40 per cent in FY22, we achieved 35 per cent this financial year and remain committed to reducing the drivers of customer dissatisfaction and aim to reduce TIO referral complaint volumes further.

In FY21, we set the ambition to halve TIO complaints by FY25. Through a strong focus on addressing the root cause of complaints and initiatives such as insourcing our retail network and simplification of our products and services, we have seen a significant improvement in our customer service and a reduction of complaints to the TIO.

Ethical supply chain

Working with our suppliers

In FY23, Telstra Group engaged directly with more than 5,800 suppliers from 92 countries and approximately 78 per cent of the total spend was with our top 100 suppliers. Our direct (tier 1) suppliers often have many suppliers of their own, who then also rely on their own suppliers. These indirect suppliers who are also known as tier 2, tier 3 and tier 4 suppliers also contribute significantly to Telstra's large and complex supply chain.

To mitigate the risk presented by the indirect delivery partner service model, we have implemented a range of procedures and programs to ensure the high labour management standards we expect are being met.

Our [Supplier Code of Conduct](#) 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 Alliance for CSR (JAC) Supply Chain Sustainability Guidelines, as well as legislative obligations such as the UK MSA and the Australian MSA.

Our Know Your Supplier platform (KYS), is a secure web-based platform targeting domestically contracted 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 and monitors onboarded suppliers against public records, including media reports and civil litigation, regulatory, criminality and bankruptcy checks.

In FY23 we matured our Know Your Supplier (KYS) processes to drive better governance of supplier risk and increase the number of suppliers onboarded via KYS. As of 30 June 2023, we have onboarded 1,204 suppliers on the KYS platform, up from 1,055 in FY22. Of these, 53 per cent have completed the KYS Questionnaire, up from 38 per cent completed in FY22.

Every year we apply our risk-based approach to help us identify suppliers for site audits. Site audits include and align with industry standards such as those set by Responsible Business Alliance (RBA) and Joint Alliance for CSR (JAC) for onsite compliance verification and effective, shareable audits. The audits are conducted using independent auditors and focus on health and safety, environment, human rights including labour rights and modern slavery indicators and business ethics. Site audits also include worker interviews.

This year 41 sites across 16 suppliers were selected to complete site audits by independent auditors. These audits identified 239 priority and major findings. Ninety-five per cent of sites, or 88 per cent of suppliers, audited had priority or major findings. Health and safety and working hours are the most common areas of concern. In FY23, 116 corrective actions relating to the priority and major findings reported in this and previous years' audits were closed.

For more information on our supplier spend, where we source our products and services, as well as our supply chain risk areas, grievance mechanisms and remediation practices, please see our 2023 Human Rights and Modern Slavery Act Statement available on our [reports page](#).

Supplier diversity: Coast to coast with Kooya Fleet

We are proud to partner with Supply Nation certified supplier Kooya Fleet Solutions, Australia's largest Aboriginal-owned Fleet Management company. At the inception of the commercial arrangement, Kooya joined our fleet finance and leasing panel, growing from 20 vehicles in FY18 to over 1,400 vehicles nationwide in FY23. The partnership continues to develop in conjunction with our First Nations procurement strategy, expanding their offering to novated leasing services for Telstra employees. This has generated an additional \$1 million in revenue in FY23 for Kooya, with projections to more than double this in FY24. Read more in our article on [Telstra Exchange](#).



Our people

Building culture and capabilities

Sustainable engagement

Our workplace culture is a critical enabler for us to deliver on our purpose and business strategy and is underpinned by a strong commitment to our values. We measure employee engagement through our Experience Pulse, which provides insights into how our people feel about their experience of working at Telstra. In FY23, we engaged a new survey provider who provides greater language processing capability to deepen our understanding of the experience of our people. We set an ambitious target to achieve an annual employee engagement in the 90th percentile for global companies, which equates to an engagement score of 82. We finished FY23 with an engagement score of 80 which means we didn't meet our target, but this still puts us above the global 75th per cent employee engagement and on track to achieve our T25 objective of 82.

Throughout the year, our employees told us that they highly value flexibility (including the ability to choose when and where they work, and the work-life balance opportunities provided) and the strong working relationships that they have with their people leader and the team of people they work with day to day. The focus on our people and workplace strategies (including our flexibility policies, our ways of working, employee wellbeing and Diversity, Equity and Inclusion (DE&I) initiatives) comes through strongly in our engagement survey results and are known to create positive experiences for our people.

We also identified areas that we can focus on to improve our employees' engagement and experience at work. Our people want to know more about our T25 strategy and how we'll achieve our ambitions. They also told us we need to keep simplifying our processes and how our work is organised, so it's easy for them to do their job well.

To address the feedback from employees, we prioritised actions for leaders at all levels of the organisation in order to make Telstra the place they want to work. In addition to the localised actions team leaders have committed to, we developed a set of company and function-wide action plans to improve persistent issues impacting engagement. For example, we are investing in AI-driven talent technology to help people identify potential career paths and promoting job mobility and upskilling to improve how we support people to build unique and fulfilling careers. This ongoing work has been communicated to all employees and is being led and tracked by our Senior Leadership teams to the completion of T25.

Additionally, through feedback from employees on our current culture we identified three areas where we wish to drive change over the next few years and are developing a program of actions for employees and leaders around three culture areas:

- ensuring team members intimately understand our customers' world
- driving accountability and achievement on our priorities
- ensuring we show up as one Telstra team through effective cross-team and cross-functional collaboration.





Flexible working

Our employees continue to value our market-leading approach to hybrid working. We recognise our commitment to flexibility is a significant drawcard for us with our 'remote possible' job ads receiving 2.4 times the applications compared with our onsite/hybrid ads.

Our employee engagement surveys tell us that when our people have the flexibility to manage their work and home commitments, they are more engaged and feel a greater sense of belonging. Our Agile ways of working have allowed us to manage work via outcomes delivered through team prioritisation and collaboration.

Our workplaces are an ecosystem of hubs, developed in response to the changing needs of our people who no longer wish to work in the same way they once did. We are responding to evolving work habits by creating spaces that foster social connections and collaboration, but also support our people's desire to work flexibly where possible.

We applied external research and insights from our surveys to create guidelines and behaviours to help people embrace hybrid working. We implemented shorter default meetings via Outlook and organisation-wide meeting-free times and integrated wellbeing into technology with Headspace, virtual commute and focus time on MS Teams.

We will continue evolving our approach to hybrid work based on insights from our people and how we can support them to be engaged, productive and collaborative. We want to understand more about how hybrid working and our physical workplace can contribute positively to our culture by enhancing belonging and growth for our people and effectiveness for our teams.

Learning and capability

To build the capability to deliver our ambitions to create a workplace where people are engaged, productive and collaborative, we invested \$20 million in training and development in FY23, with an additional \$3.5 million invested in our Future Ready program. Within the total investment of \$23.5 million, there was over \$6.9 million invested in technology training and \$6.2 million in leadership training.

We invested \$6.3 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.

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 built and deployed our first virtual internships in Cyber Security Malware and Software Engineering in partnership with Forage. This is a four-to-five-hour practical immersion for current university, TAFE and high school students and anyone considering changing their career. We had 3,200 enrolments for Cyber Security and 2,133 enrolments in Software Engineering. It is at no cost for the student and available globally.



We launched Achieve Business Excellence, a skills program to drive operational excellence in maintaining or enhancing business performance. It includes two new credentials developed in partnership with the University of Melbourne: Process Thinking & Improvement and Managing Strategic Performance.

Over 2,500 employees have now been issued micro-credentials across Data & Analytics, Product Management, Security, Innovation & Entrepreneurship and Process Thinking & Improvement or Managing Strategic Performance.

We also invested over \$2 million in FY23 in digital learning platforms to build cloud, data, cyber security, software engineering and network skills with over 80,000 hours of consumed learning across videos, books, labs, live experiences, exam practice and digital testing environments. We spent over \$1 million on upskilling our technical workforce in vendor training and technologies including VMWare, Red Hat, AWS, Microsoft and Cisco.

Building a high-performance culture

We continue to embed our annual and quarterly planning and performance approach to deliver on company level objectives and key results (OKRs). Company level OKRs provide clarity of prioritised work so we can be more responsive to customer needs. It also means we stop or pause work that doesn't align to our priorities, so we stay focused on the work that will have the greatest impact. Our people's strengths in various skills and capabilities guide the prioritisation of work to which they are allocated. We encourage our people to have regular, at minimum quarterly conversations with their leaders about how they have performed against their OKRs, about their development/career needs and feedback from peers. We continue to invest in our leaders' capability to ensure these conversations are meaningful and effective.

Our pay-for-performance philosophy means that at the end of the financial year, our people receive an individual performance rating based on their outcomes and behaviours. These performance ratings are an important input to Fixed and Incentive pay outcomes for the majority of our people.

For more information on our remunerations, please see our [2023 Remuneration Report](#), which forms part of our [2023 Annual Report](#).

Diversity, equity and inclusion

Every day, Telstra provides services to millions of customers from diverse backgrounds. We believe that everyone deserves to be respected for their differences, valued for their contributions, celebrated for being their authentic self and can reach their full potential. We are building diverse teams and creating inclusive environments to enable our employees to be their best, which enables us to provide better service to our customers and community.

Our diversity, equity and inclusion (DEI) ambitions are powered through collective action and allyship. We have five Employee Representative Groups (ERGs) – Aboriginal & Torres Strait Islander Peoples, MOSAIC (Culture & Language), Rise (Gender Equity), Spectrum (LGBTQ+) and TelstrAbility (Accessibility) – which include over 4,500 members and are sponsored by a member of our CEO leadership team. The ERG member's consultation and advocacy provide us with insights into the lived experiences of marginalised groups. These ERGs provide awareness and help strengthen our culture of inclusion and belonging for Telstra team members.



In-person cultural learning

We are committed to delivering in-person cultural learning for 1,500 employees by June 2025. In-person learning will ensure employees experience a deeper learning about Aboriginal and Torres Strait Islander cultures, histories, knowledge and rights. In FY23, we partnered with a First Nations training provider to deliver workshops that build on our journey of cultural capability. This program is complemented by other company-wide cultural competency training.

For more information about our approach to Diversity, Equity and Inclusion at Telstra, please see our 2023 Corporate Governance Statement available on our [reports page](#).

Our [DEI Policy](#) provides the framework for the Telstra Board to set our measurable objectives for diversity. Throughout the year, management and the Board (including through the Nomination and People & Remuneration Committees) assess our progress in achieving our objectives.

Diversity objectives are included in monthly business reports and in Group Executive scorecards. Chaired by our CEO Vicki Brady, our organisation-wide DEI Council supports each function to meet their diversity objectives, understand the importance of DEI and creates a safe space to collaborate and innovate.

In addition to our inclusive recruitment practices that resulted in a gender representation increase from 33.5 per cent in FY22 to 35.2 per cent in FY23, Telstra continues to invest in developing and retaining women through multiple programs.

For more information about diversity and inclusion, please see our 2023 Corporate Governance Statement available on our [reports page](#).

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.

In FY23, we conducted more than 15 formal consultation meetings with unions and Telstra employees. This included discussions about how we have continued to protect the health, safety and wellbeing of our people in response to COVID-19 and what our Telstra Group legal restructure would mean for our employees.

We currently have four enterprise agreements (EAs) covering 73 per cent of our workforce in support of our new legal structure. These EAs cover Telstra InfraCo, Amplitel, Telstra Limited and one specifically for our Retail business that covers people working in our retail stores. All EAs will nominally expire in September 2024 and Telstra is committed to commencing discussions for new EAs with our unions and employees, no later than May 2024.

Our EAs provide a range of industry-leading terms and conditions, such as payment of superannuation on periods of unpaid parental leave, gender affirmation leave and 20-days paid leave for permanent employees experiencing the effects of family and domestic violence.

Additionally, from February 2023, we introduced the same paid arrangements to our casual workforce and discretionary paid leave to any employee who may be supporting a family member or member of their household experiencing this type of violence.

In December 2022, we also recognised our employees' contribution to our T22 success and ongoing focus in FY23, by providing a one-off \$1,000 bonus payment to EA-covered employees, lawyers and many of our international teams.

Promoting health, safety and wellbeing

Our people are the heart of all we do. With the world around us changing at such a rapid rate and social and economic conditions challenging many across our communities, it has never been more important to support and enable our people to be safe and resilient in times of change.



Our mental health strategy

Over the past 12 months, we have increased our strategic focus on a psychosocial risk-based approach to preventing work-related harm. On 1 April 2023, changes to the Commonwealth Workplace Health and Safety (WHS) Regulations clarified the already existing requirement on employers to manage psychosocial hazards and risk. Telstra has invested significant resources and dedicated expertise so that our systems, processes and supports meet these obligations.

Our evidence-based approach considers many factors that can both positively and negatively impact mental health. Our programs and initiatives are delivered under three strategic pillars:

- **Capability of care** – our people understand the factors that can positively and negatively impact mental health, know the importance of connection, have the courage to check-in with each other and know where to access available support.
- **Psychological risk management** – a robust, integrated, and embedded risk management approach that supports our people to understand and manage risk.
- **Support and recovery** – best practice and easily accessible support services which enable our people to remain at or return to safe and sustainable work, minimising the human and financial impact of ill-health.

There is no single metric which can accurately measure how well an organisation supports its people and manages mental health risk. For this reason, Telstra uses a suite of data points including psychosocial risk profiling, including the number, nature and location of reported mental health incidents; contributing factors to mental health incident reports and the demographics of our injured/ill workforce; the strength of our reporting culture; the uptake of our targeted support services, participation rates in mental health-related education and training and our Culture and Employee Engagement Survey responses.

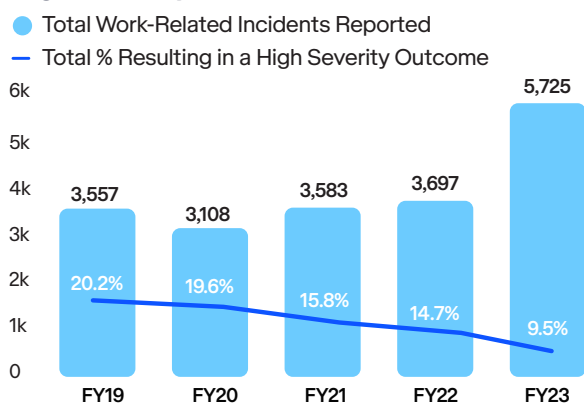
Our campaign to reduce the stigma associated with mental health and encourage reporting has resulted in a positive upward trend in mental health reporting, particularly non-work-related incidents. Pleasingly, our Employee Assistance Program (EAP) utilisation rate remains significantly higher than the industry average at 8.4 per cent, indicating that our people are increasingly more comfortable in proactively seeking support.

Key health and safety performance indicators

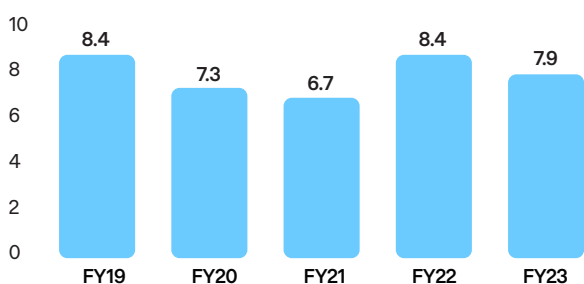
We actively campaign on the importance of reporting as a critical way to prevent harm and access support from our safety and health management teams. The more our people report, the better our understanding of the risks in our business and the earlier we can provide tailored support.

In FY23, we recorded the highest level of incident reporting on record, which we broadly view as positive. It reflects a strong health, safety and wellbeing culture where our people exhibit a high awareness of the importance of accurate and timely reporting and feel comfortable reporting incidents. Our FY23 incident reporting is particularly positive as it shows a material decrease in the proportion of our incidents resulting in a high severity outcome (i.e., medical treatment, work restrictions or time away from work). This is further evidenced in marginal reductions in both our Total Recordable Injury Frequency Rate (TRIFR) and Lost Time Injury Frequency Rate (LTIFR) which is calculated against hours worked, meaning the higher incident reporting was not correlated to an increase in TRIFR and LTIFR.

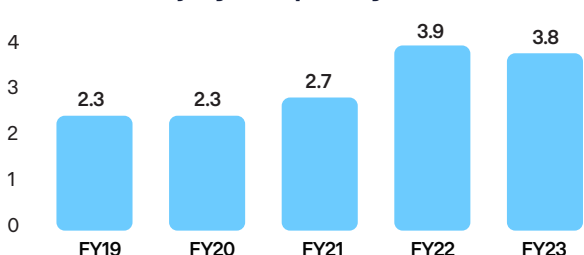
High severity outcomes recorded



Total Recordable Injury Frequency Rate



Lost Time Injury Frequency Rate



Recovery following injury or illness: equitable access to support irrespective of cause

Equitable access to early treatment and support is the foundation of Telstra's early intervention program for both work-related and personal injury and illness. With access to occupational rehabilitation, general practitioners, psychology, physiotherapy services as well financial support for a range of diagnostics and aides, our people can focus on their recovery, while they remain at (or return to) safe and sustainable work.

Case Study

Building a brighter future after injury

John joined Telstra 25 years ago as a 17-year-old apprentice linesman after leaving school in year 10. In 2008, John injured his back after falling off a ladder, with treatment including a number of operations over the years. He subsequently developed a secondary mental health condition due to his chronic pain and changes to his life, for which Telstra accepted liability under his workers compensation claim. John has had permanent restrictions, both physically and psychologically for many years and prior to 2021, was given a range of ad hoc duties to 'keep him busy'.

John's team and rehabilitation program were unable to secure any substantive permanent employment for him, which left him slowly declining in his employability, confidence and work satisfaction. He had few transferrable skills, was self-described as computer illiterate, had minimal customer service experience and no vocational desires that he could identify. John felt his only way forward was to separate from Telstra and commence early retirement.

Through regular collaboration with John, his medical team, the business, union representatives and John's workplace rehabilitation providers, new realistic vocational opportunities were identified. This collaborative approach considered his injuries, limitations, skills, training opportunities and the rapidly changing labour market. John undertook training programs designed to improve his health and wellbeing and his transferable skills and was successful in obtaining (and maintaining) a new permanent role in Telstra as a Virtual Technician.



Supporting our people during natural disasters, both locally and internationally

In responding to significant weather events across Australia, our people worked to support affected communities and to restore services in flood affected areas. We worked with our partners to provide specialist mental health support for employees personally impacted by the floods, 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 workforce through FY23 has included:

- developing a culturally relevant and region-specific roadmap to understand and support a safe, secure and healthy workplace for Digicel Pacific employees and their partners following Telstra's acquisition of Digicel Pacific
- providing international employees with appropriate ergonomic equipment to safely work from home, equivalent to the support we provide Australian employees
- a no-cost flu vaccine program for international employees, where there is no local government funded flu vaccine program
- training our International Regional Response and in-country teams to effectively respond to incidents that have potential people and security impacts.

Evolving our response to COVID-19

COVID-19 had unprecedented impacts on our people and operations, globally. In FY23, we continued to review and evolve our response accordingly. We removed the mandatory vaccination for roles where it made sense to do so, while maintaining vaccination requirements for our workforce attending vulnerable settings (including aged care facilities, hospitals and remote communities), employees working at our 000 call centres and employees travelling internationally for work-related purposes. We continue to monitor government and expert medical advice to test and review the appropriateness of our response and vaccination policy.

Licences, accreditations and compliance

To support Telstra's legal restructure, Telstra Limited, Telstra Infracore and Amplitel are now self-insured under the Safety Rehabilitation and Compensation Act (Cth).

Our Workplace Health, Safety and Environment Management System is applicable globally and is certified to International Standards ISO14001: 2015 and ISO 45001:2018. We continue to review and improve our management system in response to current and emerging risks and changing legislation.

Creating a better digital world



Approach

As a leading telecommunications and technology provider, we are working to create a better digital world by leveraging our advanced network and technology capabilities to connect people and support them to access the skills and tools to get the most out of their tech and stay safe online. This commitment lies at the heart of our 'doing business responsibly' pillar of our T25 strategy.



Today, more than 2 million Australians are still highly digitally excluded⁸ and may miss out on the social and economic benefits that come with being online. Our commitment to creating a better digital world is underpinned by our long history of responding to digital exclusion by improving digital access, affordability and ability across Australia. We want to see Australians connect, participate and interact safely in the digital world, irrespective of age, income, ability or location.

We do this by:

- connecting regional and remote communities through network leadership and investment
- building responsible tech skills to increase digital inclusion safely and help close the digital divide
- supporting customers in vulnerable circumstances, including those experiencing financial hardship, domestic and family violence, natural disasters and human conflict
- advancing online safety, privacy and security.

Our approach is informed using data and insights from the Australian Digital Inclusion Index (ADII)¹ which guides our decision making.

For more information, please see our *Creating a better digital world: In focus* paper available on our [reports page](#).



In FY23, we contributed **\$93.1 million** through social and community investment.

To view the breakdown of our community contribution for FY23, please see our 2023 Data Pack available on our [reports page](#).

⁸ www.digitalinclusionindex.org.au/interactive-data-dashboards

FY23 progress against targets

| Strategic focus area | Headline target | SDG | Progress | More info |
|----------------------------------|---|----------------|--|-------------------------|
| Connecting communities | 95 per cent population coverage for 5G by FY25 | | ● On track to deliver our FY25 target with our 5G footprint now covering 85 per cent of the population | page 38 |
| | Expand regional coverage by 100,000 km ² by FY25 | SDG 9 | ● On track to meet our FY25 target, having expanded regional coverage by 55,000 km ² in FY23, and 80,000 km ² since FY21 | page 38 |
| Building responsible tech skills | Increase digitally active customers by two million, by FY25, including building digital skills for 500,000 Australians, by FY25 | SDG 9 SDG10 | ● Supported over 200,000 Australians to build digital skills in FY23, and more than 250,000 over the past two years | page 44 |
| Supporting customers | Help keep one million customers in vulnerable circumstances connected each year from FY22 - FY25 | SDG 9 | ● Helped 1.26 million customers in vulnerable circumstances to stay connected | page 47 |
| | Complete FY23 Accessibility & Disability Inclusion Plan FY23-FY25 commitments | SDG10 | ● All 12 FY23 actions completed | page 49 |

● Achieved ● In progress ○ Not achieved



Image: Hong Kong employees at Food Angel who saved 450kg of unwanted vegetables from going to waste.

Giving back with purpose

Our people are encouraged to use their annual Connection Day to support a cause in their community. In June, our international team got together for their inaugural Changemakers Week, a global week of 45 volunteering events in over 30 locations. Over 900 employees across Europe, United States, Australia, Asia and the Pacific Islands participated; including teams in India who spent time teaching kids about environment conservation, and a team in Japan who volunteered at a local orphanage. During the week, our people collected 508kg of plastic waste, reached 330 students and assembled 3,811 meals.

Connecting communities

As the digital world continues to transform the way we live and work, having access to reliable telecommunications, through mobile networks, fixed broadband or satellite services is critical.

We are constantly investing in technology innovation to improve our network capabilities and enhance the digital experience of our customers. By enabling people and businesses to access the connectivity they want and need, we are making it easier for them to access information and services, across more of Australia.

Our mobile footprint stretches more than 2.7 million square kilometres, around 1 million square kilometres more mobile network coverage than our nearest competitor, and reaches 99.6 per cent of the Australian population.

In FY23, our main areas of focus were increasing our 5G coverage and expanding our 4G footprint so more Australians can access a network that's fit for the way we use technology now and into the future.

Our 5G footprint now covers 85 per cent of the population, and there are more than 4,700 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 the expansion of our 4G footprint to establish coverage equivalent to current 3G coverage, ahead of 3G network closure in June 2024. This year, we added 4G to 106 sites that were previously 3G only, with more customers transitioning from 3G to 4G. For more information about the 3G network closure, please visit our [website](#). Importantly, this transition will free up the 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, read our regional coverage FAQs on [Telstra Exchange](#).

Through national, state, territory and local government programs, we have co-invested hundreds of millions of dollars. We have delivered around 930 new mobile base stations through the Federal Government's Mobile Black Spot Program (MBSP), over 200 small cells at Telstra's own expense and more than 130 projects through the Regional Co-investment Program (RCP). In FY23, we delivered 34 MBSPs sites and 36 projects across RCP 1 and 2 providing new and improved coverage and increased transmission capacity to ensure customers continue to have the best mobile experience.

Bringing low earth satellite connectivity to regional Australia with Starlink

We're working with Starlink to deliver Low Earth Orbit (LEO) satellite connectivity to provide voice and fixed broadband services in remote and hard to reach places. In a world-first offering, we will be able to provide a home phone service and Starlink broadband services to consumers as a bundle offer, as well as local tech support and the option of professional installation. We will also provide connectivity options for business customers, with a higher bandwidth business option available in areas without fixed and mobile connectivity. We're expecting to be able to offer services to customers and businesses towards the end of 2023.

Read our article on [Telstra Exchange](#).





Disaster preparedness and response

We know the importance of access to network connectivity for communities, especially in times of crisis. We work extensively to prepare for disaster seasons. In FY23, our priorities continued to ensure the safety of our people, protecting and maintaining our infrastructure, keeping our customers connected and providing short and long-term assistance measures.

Email, SMS and My Telstra banners were used to reach approximately 180,000 customers who might be affected by disaster, providing pre-disaster support to those previously impacted by a disaster or classified as Priority Assistance customers. These communications provide tips on how customers can prepare for a disaster event.

During FY23, we activated disaster relief for customers in 101 postcodes following severe weather events across the country, such as flooding and cyclones.

We sent 353,000 SMS messages to inform customers that Telstra, Belong and Boost assistance was available to them. We provided 58,065 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 5,300 consumer and small business customers. This totalled over \$1.26 million and assisted customers who may have been displaced to relocate their services or provide bill relief.

Three international initiatives were also announced, providing free calls from fixed and mobile services to customers contacting loved ones in Turkiye and Syria, Vanuatu and New Zealand following floods, cyclones and earthquakes. Free calls to friends and family in the Ukraine, Poland, Hungary, Moldova, Slovakia and Romania were also extended until March 2023.

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

Network resilience and reliability

We recognise the importance of network resilience, especially in times of disasters, but we are also mindful of the risk of sole reliance on a mobile network, particularly in disaster-prone areas, where power supply cannot be guaranteed. This is why we participate in the Australian Government’s Strengthening Telecommunications Against Natural Disasters (STAND) program. In FY23, we completed 70 committed STAND projects to deliver a mix of battery upgrades, permanent generators and portable generators at locations across Australia. Supply interruption of equipment continues to impact the physical build; however, we forecast an additional 128 projects to be completed in FY24.

In addition, we have an ongoing program to improve battery life at our mobile network sites. The program focuses on battery replacement, power resilience and reliability using disaster risk data to prioritise battery replacement. In FY23, we completed battery lifecycle replacement at 640 mobile sites throughout the network. Battery lifecycle and upgrade works were carried out at around 1,455 network transmissions sites, as well as the deployment of 125 Automatic Transfer Units (ATU) – which allow the pre-deployment of generators at sites in anticipation of outages. This is critical in supporting services to mobile sites and legacy customer services.

In FY23, we also had a focus on wet season preparation, performing targeted vegetation clearances across our site portfolio; and planned maintenance on standby generator plant and DC



power systems – including advance generator fuelling and bulk fuel tank inspections at high priority sites.

We are also taking a leading role across industry, the Australian Government and the Australian Competition and Consumer Commission on the development and adoption of an emergency mobile roaming capability for disaster situations. This capability will allow customers at risk in disaster-affected areas to temporarily roam onto another network if their regular provider’s network is disrupted or does not provide coverage in their area. There are technical challenges and risks to resilience that need to be carefully managed in any technical solution and implementation, but we believe these are surmountable. At our suggestion, the industry is exploring the development of this temporary disaster roaming capability (TDR).

Delivering new satellite solutions with OneWeb

This year we signed a strategic agreement with OneWeb to deliver one of the world’s largest rollouts of OneWeb Low Earth Orbit (LEO) backhaul for a commercial mobile network. As part of the plan, we’ll move hundreds of existing remote mobile base stations that use satellite backhaul to the OneWeb’s LEO solution over the next few years resulting in a better customer experience for customers, especially enterprise customers and those in rural and remote Australia. As well as added redundancy, it means a better experience when using real-time applications like voice and video calling.

For more information, read the [media release](#).



Mobile health and communications

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.

With the increased deployment of 4G and 5G small cells in residential areas in FY23, community concerns relating to EME and health continue. This year, we met with concerned residents in New South Wales and Victoria to undertake EME surveys and measurements both inside and outside the home. The initiative demonstrated that EME levels were well below the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) safety standard. We continue to offer an [EME Help Desk](#) for anyone seeking further information.

Enquiries made to the Australian Communications and Media Authority (ACMA) increased in FY23 compared with the past two years due to increased small cell rollout and our Mobile Base Station Deployment C564:2020 obligations. Most enquiries were in relation to notification obligations. We continue to drive compliance with stakeholder engagement through transparent consultation and notification with councils and communities by providing information on 5G, EME and the EME testing results. For more consumer information on 5G, EME and small cells, please visit our [website](#).

Telstra continues to contribute to the development of international EME standards and chairs the International Electrotechnical Commission (IEC) committee. We also support stakeholders, including ARPANSA and ACMA in areas including assessment of millimetre wave (mmWave) exposure.

Regional and remote engagement

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

This year, we continued to support and run Regional Advisory Councils in Queensland, Victoria, Western Australia and New South Wales (NSW) through virtual and face-to-face meetings including with our CEO and Board Members. Members of our Executive Leadership Team (including our CEO) and Board met with stakeholders and customers face-to-face in locations across Australia including Darwin, Nhulunbuy, Karratha, Townsville, Wagga Wagga, Bundaberg, Albury, Shepparton, Mooroopna and Wangaratta.

In FY23, we continued to facilitate discussions with representative bodies and communities from across Australia. This included hosting a regional telecommunications policy workshop in Sydney in October 2022 with 33 representatives across a range of stakeholder groups, industries and regions. The workshop focussed on three themes: the mix of technologies that underpin regional telecommunications now and into the future; getting the policy settings right; and collectively addressing connectivity literacy needs in regional Australia.

In partnership with AgForce, Telstra toured regional Queensland hosting 'Innovation in Ag' Field Days along with agritech start-ups to discuss regional connectivity concerns and demonstrate the latest digital solutions for farms. This program has been extended to reach NSW farmers in late FY23/early FY24. We also engaged with stakeholders on the awareness and understanding of the proposed Multi-Operator Core Network (MOCN) agreement between Telstra and TPG Telecom.

During the year, we continued to deliver on the commitments we made in response to the 2021 Regional Telecommunications Independent Review Committee (RTIRC). This includes seven initiatives we are investing into, from \$75 million allocated from the part sale of our Amplitel business, to further enhance connectivity in regional Australia.

This year we also announced round one recipients of the Telstra Connected Communities grant program. To see the recipients, please visit the [program website](#).





Case Study

Helping regional Australia shine on film

In FY23, we collaborated with production company Arenamedia to overcome the challenge of limited connectivity in Bremer Bay, a coastal hamlet in Western Australia's Great Southern Region.

Arenamedia needed to create a reliable and extensive data transmission to fulfil demanding technical needs during production of the film, Blueback. We conducted a full analysis of the location and provided an integrated communication solution using Netgear Nighthawk portable 4GX modems and Netgear Orbi stationary 4GX WiFi modems, coupled with external antennas, to boost access to internet infrastructure. This allowed production teams to access high-speed uplink and downlink data capabilities from the existing Telstra mobile network, providing a platform for regional communities to share their stories and culture.

With our support, Arenamedia was able to shoot Blueback entirely onsite, never missing a beat when transmitting rushes or managing technical requirements. We enabled all production staff to stay connected and manage day-to-day activities, within timelines and budgets, despite teams being physically separated by large distances.

Watch the movie trailer [here](#).

Tech innovation

This year, we continued to invest in technologies that will dramatically transform Australia in the near future. It takes a team 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. They range from investing in Australia's largest quantum computing company to collaborative efforts with the Australian Football League (AFL) at Marvel Stadium, where we are creating transformative 'Stadium of the Future' experiences. Additionally, we engage in 5G trials in partnership with multiple organisations.

We are also focusing our innovation efforts in key industries that power the Australian economy. These include agribusiness, where we collaborate closely with industry bodies and major corporate partners like Microsoft and IBM, and domestic Australian start-ups like Farmbot, Smart Paddock and Zetifi to introduce technologies that make agriculture more sustainable and competitive. These include enhanced rural and remote connectivity, the ability to monitor water levels, keep track of livestock and even being able to tell when a gate in a paddock has been left open.

[Telstra Labs](#) continued to explore and validate cutting-edge technologies including 5G, artificial intelligence

(AI), Internet of Things (IoT), augmented reality (AR) and the metaverse, vehicle-to-everything (V2X) and drone communications. In FY23, we completed a trial with Rheinmetall under an Australian Government 5G Innovation Initiative grant. This trial showed the feasibility of using drones to connect to Telstra's 5G network and extend connectivity to a remotely controlled fire-fighting vehicle. This approach could be used to fight fires in regions where mobile coverage is traditionally difficult to achieve, such as in a gully in a rural location. These vehicles could deliver water when it's too dangerous for fire-fighters to get close to the fire-front, and ultimately, save lives. We also partnered with Field of Vision to create new experiences for vision impaired AFL fans.

Our [Telstra Data Hub](#) platform allows companies to securely share, view and exchange data that can deliver real benefits to their productivity. In FY23, we announced a 12-month trial with the Global Digital Farm in Wagga Wagga to test our new integrated agtech platform called Farm Data Services. Enabled through our Data Hub, the Farm Data Services platform provides a highly scalable and secure data sharing platform to integrate, standardise and, with permission of the data owner, distribute datasets from existing agtech deployments. The platform aims to overcome one of the biggest hurdles in modern, data-driven agriculture – how to securely manage and integrate data from multiple technologies across the farm. The trial is a partnership between Telstra, Food Agility CRC and Charles Sturt University.

Case Study

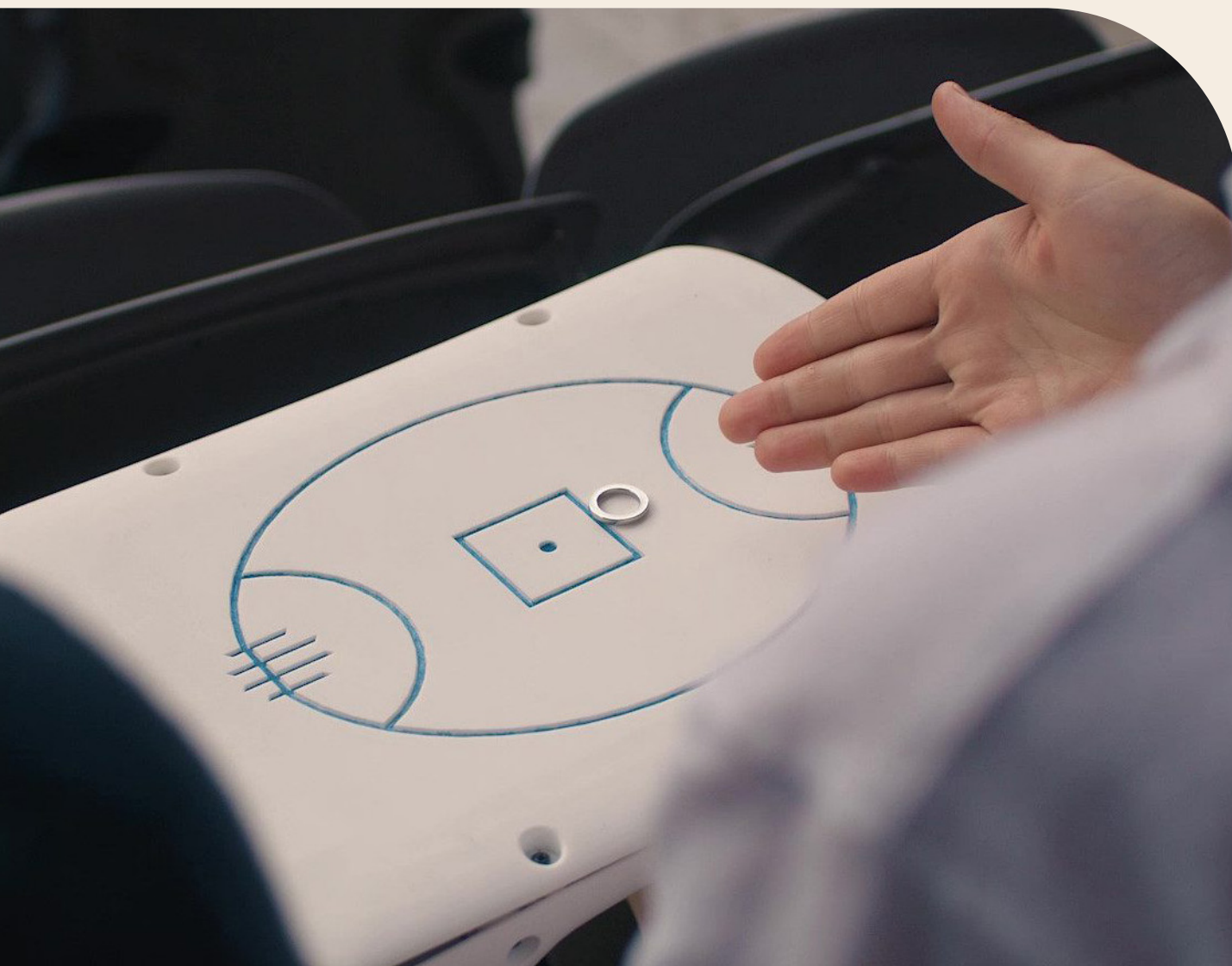
Telstra Labs and Field of Vision create a new experience for vision-impaired AFL fans

Having low vision shouldn't stop anyone from playing sport, or being a die-hard club fan. However, it can change how someone experiences it. As a person who is blind, Western Bulldogs supporter, Shaun experiences AFL games predominantly through sound, using headphones to listen to commentary and game sounds to visualise what's happening on the field.

We want all fans to have access to the technology they need to bring a live AFL match to life. To do this, we explored how technology, underpinned by the speed and responsiveness of our 5G mobile network, could add a new element to AFL matches, allowing people with low vision experience more of the game than they already do.

We have been working with the team from Field of Vision and our Telstra Labs to create a new experience for vision-impaired AFL fans. It uses innovative technology that translates the movement of a ball on-field to a physical device. Using magnetic technology that moves inside the body of the device, as the Sherrin is kicked and handballed around the oval, a steel ring on the surface moves precisely to where the ball is on the playing field. As the ball is run and passed around the field, the ring tracks its every motion. As it's kicked, the fast movement of the ring will match the intensity of noise from the field and the fans – especially if that kick turns into a goal!

Read the article on the [AFL website](#).



Building responsible tech skills

Our commitment to building responsible tech skills is underpinned by our long-term partnerships with governments and non-profit organisations. Through collaboration, we deliver digital literacy programs with our community partners to help people of all ages and backgrounds develop the skills and knowledge they need to use technology safely and responsibly.



Collectively, our digital literacy programs **supported more than 200,000 Australians** to build digital skills in FY23; and more than 250,000 over the past two years, putting us on track to meet our T25 target to build **digital skills for 500,000 Australians**, by FY25.



Collaborating to bridge the digital divide

This year, we participated in the Digital Connectedness of Older Victorians Roundtable hosted by the Commissioner for Senior Victorians and the Council on the Ageing's Positive Ageing Alliance Roundtable 'Digital Inclusion: Older Western Australians'. We were also the 2022 Principal Supporting Partner of [Get Online Week](#), through which we supported community organisations to run over 1,000 digital skills sessions reaching 19,000 people with minimal or no digital skills. During this week, Telstra employees volunteered as digital mentors, helping friends and family members learn new skills and ran digital skills events in their local communities.

Image: Telstra's Eva Colic and Michael Heydon at a Get Online Week event in Mandurah, WA. Held in partnership with the Senior's Recreation Council of WA.

Older Australians

Adults aged over 65 are the least digitally included age group in Australia⁹. We continue 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 safely embrace digital technology.

This year, we launched a new [Learning Digital](#) online hub offering short, self-guided content covering topics such as using the internet, email, internet safety and cyber security, and two-step verification. We also refreshed educational content on the hub, introduced free digital skills building sessions over the phone and increased the digital skills support we provide in store.

In New South Wales, we have partnered with government to deliver our Tech Savvy Seniors program for ten years and in FY23, provided 15,287 face-to-face and virtual digital literacy training places for older Australians in English, Auslan, Tamil, Vietnamese, Hindi, Mandarin, Cantonese and more. Read our article on [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 and digital storytelling.

The program builds digital confidence and capability in older Australians, encouraging them to use technology to connect with family, friends and community groups. In response to COVID-19 and associated restrictions, the program was refreshed to enable virtual delivery to become a part of the program's standard offering. In FY23, Social Seniors engaged with 238 participants.

9 www.digitalinclusionindex.org.au/interactive-data-dashboards



- **Deadly Digital Communities** – an initiative of State Library of Queensland and Telstra in partnership with Queensland Local Governments through their Indigenous Knowledge Centre (IKC) and public library service. This year, we introduced a series of ‘Who’s Your Mob’ family history research workshops which helped people explore online resources to discover and share their stories, get communities involved and strengthen connections. This year, 50 people gained new digital skills through Deadly Digital Communities. For more information, please visit [Deadly Digital Communities](#).
- **Mobile My Way** – a telecommunications literacy training project, funded by Telstra and delivered by the Centre for Appropriate Technology. The project delivered telecommunication literacy to First Nations customers living in remote communities in the Northern Territory in locations where we had recently installed new or improved telecommunications infrastructure. Throughout FY23, Mobile My Way reached 778 people across 11 remote locations. Find the training resources on our [website](#).

First Nations communities

We have a range of established and leading programs to improve digital literacy and accessibility for First Nations people and communities across Australia. These programs include:

- **InDigiMOB** – a pioneering co-designed digital inclusion project, funded by Telstra and delivered by First Nations Media Australia. The project addresses digital inclusion and cyber safety awareness. This year, the program reached 245 people across locations in the Northern Territory, South Australia and Western Australia. InDigiMOB has employed 169 Digital Mentors since the project started in 2016. For more information, please visit [inDigiMOB](#).

We continue to collaborate with the Australian Government to improve digital inclusion outcomes for First Nations peoples. In January 2023, Lauren Ganley, Telstra’s Head of First Nations Strategy & Engagement, was appointed to the First Nations Digital Inclusion Expert Panel. The Panel supports progress towards Target 17 of the [National Agreement on Closing the Gap](#) which seeks to achieve equal levels of digital inclusion for First Nations people by 2026.

Parents

For parents trying to keep their kids and families safe online, we provide a range of practical tips, including our add-on, Telstra Device Security subscription service. To find out how you can protect yourself and your loved ones, read our article on [Telstra Exchange](#).

Justice Connect partnership

This year, we formed a new partnership with Justice Connect, a leading Australian charity, to develop a digital self-help resource hub that helps Australians prepare and respond to disaster situations.

Using artificial intelligence and digital marketing tools, Justice Connect will train people with low digital skills to access and use online self-help resources. The hub will go live in late 2023.



Case Study

Closing the digital gap in Australia's least connected communities

While most Australian cities enjoy excellent internet access, there is still a broad 'digital gap' between urban and regional areas, which is even more pronounced across 1,100 First Nations remote communities.

Since 2021, Telstra has been working with the ARC Centre of Excellence for Automated Decision-Making and Society to build the first-ever databank tracking internet access, affordability and ability in remote communities. As well as informing policy and programs to boost connectivity and give First Nations peoples [equal levels of digital inclusion by 2026](#), the Mapping the Digital Gap (MTDG) project is helping 11 communities develop Digital Inclusion Plans to inform local strategies and advocate for greater government and industry support to address specific challenges.

In July, MTDG's 2022 findings were included for the first time as part of the nationwide [Australian Digital Inclusion Index](#). The findings include 530 surveys, which show that while digital ability is relatively high across remote communities, access and affordability remain low. Eighty-six per cent of people primarily use mobile phones for internet use, with ninety per cent of these using pre-paid services.

However, the MTDG team remains cautiously optimistic. The Australian Government recently established a First Nations Digital Inclusion Advisory Group (with an MTDG member co-chairing), and in April, announced an additional \$25 million for First Nations communities through its Regional Connectivity Program. This has led to proposals for more community mentors, digital training and free public Wi-Fi. Telstra has also made calls free to standard national numbers from all Telstra public payphones and free Wi-Fi access available at designated payphones.

"It's just a start," says MTDG project lead Daniel Featherstone, "but the community reports are already having an impact, highlighting diverse challenges and providing a critical baseline to inform policy and funding needed to reduce the digital gap."

For more information, please visit the project [website](#).



Measuring impact and social value

In 2023, the State Library of Queensland commissioned the Queensland University of Technology to develop a [Digital Inclusion Programs Evaluation](#) examining the programs delivered through Queensland's public libraries and Indigenous Knowledge Centres between 2016 and 2022. This included Telstra's Tech Savvy Seniors, Deadly Digital Communities and Tech Savvy Communities. The report found digital inclusion programming had generated over \$10.1 million in social value.



Supporting customers

We believe that everyone deserves access to the digital world, regardless of their location, circumstance or socio-economic status. We keep communities connected by providing them with affordable and accessible connectivity options, and ensuring we always support our customers in a way that meets their individual needs.



Helping fund financial counselling services

This year, Telstra contributed to a cross-industry initiative to provide a one-off \$7.75 million donation to the Financial Counselling Foundation. The \$7.75 million will enable the Foundation to provide additional support to existing grants that are expiring and to implement new projects to support victims of family violence, tenants at risk of homelessness, First Nations communities and people in prison. Communications Alliance helped facilitate the initiative, which was also supported by the banking, finance, insurance, energy, telecommunications and online gambling sectors.

Checking in with First Nations customers

The Telstra 'Pink Bus' has been visiting remote communities for over two years. In FY23, the Pink Bus visited 53 remote communities across the Northern Territory, Queensland and New South Wales and helped 7,680 customers. Services include identifying and removing bad debt, checking customers are on the most appropriate plans, making sure customers can use the My Telstra app and have information to connect to our First Nations Connect hotline. Since November 2019, the Pink Bus has visited over 150 remote communities, reaching more than 11,000 customers.

Customers needing extra care

We are committed to helping those facing cost-of-living pressure by continuing to offer a range of products, services and programs to improve digital inclusion outcomes for our customers and communities. These activities include:

- providing 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
- free Telstra mobile calls to crisis lines and unmetered mobile data access to [Ask Izzy](#), a mobile website that connects people in crisis with the support services they need
- free calls to standard national numbers from all Telstra public payphones and free Wi-Fi access available at designated payphones
- providing [disaster relief](#).



Through these activities, we helped **1.26 million customers in vulnerable circumstances stay connected this year.**

Our CEO Consumer Roundtable plays an important role in informing our approach to customers needing extra care. Held twice a year, the Roundtable provides an opportunity for the CEO and Executives to listen to and learn from key consumer advocacy stakeholders to improve the experiences of our sales and service performance, particularly for customers doing it tough.

Improving affordability

We recognise that affordable telecommunication services are critical to staying connected and some customers experience temporary hardship or longer-term financial challenges. We offer affordability initiatives for people on low-incomes or for those experiencing financial hardship by 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 which address barriers to staying connected and are designed to support people in financial hardship, including people in crisis, experiencing homelessness, pensioners and low-income families.

In FY23, we supported 10,489 customers impacted by homelessness, domestic and family violence or natural disaster with a free \$40 pre-paid mobile recharge. Responding to cost-of-living pressures, in May 2023, we announced an expansion of the Telstra Top-Up program to provide more support to more people. In July 2023, The Top-Up value increased from three \$40 recharges expiring after 28 days to one \$160 recharge that expires after six months. The program is available to people experiencing or at risk of financial difficulty, food insecurity, mental health, disability, natural disaster, homelessness or domestic and family violence. For more information, please visit the [InfoXchange website](#).

We also provided 224,263 pensioners with a discount on their Telstra services, 36,435 eligible customers with a discount on their mobile plan and 2,866 low-income families with emergency bill assistance.

The low-income package concessional benefits totalled \$51.4 million in FY23, an increase of 28.5 per cent compared to FY22 (\$40 million). The increase reflects changes made to the package in FY23 to include our concession mobile plan to reflect the increasing role of mobile and broadband connectivity.

In addition, this year, 205,435 customers were connected through our Starter Internet Plan designed with the needs of older Australians in mind. Availability of this plan has been expanded to include any customer starting their internet journey; they no longer need to be receiving government benefits.

For women experiencing domestic and family violence, we provide 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 38,000 phones to women since its inception in 2014, including 1,400 in FY23. 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.

Supporting the School Student Broadband Initiative

This year, our Belong brand joined the Australian Government's School Student Broadband Initiative, which will provide up to 30,000 free home internet connections for low-income families with school age children who do not have access to the national broadband network (nbn). Once eligible families are nominated by participating schools, education authorities or community organisations, we provide no-cost internet for 12 months. This year, we connected 324 services.

For more information, please visit [Belong](#).



Accessibility

We aspire to enable all Australians to enjoy a more connected and accessible future so everyone can thrive. Telstra's accessibility journey began nearly 40 years ago with the introduction of specialised products to assist 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. We continue to engage with peak bodies and disability advocacy organisations through our bi-annual disability stakeholder forum.



Empowering digital skills through Auslan

Deaf Connect has run nearly 150 Tech Savvy Seniors classes since 2015. More than 1,100 seniors have participated in the classes taking place at the Deaf Connect offices in Parramatta and in libraries and community centres across Sydney and regional New South Wales. Deaf Connect has adapted the Tech Savvy Seniors training to focus on graphic 'how-to' lessons in Auslan – the national sign language, used by at least 16,000 Australians. The lessons demonstrate popular apps, video platforms, and other programs, with clear illustrations which lead participants through steps for downloading and using apps. Participants in the program have learnt how to use their devices to connect with interpreting services as well as becoming more confident in spotting scams.

Read our article on [Telstra Exchange](#).

Our [Accessibility and Disability Inclusion Action Plan FY23-FY25](#) details how we continue to build inclusion and equitable access to overcome barriers that prevent full social and economic participation for people with disability. The plan presents actions we are taking as a business to encourage, recognise and promote an active commitment to eliminating disability discrimination. We consulted people with disability in the creation of the plan. All 12 FY23 commitments have been completed.

Both the My Telstra app and Telstra website have been certified for meeting international web content accessibility guidelines levels A and AA. We have also worked hard to ensure that the over five million documents we email our customers each month incorporate key accessibility requirements. This means the one in ten Australians who rely on assistive technologies can better access their bills, invoices, credit adjustments and debt letters.

We celebrated another year of disability confidence and, for the fourth year in a row, received Disability Confident Recruiter accreditation from the Australian Network on Disability. The program aims to remove barriers for people with disabilities during the recruitment process. Disability confident recruitment is just one way we are working towards attracting and retaining disability talent. Our Accessibility and Inclusion Action Plan outlines ten commitments to inclusive employment and support for people with disability.

We continue to maintain our commitment to the Disability Enquiry Hotline, Directory Assistance Helpline and Disability Equipment Program. During FY23, we provided 51 pieces of disability-specific equipment through the program. This complements our standard product range which includes devices with features to support customers who have accessibility needs.

Telstra also supports the [Australian Communications Consumer Action Network's Accessible Telecoms](#) service. This service provides consolidated, independent and up-to-date information about accessibility features of telecommunications equipment available to vulnerable consumer groups. It plays an important role in industry by empowering users, such as older Australians and people with disability, to make informed choices regarding the products and services best suited to their needs.

Although we have delivered several key initiatives this year, we don't always get it right. In FY23, we received 18 complaints of disability discrimination from the Australian Human Rights Commission and three from the Telecommunications Industry Ombudsman. Of these 21 complaints, 18 have been closed and three are in progress. Complaints that have uncovered any systemic issues are escalated and are used for continuous improvements to our customer service.

Advancing online safety, privacy and security

As more of our lives move online, online safety and cyber security is becoming increasingly important.

We take our role as custodian of customer data seriously and invest heavily in cyber security measures to help protect our customers' data and privacy. We also deliver cyber security training to our employees and customers to help them understand the risks associated with using technology and how to better protect themselves and their data.

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 applicable relevant privacy legislation. Our Privacy Statements explain to our customers how we manage the personal information they entrust to us. We undertake regular reviews of our Privacy Statements to ensure they remain fit for purpose. We do not share any information with third parties 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 consider customer privacy and data protection in the design and development of our organisational processes, products and initiatives. We aim to ensure that privacy related risks are considered and assessed from the outset of every concept, project, product, service, program or IT system enhancement or development by completing Privacy Impact Assessments.

In line with Telstra's Compliance Framework, the Board, Audit and Risk Committee, our CEO and Executive Leadership Team is committed to meeting all our legal and regulatory obligations. They are accountable for ensuring everyone at Telstra understands and complies with these requirements within the jurisdictions where Telstra conducts business. Accountable Executives within our business units are also responsible for specific privacy compliance requirements related to functions they perform.

In FY23, we had five privacy incidents requiring notification to the Office of the Australian Information Commissioner and one incident relating to misalignment of data within our Directory Assistance and Directory Listing databases, which we also self-reported to the Australian Communications and Media Authority.

In all cases, we directly contacted the impacted customers to discuss any concerns 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 our people to ensure processes are correctly followed.



Digital ethics, rights and responsibilities

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. 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 respect the privacy of our customers and the wider community, but also consider broader ethical considerations.

Our approach is informed by our Responsible AI Policy which is closely aligned to the [Australian Framework for Ethical AI](#). Our policy guides the responsibility and care expected from the Telstra Group regarding these technologies. The governance of this policy includes

oversight of Telstra data and AI initiatives by Telstra's Risk Council on AI and Data (RCAID) chaired by our Data & AI Risk Management Principal.

In FY23, we refined our operational procedures to embed the implementation of our policy more deeply. This included:

- ensuring our RCAID governance process covered the new Quantum Telstra venture from its inception
- upgrading our AI Model Register, which records all Telstra AI use cases, to version two and reconciling the registered cases with those in production
- applying in-production monitoring controls to higher-risk use cases on our major AI platforms
- defining guidelines for the use of generative AI within Telstra.

Cyber security and data protection

Cyber security, privacy and data and artificial intelligence management are material risks to our organisation and our stakeholders. The past 12 months have seen our cyber security capability continue to grow in strength and demonstrate resilience in the face of an ongoing dynamic threat landscape.

At Telstra, our approach to cyber security and data protection is comprehensive, multi-layered and underpinned by a Cyber Security Strategy, Group Security Policy, Group Information Management Policy and Group Privacy Policy. Our Chief Information Security Office is responsible for global cyber security and reports to our Audit and Risk Committee at least twice a year, and to our Board as needed.

This year, we intensified our attention on cyber security and data protection with the declaration of a company objective for FY24. This includes measures to reduce our data holdings to legal minimums, to know where our data is, its risk, and strengthen our security protections for personal information.

We employ a range of strategies and technologies to help protect our customers' information and assets from cyber threats. One key aspect of our approach is risk management. We have a framework that allows us to manage cyber security and data protection risks effectively. This includes regular risk assessments, threat modelling and asset inventory management. We use various risk management standards, such as the Payment Card Industry Data Security Standard (PCI DSS), ISO 27001 and the US National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) to guide our efforts.



Our new data and AI venture

This year, we formed a new partnership with Quantum to unlock the full potential of data and AI for Telstra and our customers. The venture will bring together Quantum's market-leading data science and AI capabilities with Telstra's customer, product and network data assets. Called Quantum Telstra, the new venture will not only provide personalised and data-enabled products and offers for Telstra's customers, but it will also embed proactive and predictive AI and machine learning across Telstra's core business.

For more information, read our [media release](#).

Another important aspect of our approach is threat intelligence. Our Threat Research and Intelligence team leverages a range of internal and external sources of intelligence to help stay ahead of emerging cyber threats. We use machine learning and data analytics to analyse and correlate threat data to identify and prioritise potential threats. This intelligence allows us to take proactive measures to help protect our network and customers.

From a data protection perspective, we recognise that reducing and simplifying how much data we hold makes the job of protecting it easier. Across the company, we are in the process of streamlining and reducing our data holdings wherever possible.

We also implement various access control measures, such as strong password policies, multi-factor authentication (MFA), privileged access management (PAM), and role-based access controls (RBAC), to help prevent unauthorised access to our systems and data. We employ network segmentation and data encryption to ensure data is only accessible by authorised personnel. Our cyber assurance and enablement capabilities oversee third-party assessments to enhance information security within our network of third-party suppliers.

At Telstra, we believe cyber security is as much about people as it is technology. We invest in employee training and awareness programs to help our employees understand their role in protecting Telstra, our network and our customers. Our innovative Cyber

Security Influence program builds our security culture and behaviours in the organisation and includes security news, advisories, videos and gamified learning. Our program also has a highly engaged employee community for security enthusiasts and we conduct regular simulated phishing campaigns to test and improve employee awareness.

Finally, we are committed to compliance with relevant cyber security regulations and standards, including ISO 27001, the Australian Privacy Principles, and the Essential Eight mitigation strategies developed by the Australian Cyber Security Centre. Telstra conducts regular audits and assessments to ensure compliance obligations are met.

When things go wrong

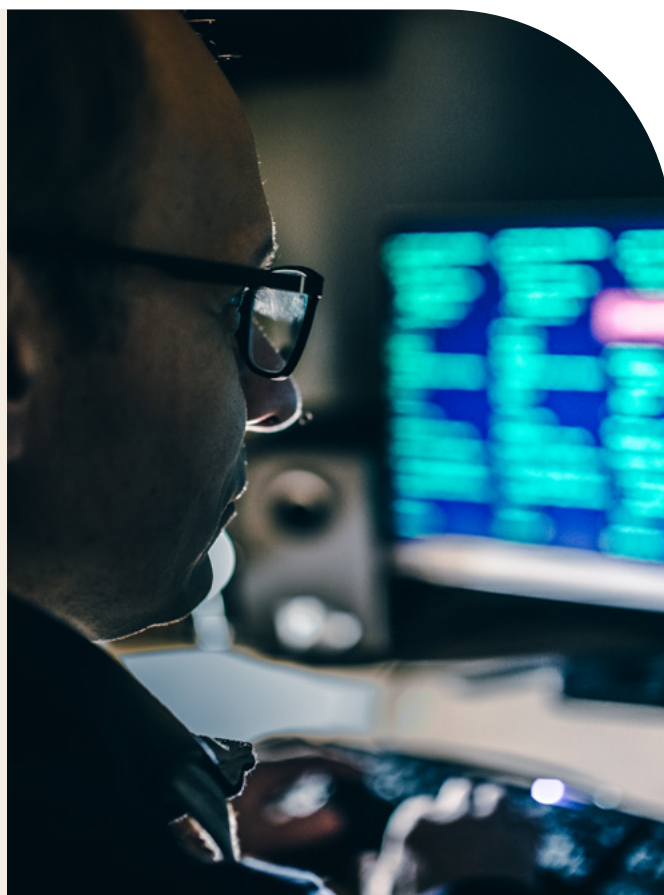
Our world-class [Security Operations Center \(SOC\)](#) provides 24/7 monitoring and response to security incidents. The SOC team is made up of highly skilled security professionals who investigate and respond to security incidents using advanced security tools, such as SIEM (Security Information and Event Management), EDR (Endpoint Detection and Response) and NTA (Network Traffic Analysis) solutions. We have a comprehensive incident response plan that outlines the steps to be taken in the event of a security incident. This plan includes procedures for incident reporting, containment, analysis, remediation and mitigation. We regularly test and update the plan to ensure its effectiveness in responding to emerging threats.

Keeping your personal ID data safe

One of the lessons from the recent data breaches in Australia, for all organisations, is the need to continually assess what data needs to be stored, and how and where we store it. This year, we kicked off a review of our systems to challenge ourselves to minimise the government ID data we hold, and how long we hold it for, while continuing to meet our existing legal obligations. While we will continue to scan ID documents to check customer identity and protect against fraud, we are reducing the time we keep these scans from two years to six months.

For more information on how to keep your personal ID data safe, read our article on [Telstra Exchange](#).

For more information on how to keep you and your family safe online, please visit our [Cyber Security and Safety Hub](#).



Case Study

Our new reporting service to help customers fight SMS and MMS scams

Telstra is driven, every day to make digital experiences safer. This is why we launched our Cleaner Pipes initiative, and why we're helping all customers on the Telstra network join the fight against scammers by reporting SMS and MMS scams to a national phone number.

Customers who forward SMS and MMS scams to 7226 (SCAM) will help Telstra better protect millions of Australians from receiving harmful SMS/MMS messages that may attempt to trick them into providing their personal information, credit cards or downloading malicious apps. All customers need to do is forward the SMS/MMS scam to 7226. We won't send a reply message and customers won't be charged for sending this SMS.

Our Cleaner Pipes initiative helps block on average, 23 million scam SMS each month since it was [introduced](#) in April 2022.

Our 7226 SCAM number is another keystone in the fight to stay ahead of scams and help Telstra's internal cyber security team more quickly identify and block emerging scam techniques or threats before they can affect more Australians.

While Telstra blocks millions of scam messages each month, we can't catch everything. Our technology is evolving, so it's important everyone remains vigilant and alert to the rise in scam activity. We all have a part to play in helping secure our personal and private data to help protect it from criminals who want to profit from it.

Read our article on [Telstra Exchange](#).





Telstra Foundation

Celebrating two decades of social innovation, enabled by tech. For more than 20 years [Telstra Foundation](#), our registered Australian charity, has supported Australian initiatives focussed on youth education, mental health and inclusion.

Via philanthropy, we bring Telstra's purpose to life for young people, particularly those who are marginalised or face significant challenges and unfair barriers.

Today, we fund technology-enabled projects that tackle some of the biggest social challenges facing young people with the goal to:

- improve youth mental wellbeing (SDG Goal 3)
- close the youth education and learning divide (SDG Goal 4)
- empower young people for climate action (SDG Goal 13).

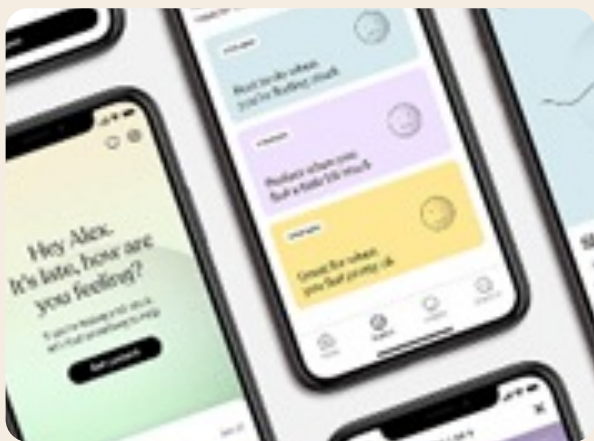
Underpinning this work is the belief that all young people should have the same opportunity to thrive and that where they live, their socio-economic status, cultural background, gender and ability should never be a barrier to them accessing education, to their wellbeing or feeling empowered to act on climate.

All our projects and programs put young people in the driver's seat, empowering them to be the designers and creators, as well as the consumers of the tech we enable. We champion co-design approaches to ensure the needs of disadvantaged young people shape the digital products and services that are meant for them.

This year, we worked with eight charity and social enterprise partners, committing \$5.3 million through the Foundation to support community programs and partnerships. Over \$840,000 from Telstra shareholders and employees programs was also donated to Foundation partners to amplify our mission. Six longstanding partner projects were acquitted, and we onboarded 12 new social innovation projects as part of our new *Young & Connected Fund* which focuses on youth wellbeing and education. We scaled up our free, nationwide [Code Club Australia](#) program, engaging more than 40,000 young people via our Moonhack campaign to get kids coding. We also continued to support the Healthy Country AI Training initiative as part of Telstra Reconciliation Action Plan (RAP) commitments.

Innovation is the key to unlocking the technology's full potential. We invest in partners who develop their own innovative ideas and solutions, providing them with opportunities to tap into our time, talent and resources to help bring those ideas to life. For example, we teamed up with Telstra's data science community (Helix) via our Data4Good initiative to host the ClimateWatch Validation Blitz. In June 2023, Telstra volunteers validated over 3,000 community data submissions, breaking last year's record in an extraordinary effort that will help scientists, policy makers, environmental planners, land managers and industry to make informed decisions on our climate. This program won the international CDO magazine/EDM Council [Data 4 Good Award for Climate Action](#).

Collectively, our work continues to make a significant contribution to Telstra's target to lift the digital skills of 500,000 Australians by FY25, and through philanthropy, amplifies diversity and inclusion issues supported by Telstra.



Case Study

How we're supporting youth mental health and wellbeing

We partnered with Orygen Digital to fund the development and pilot of Mello, a groundbreaking smartphone app to empower young people to manage their mental health proactively by using practical, science-backed techniques. Developed alongside young people, Mello works by addressing the root cause of anxiety and depression; repetitive negative thinking, or 'stuck thinking.' The app provides evidence-based activities that offer in-the-moment

relief from negative thoughts, while also building skills to break the cycle of negative thinking long term. Users can track their mood and receive tailored therapy activity recommendations through check-ins and access evidence-based therapy activities to improve their mental wellbeing.

Adverse mental health costs the Australian economy \$40 billion annually, and young people represent the demographic with the largest burden of disease. Almost 40 per cent of young Australians have experienced a mental health disorder in the last year, with depression and anxiety being the most common. Young people suffering from adverse mental health conditions are 40 per cent less likely to complete high school and three times more likely to be unemployed in adulthood. It's also known that seeking help, getting access to support, and engagement with mental health treatment are major challenges for young people. Of the half that gain access to evidence-based treatment, 40 per cent drop out.

In Mello's randomised controlled trial, young people with clinical levels of depression and/or anxiety and problems with repetitive negative thinking used the app for six weeks and the results were compared to a control group. The study found that the Mello group showed greater relief from depression, anxiety, repetitive negative thinking and wellbeing than the control group. 82 per cent of Mello users experienced less anxiety, 79 per cent were less depressed, and 83 per cent had less repetitive negative thinking.

Users are welcome to download Mello and try the app out [here](#).

Image: Mello – a smart phone app to manage “stuck thinking”

Case Study

How we're supporting digital skills training for Indigenous Rangers

Across the world, First Nations peoples manage more than 80 per cent of vital ecosystems and threatened species. In Australia, about four million square kilometres of combined land and sea Country are Indigenous-titled lands. That's over half of Australia's total land area. At the same time, First Nations peoples face many challenges in land management. Climate change, for one, is accelerating species extinctions and ecosystem losses. Such threats are also increasing in scale and urgency.

We are funding North Australian Indigenous Land & Sea Management Alliance (NAILSMA) and CSIRO, Australia's leading science agency, to deliver the Healthy Country AI Training initiative. This multi-year partnership trains young Indigenous Rangers and practitioners to use artificial intelligence (AI) in caring for Country in five First Nations communities across Kakadu, Arnhem Land and Cape York in partnership with Indigenous Rangers, Traditional Owners, and community practitioners. The training also empowers young Indigenous women rangers to engage with digital technologies and data collection, analysis, and use their digital skills to adaptively manage their lands.

Image: Young Indigenous Women Rangers from Wardeken Land Management Ltd



Sustaining our planet



Approach

As Australia's leading telecommunications and technology provider and a large energy user, Telstra has an important role to play.

We are harnessing technology, digital and connectivity solutions to accelerate action on climate change and minimise our impact on the planet. We are committed to leading by example and using our scale and voice to accelerate the transition to a more environmentally sustainable world. We are driven to make a difference beyond our business by encouraging and enabling our customers, suppliers and communities to do the same.



Governance

The Telstra Board is responsible for overseeing our environment strategy and monitoring our performance against that strategy. In FY23, we incorporated our scope 1+2 absolute emissions reduction target into the performance measures for our Executive Variable Remuneration Plan (EVP), making it a component of senior executive short-term incentives under our remuneration structure. This recognises the critical nature of this target to our organisation's success and each team member's role to achieve it.

For more information about our approach, please see our *Sustainability at Telstra: In focus* paper available on our [reports page](#).

For information about our climate change governance, please see the *Understanding our climate risk* (our TCFD disclosure) section of our 2023 Annual Report available on our [reports page](#).

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 key risk for Telstra and we are working to mitigate and adapt to its impacts through our environment strategy.

For information about our climate change risk management, please see the *Understanding our climate risk* (our TCFD disclosure) section of our 2023 Annual Report available on our [reports page](#).

For information on how we manage Enterprise risk, please see our 2023 Corporate Governance Statement available on our [reports page](#).

FY23 progress against targets

| Strategic focus area | Headline target | SDG | Progress | More info |
|---|--|--------|---|-------------------------|
| Taking bold climate action ¹⁰ | Reduce our absolute emissions by at least 50 per cent by 2030 | | <ul style="list-style-type: none"> Reduced our combined scope 1+2 emissions by 30 per cent and scope 3 emissions by 28 per cent from an FY19 baseline¹¹ | page 59 |
| | Enable renewable energy generation equivalent to 100 per cent of our consumption by 2025 | SDG 13 | <ul style="list-style-type: none"> Achieved renewable energy generation of 30 per cent towards the target¹² | page 67 |
| | Carbon neutral in our operations from 2020 | | <ul style="list-style-type: none"> Maintained certification as a carbon neutral organisation | page 61 |
| Progressing a circular economy ¹³ | Reuse or recycle 500,000 mobile phones, modems and other devices each year to 2025 ¹⁴ | | <ul style="list-style-type: none"> Reused or recycled 632,919 mobile phones, modems and other devices in FY23 | page 72 |
| | Ensure 100 per cent of Telstra branded packaging is made of renewable or recycled material and is fully recyclable by 2022 | SDG 12 | <ul style="list-style-type: none"> Transitioned 100 per cent of Telstra branded products to new sustainable packaging that is made of renewable or recycled material and is fully recyclable | page 75 |
| | Increase our network waste recycling rate to 85 per cent by 2025 ¹⁵ | | <ul style="list-style-type: none"> Increased our network waste recycling rate to 79 per cent | page 76 |

● Achieved ◐ In progress ○ Not achieved

- The Digicel Pacific acquisition (which closed in FY23) has been excluded from Telstra's emissions reporting and targets in FY23 as we have not yet been able to compile timely and quality environment data that aligns to the Greenhouse Gas (GHG) Protocol. A detailed program of work has been launched to align environment data processes and controls with the aim to quantitatively disclose the Digicel Pacific impact in our FY24 reporting.
- This is significantly ahead of the trajectory required to reach our target of 50 per cent by 2030, however there is still some risk relating to the scope 3 target – see the *Understanding our climate risk* section of our 2023 Annual Report for more information.
- In addition, we have now contracted renewable energy volumes equivalent to over 80 per cent of our consumption. There is a risk that the operational output of those projects will not reach the equivalent of 100 per cent of our consumption by the end of 2025. At this stage we believe it is more likely than not that this target will be achieved by that date. See the *Understanding our climate risk* section of our 2023 Annual Report for more information.
- The Digicel Pacific acquisition closed in FY23. Digicel Pacific has been excluded from Telstra's circular economy reporting in FY23 as we have not yet been able to compile timely and suitable data. A detailed program of work has commenced with the aim of progressively reporting relevant Digicel Pacific circular economy data in future periods.
- From September 2023, we are increasing our device recycling target to reuse or recycle 650,000 mobile phones, modems and other devices each year to 2025 (our previous target was 500,000 each year).
- From September 2023, we are increasing our network waste recycling rate target to 90 per cent by 2025 (our previous target was 85 per cent by 2025).



Taking bold climate action

To us, addressing climate change means taking ambitious steps to decarbonise our business, and helping our customers and suppliers do the same.

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.

We are committed to achieving net zero greenhouse gas (GHG) emissions by 2050, aligned with the Paris Agreement. To achieve this, we have set an emissions reduction target that has been validated by the Science Based Targets initiative (SBTi) as aligned to a trajectory to limit global warming to 1.5°C.

Decarbonise Telstra

In FY23, we achieved a 19 per cent reduction in our scope 1+2 GHG emissions compared to the previous year and have achieved a cumulative 30 per cent reduction against our baseline year of FY19. We achieved this by improving the energy efficiency of our network and our infrastructure, accelerating the decommissioning of legacy technology and leveraging the reduced emissions intensity of the electricity grid as the use of renewable energy increases.

Greenhouse gas emissions (scope 1 and 2)

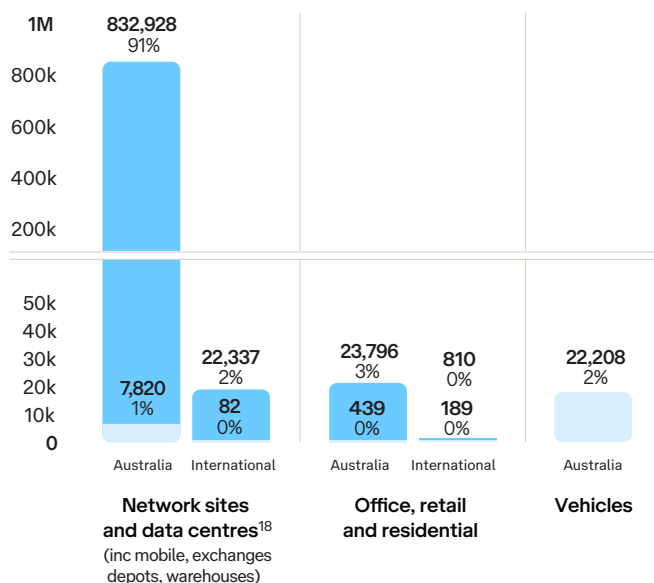
| | FY19 | FY20 | FY21 | FY22 | FY23 |
|--|-----------|-----------|-----------|-----------|---------|
| GHG emissions ¹⁶ (tCO ₂ e) | 1,306,495 | 1,247,050 | 1,163,669 | 1,123,879 | 910,607 |
| Australia | 1,237,452 | 1,180,531 | 1,110,879 | 1,077,235 | 887,190 |
| International | 69,044 | 66,519 | 52,790 | 46,644 | 23,417 |

FY23 greenhouse gas emissions (scope 1 + 2) by category

Tonnes of carbon dioxide equivalent (tCO₂e)¹⁷

● Fuel (scope 1) ● Electricity (scope 2)

GHG emissions / % of total GHG emissions (scope 1 + 2)

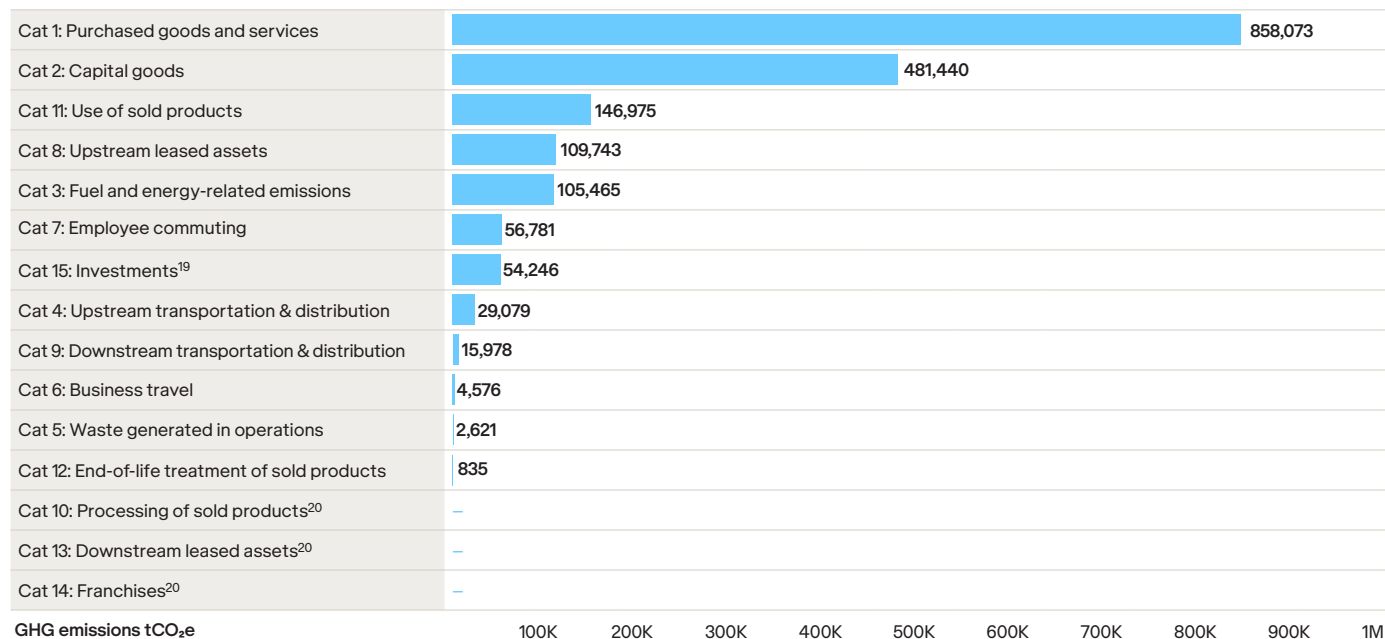


¹⁶ Greenhouse gas emissions are calculated using the latest emission factors at the time of reporting. They are measured in tonnes of carbon dioxide equivalent emissions (tCO₂e). The emissions inventory encompasses Telstra's Australian and international operations (other than Digicel Pacific).

¹⁷ The sum of individual entries may be slightly different to totals/subtotals due to rounding.

¹⁸ Network category includes all network-related sites including unmetered sites and data centre services hosted at Telstra exchanges. This consists of all scope 1+2 emissions allocated to the Telstra network, based on premises or activity end use.

FY23 scope 3 greenhouse gas emissions by category



The Digicel Pacific acquisition (which closed in FY23) has been excluded from Telstra’s emissions reporting and targets in FY23 as we have not yet been able to compile timely and quality environment data that aligns to the Greenhouse Gas (GHG) Protocol.

A detailed program of work has been launched to align environment data processes and controls with the aim to quantitatively disclose the Digicel Pacific impact in our FY24 reporting.

¹⁹ In preparing our FY23 reporting we identified that the emissions associated with joint ventures and associated investments were not being captured in our reporting of scope 3 emissions. In addition, we identified an instance of duplicated emissions within scope 3 category 15. Both these anomalies have been rectified and the updates applied to previous years’ data. As a result, the scope 3 figures listed here differ from those reported in previous years.

²⁰ Not applicable or material. For more information, please see our 2023 Data Pack available on [our reports page](#).





Carbon credits

Telstra has been certified carbon neutral in our operations since July 2020.

During FY23, Telstra branded mobile plans and mobile broadband plans were also certified carbon neutral. This is in addition to our current product level certification for Telstra's Belong mobile offering. Our investment complements our focus on decarbonising our operations, the electricity grid and the economy. For more information, read our article on [Telstra Exchange](#).

We consider the use of carbon credits to be a useful mechanism for directing investment towards accelerating action to avoid or reduce emissions outside our control. While we are working to reduce our own scope 1, 2 and 3 emissions, we are committed to offsetting any remaining emissions. The approach of first reducing then offsetting emissions is aligned to the Australian Government's Climate Active framework and is what we mean when we refer to ourselves as carbon neutral. Each year, we retire carbon credits to meet our current and projected carbon neutral certification commitments.

In FY23, to maintain Telstra's carbon neutral certifications we purchased approximately 2.26 million carbon credits with over 99 per cent from wind, solar and energy efficient manufacturing processes in India, and the remaining volume from savanna burning projects in Australia. Over the last four years we have purchased a total of around 8.5 million carbon credits.

We invest in high integrity credits that are sourced from projects that avoid, reduce or remove emissions from the atmosphere and deliver positive sustainable impact. 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.

For more information about carbon neutral certification and disclosures, including our carbon credit portfolio, please see [Telstra's Climate Active Public Disclosure Statement](#) and [Belong's Climate Active Public Disclosure Statement](#).

To view a detailed breakdown of our carbon credits, please see our 2023 Data Pack available on our [reports page](#).

Carbon offset governance

All carbon credit purchases follow our Carbon Credit Acquisition Guideline and align to international best practice principles, such as the Integrity Council for the Voluntary Carbon Market's core carbon principles and assessment frameworks. This ensures our continued investment in high integrity credits to achieve positive sustainable impact. In FY23, our purchasing strategy and due diligence approach was governed by our Carbon Neutral Executive Group which consists of executives from across the company. International and domestic carbon projects go through a staged assessment process which considers governance, emissions impact and sustainable development outcomes. The initial review ensures projects meet our minimum compliance requirements regarding carbon credit programs, vintage, country, methodology and supply chain. Projects are then assessed against criteria that consider Telstra policies and strategy, technical review, environment and social impact, value for money and reputation risk and exposure.



Case Study

Carbon neutral mobile phone plans and Telstra Plus points

In February we announced that our mobile plans are 100 per cent carbon neutral, as certified by Climate Active. Ongoing use of the Telstra mobile network connection is carbon neutral for all Telstra mobile customers. This applies to all Telstra branded consumer (pre- and post-paid), small business and enterprise mobile plans and mobile broadband plans. It includes the carbon emissions of a mobile plan, including the SIM card and the energy that powers the Telstra network to make calls and stream content. It does not include the emissions associated with the physical handset or device customers use.

We also announced that customers could use their Telstra Plus points to help offset their own everyday carbon emissions by supporting Australian and international climate projects. These offsets are for customers who want to minimise their own impact and do not count towards our own carbon neutral targets.

Customers have used 1.98 million Telstra Plus points to offset 295 tonnes of carbon dioxide equivalent emissions in FY23.

For more information on our carbon neutral plans please visit [our website](#).

For more information on how you can redeem your Telstra Plus points to help offset emissions please visit [our website](#).

Case Study

An update on our carbon farm

Our pilot carbon farm at Yarrowyck in northern NSW has completed the first stage of planting. With our partner [AirSeed](#), we have planted over 400,000 seed pods across 110 hectares, tagging the location of each one for future monitoring. By the end of 2023, our goal is to plant 158,000 trees and shrubs, capable of sequestering 160,000 tonnes of carbon dioxide over the next 25 years.

We have built an Internet of Things (IoT) network that integrates sensors and data from a TAWN (Telstra Advanced Weather Network) station - providing our planters with precise information on environmental factors that could influence their work, from approaching wind and rain to moisture levels in the soil.

The farm at Yarrowyck serves a second purpose: the revitalisation and enhancement of the local nature and biodiversity. Previously a sheep station, once the land is restored to a forest ecosystem, it will become a wildlife corridor to local animals including wallaroos and wallabies as well as improve the land's resilience to water stress and drought.

In 2022, we won an Australian Financial Review Sustainability Leaders Award for Innovation. This was in the Technology, Media and Telecommunications category for our environment strategy and innovative use of maggot fertiliser in drone seed planting on our carbon farm.

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

For more information on how we are harnessing technology to combat the negative effects of climate change, watch the video on [our website](#).



Managing our electricity consumption

Electricity consumption from our network, data centres, offices and other buildings accounts for around 97 per cent of our total FY23 scope 1+2 GHG emissions. We strive to reduce energy consumption across every aspect of our business through considered 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 \$21.1 million in FY22 to over \$49 million in FY23. Our efforts have been recognised by the National Energy Efficiency Council, who awarded Telstra InfraCo the 2022 Leading Energy User Award.

In FY23, these projects included:

- upgrade of 100 power systems with high efficiency rectifiers
- almost 350 fans upgraded to electronically commutated fans
- eighteen air conditioning controls and economy cycle upgrades
- installation of over 170 monitoring and energy efficiency alarming systems on heating, ventilation and air conditioning (HVAC) systems
- replacement of 59,510 fluorescent lights with 33,232 LED lights at 198 sites (recycling 152 tonnes of lighting waste)
- installation of 425 small site cooling managers and five chilled water-cooling systems, optimised with demand flow technology
- ninety-eight equipment floors upgraded with blanking walls and in-rack blanking panels, meaning our 'hot aisles' stay hotter, and our 'cool aisles' stay cooler in our exchange buildings
- upgrade of 263 air conditioners and 245 economy fans at 269 wireless network sites as well as installing 781 high efficiency rectifiers. As part of a trial, we have also installed 35 new model air conditioning controllers with enhanced monitoring functionality.

In FY23, our energy efficiency programs delivered a collective annualised saving of 23,485tCO₂e and 30,177MWh electricity. In addition to our energy efficiency projects, we saved a further 79,406tCO₂e and 100,566MWh annualised through decommissioning network equipment.

For a detailed breakdown of our GHG emissions and energy consumption, please see our 2023 Data Pack available on our [reports page](#).





FY23 energy efficiency and decommissioning initiatives

| Initiative | Description | Annualised energy savings (MWh) | Annualised emissions savings (tCO ₂ e) |
|--|---|---------------------------------|---|
| HVAC optimisation | We conduct physical inspections of our network sites to identify faults affecting power consumption and review equipment performance to identify optimisation opportunities | 3,650 | 2,872 |
| 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 building management, and electronically commutated fans | 12,728 | 9,532 |
| 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 | 12,675 | 10,310 |
| 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 per cent | 1,124 | 771 |
| Decommissioning legacy network | We are actively rationalising and decommissioning our legacy network equipment, reducing both direct energy consumption from the equipment as well as associated energy for cooling | 99,006 | 78,326 |
| Network facilities efficiencies | We identified energy efficiency opportunities at our wireless facilities including installing high efficiency rectifiers and economy fan cooling | 1,560 | 1,079 |
| Total | | 130,743 | 102,890 |

Case Study

Hydrogen fuel cells

We have partnered with the Victorian Government's Renewable Hydrogen Commercialisation Pathways Fund program to trial the use of hydrogen fuel cells as backup power at selective sites in place of diesel generators. The fuel cells use green hydrogen fuel, which is generated from renewable energy sources.

The trial will enable us to test the suitability of green hydrogen fuel cells to provide additional site power, and assess their technical and commercial viability to provide reliable extended back up power should mains power fail. If successful, this technology could enable emissions reductions by avoiding the need for less efficient diesel-generated power, and reduce the associated risk of environmental harm should a generator leak or fail.

Five sites in regional Victoria are participating in the trial to demonstrate the reliability of renewable hydrogen as a zero-emissions fuel for generator backup power. Construction is expected to be completed in October 2023.

This trial forms part of the Victorian Government's aim to help kick-start investment in the renewable hydrogen sector, working to meet ambitious climate change ambitions to reach its net-zero emissions target by 2045.



LED Lighting

Following extensive trials of LED lighting options from several suppliers in 2020, a solution was chosen that provides individual movement sensing per individual fitting. This reduces the amount of time lights are on and allows for increased spacing of lights, aligned to Australian Standards and illumination requirements.

Recycling is a key element of the initiative with the recycling of redundant fluorescent tubes, batteries that form part of emergency fittings and the metal and plastic from the old light fittings.

With help from our suppliers, the new lights were also delivered to site without plastic packaging.

Since 2020, we have removed over 127,760 (71,315 in FY23) fluorescent lights from our fixed network sites and replaced them with 64,630 (34,736 in FY23) new LED fittings, reducing energy consumption by 23,522MWh per year.

Chilled water system optimisation at Charlotte Exchange

In 2022, we trialed a new chilled water optimisation technology at Charlotte Exchange in Brisbane.

The project delivered significant savings through the installation of additional high accuracy sensors. The sensors provide real-time feedback on system performance and requirements. Variable frequency drives on pumps and fans to allow the system to optimise the entire chilled water system in real time relative to load.

This project has reduced the energy consumption of the chiller system by over 30 per cent. An additional five systems have been installed in our large fixed network sites in FY23.

Electric vehicles

Telstra has an overall fleet of 6,500 vehicles consisting of 3,000 operational vehicles, 800 trucks and 2,700 staff salary sacrifice vehicles. Telstra fleet vehicles made up approximately two per cent of our FY23 scope 1+2 greenhouse gas emissions. Over the past 36 months, we have transitioned over 20 per cent of our operational fleet to hybrid models to reduce our fleet emissions.

We have expanded our charging footprint over FY23 with Electric Vehicle (EV) chargers and six EV pool cars now available at four of our head office locations, with plans to install additional chargers across all state head offices by the end of FY24. Our goal is to convert the bulk of our metro and some regional operational vehicles to electric when fit-for-purpose commercial EV fleet market options increase and charging facilities expand. We have also introduced the first operational hydrogen fuel cell vehicle into our fleet.

Across our salary sacrifice vehicle fleet, we have seen exponential growth in EV take up in the last six months due to changes in Fringe Benefit Tax legislation and improved supply of consumer EVs. As of the end of FY23 we had 226 EVs across our salary sacrifice fleet with another 219 on order. Telstra continues to support our staff as they purchase EVs for personal use. Including Telstra pool vehicles and vehicles on order, Telstra will have over 450 Zero Emissions Vehicles (ZEVs), making up seven per cent of our fleet.

In FY24, we will develop an EV transition strategy for our metro and regional operational vehicle fleet to transition from petrol/diesel vehicles to Zero Emission Vehicles.

Managing our scope 3 emissions

We recognise that we have a responsibility to contribute to reducing the GHG emissions produced by our supply chain when providing us with goods and services and by our customers when using our products. These are our scope 3 emissions as defined in the Corporate Value Chain Accounting and Reporting Standard of the GHG Protocol. We are committed to reducing our scope 3 emissions by at least 50 per cent by FY30 (from a FY19 baseline).



Collaborating with our strategic partners to reduce emissions

We believe that when we pair expertise from across technology streams with connectivity knowledge, and with industry and scientific know how, we can find creative, innovative pathways to reduce emissions across our network and wider business.

One of the ways we are doing this is through our relationship with Ericsson, which provides equipment and technologies that help our telecommunications networks run. Together with Ericsson, we are profiling our energy consumption to better understand our energy baseline. This has enabled us to understand where the largest consumption occurs in the network and how we can optimise efficiency by deploying the latest hardware and energy saving software features.

With Ericsson, we are working to set commercial commitments on the delivery of sustainable hardware and software features across our radio access network, transport and cloud technologies.

Scope 3 represents Telstra's largest emissions source, making up 67 per cent of our total footprint. Of our total scope 3 emissions, approximately 73 per cent comes from our supply chain (categories 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 suppliers on how to reduce their emissions 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 28 per cent since FY19.

Through decarbonising our supply chain, we have seen a domino effect where businesses and customers who operate downstream are now more likely to look for low carbon alternatives. Suppliers who operate upstream in our supply chain are more likely to supply low carbon goods and services to businesses and customers beyond our supply chain. This helps to drive broader, sustained climate action across the industry. For more information, read our article on [Telstra Exchange](#).

In 2022, we noted that we were assessing the impact of retail energy growth in relation to our scope 3 emissions reduction target. The scaling of our retail energy products has since been paused. If we make a decision to scale our energy retail products we will communicate any material impacts to our scope 3 target.

Working together to reduce scope 3 emissions

Scope 3 emissions, particularly in the Information Communication and Technology sector where there are complex supply chains, is an area that requires cross sector collaboration. We are working with key suppliers and industry partners to reduce our scope 3 emissions and drive improvements in environmental practices throughout the global supply chain.

We are co-leading a working group jointly developed by the GSM Association (GSMA), Global Enabling Sustainability Initiative (GeSI) and the Technical Standardization Bureau of the International Telecommunication Union (ITU-T) to draft industry specific scope 3 guidance for telecommunication operators. This guidance is intended to harmonise methods for telecommunication operators to assess and report their scope 3 emissions and to increase its coverage and transparency. We also continue to work with other telecommunications operators as part of the Joint Audit Cooperation (JAC) to engage common suppliers on their emissions reduction targets and plans. This includes performing site audits by independent third-party auditors.

Supplier emissions disclosures

This year we extended our partnership with the [CDP](#) for a further three years to continue engaging our suppliers to account for and address their climate change impacts more effectively. This partnership enables us to deliver training, tools and support on environmental disclosures to over 400 suppliers, an increase from approximately 200 suppliers in 2022. This covers approximately 80 per cent of our spend.

Having a standardised process for disclosure and a community of supply chain disclosers allows our climate action to be even more impactful. This year we joined CO2 AI and CDP to support the development of the CO2 AI Product Ecosystem. This platform will enable companies to collaborate and share product level emissions data. We piloted this platform with two of our suppliers, Vantiva and Accenture, who are going further to define, measure and communicate the carbon footprint associated with the products they provide Telstra. These insights have enabled us to improve the sustainability of products, such as the Telstra Smart Modem 3. We hosted a webinar for the industry to showcase how this technology can help manage supply chain data in a smart way and participated in the COP27 Finance Day to discuss ways to better track, measure and reduce supply chain emissions using technology.

In March 2023, we were recognised on the 2022 CDP Supplier Engagement Leaderboard. We are among the top eight per cent assessed for supplier engagement on climate change, based on our 2022 CDP disclosure. We were also shortlisted for [The World Procurement Awards](#) in Environmental and Social Impact for working together with suppliers towards a low carbon economy. This award recognises the procurement function that is significantly reducing the environmental impact of their business through innovative and collaborative approaches across the business and supply base.

Most of our emissions are concentrated across a relatively small number of suppliers. Meaningful decarbonisation targets and plans from these suppliers will contribute greatly towards achieving our scope 3 target.

In October 2022, we launched Telstra's new standard emissions reduction clause and guidance for purchases. This new clause requires suppliers to understand, report, verify, reduce and track their climate change impacts in support of our 2030 target. By the end of FY23, 41 suppliers had signed up to these new clauses which contractually committed them to disclosing and reducing their absolute 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.

To date, we have supported investment in approximately \$1.1 billion worth of renewable energy under long term Power Purchase Agreements. These commitments have enabled the construction of renewable energy projects across Queensland, Victoria and New South Wales. When these projects are fully operational, our share of their renewable energy output will be equivalent to more than 80 per cent of our consumption.

In FY23, our renewable energy projects generated the equivalent of 30 per cent of our consumption, via output from Emerald Solar Park (70MW capacity located in Queensland) and Murra Warra Wind Farm (226MW capacity in Victoria, across all partners). Construction on the Crookwell III Wind Farm (58MW capacity in NSW) began in September 2022.

In October 2022, we announced our fourth Power Purchase Agreement for MacIntyre Wind Farm in southeast Queensland, the largest wind farm in the southern hemisphere. The agreement secured Telstra a portion of the MacIntyre Wind Farm's output with construction well underway and first energy to the grid expected in early 2024. The wind farm will use 162 turbines to produce a total of 923MW of renewable electricity, enough to power the equivalent of 700,000 homes. Telstra will utilise 111MW of the available 923MW.

In June 2023, we contracted our fifth Power Purchase Agreement for the Munna Creek Solar Farm near Gympie in Queensland. This agreement secured Telstra half of the output from the 120MW Munna Creek Solar Farm. Construction is to commence later this year. When constructed, the solar farm will produce enough to power the equivalent of 50,000 homes.

With a power bill equivalent to 300,000 households, Telstra's Power Purchase Agreements also provide protection against volatile wholesale electricity prices and help us to manage our costs.

We are working to finalise contracts supporting new renewable energy projects that will be capable of generating renewable energy equivalent to 100 per cent of our consumption by 2025. However, utility-scale renewable projects have long lead times to become operational, with complexity in planning, construction, and grid connection. More recently, these factors (especially supply chain issues) have been exacerbated by COVID-19 and the Ukrainian conflict. As a result there is a risk that full operational output from our renewable energy projects may not reach the equivalent of 100 per cent of our energy consumption by the end of 2025. At this stage we believe it is more likely than not that this target will be achieved by that date and to help mitigate the risk to this target we will continue to implement projects which reduce our energy consumption.

For more information see the *Understanding our climate risk* section of our 2023 Annual Report available on our [reports page](#).

Using technology to support the National Electricity Grid

We are continuing to explore innovative and technology-driven pathways to secure access to reliable, resilient forms of energy to power our network, and support the energy grids in which we operate.

We partnered with the South Australian Government in a Demand Management Pilot project to identify new ways to utilise existing and new batteries to support the grid at times of peak demand or instability, while enhancing the reliability of our own network. In Western Australia, we have continued our work with Western Power and Horizon Power to allow the installation of standalone power systems (largely operated from renewable energy infrastructure). This improves our power resilience at sites which were at high risk of power outages caused by impacts on the power distribution network, especially during extreme weather events.

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. Since FY19 we have reduced our scope 3 emissions by 28 per cent. The largest contributors have been reductions in emissions reported by our suppliers and from customer use of our modems.

In FY22, we commissioned Deloitte to prepare an Enabling Positive Climate Action Report, showcasing how we can help our customers reduce their emissions. The Enabling Positive Climate Action Report is available on our [reports page](#).

For more information, please see the [Enabling the transition for our customers](#) section of this report.



Case Study

Helping customers manage their energy footprint

Telstra's Shapeshifting Hub was launched in 2022 helping 300 customers 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.

In June 2022, we launched the Clean Energy Tracker to show current and predicted renewable energy levels in the grid.

For more information on the Clean Energy Tracker, please visit [Telstra Energy](#).

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.

We use scenario analysis to understand how our exposure to climate hazards 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 short-term risk.

The scenario analysis process helps our operations team understand and plan for the networks changing exposure to physical climate-related risks.

Actions include:

- assessing the risk exposure of network sites to fire, flood and cyclones
- testing infrastructure design standards to improve resilience
- revising the standards of backup power systems with the aim of providing longer duration power reserves to sites deemed at risk
- prioritising lifecycle funding to those sites assessed at risk.

Our exposure to climate-related transition risks is at its highest in the short to medium term as the global community accelerates action towards a decarbonised economy. However, we view these challenges as opportunities. Our transition to an Agile organisation has optimised our ability to respond to changing consumer preferences, embrace new technologies, and pivot service offerings to better meet the needs and values of our customers.

For more information on our scenario analysis and climate risks and opportunities, please see the *Understanding our climate risk* (our TCFD disclosure) section of our 2023 Annual Report available on our [reports page](#).

Preparing for natural disasters



Climate change is predicted to cause increasingly more frequent and severe weather events. It will impact power distribution networks and intensify our reliance on portable generators.

The increase in bushfire and flood frequency and severity makes the health, safety and wellbeing of our staff, contractors and community members the biggest short-term consideration when assessing our climate physical risks.

We found over 30 per cent of our above ground assets are currently exposed to at least one climate hazard. During a severe weather event or disaster, when connectivity is at its most vital, our infrastructure can become affected by power outages.

Our attempts to distribute backup generators may be disrupted by the impacts of the natural disaster, including not being able to get people with specific skillsets onsite.

The Automatic Transfer Unit (ATU) was developed to improve the flexibility of how we use portable generators at our sites during AC mains power outages with the aim of reducing costs and improving power resilience. The ATUs reduce fuel consumption, simplify generator deployment process, enable more effective pre-deployment before known events and improve visibility of asset performance during events.

Four million dollars in funding has been allocated to deliver 250 ATUs to sites at risk of natural disasters over FY23 and FY24. As part of this target 102 ATUs have been installed in FY23.

For more information on our scenario analysis and climate risks and opportunities, please see the *Understanding our climate risk* (our TCFD disclosure) section of our 2023 Annual Report available on our [reports page](#).



Protecting nature and biodiversity

Nature underpins our global economy, with more than half of the world's economic output dependent on it²¹.

We interact with nature daily, when we construct or maintain our telecommunications network, or when we provide technology solutions to customers. We also depend on resources from nature, such as the metals and minerals used to manufacture technology and the wood used to make cardboard for our product packaging.

As a company with infrastructure spanning across Australia and overseas, from the most ecologically rich environments to urban centres, Telstra can play a unique role in protecting and restoring biodiversity. We believe that smart data, connectivity and technology solutions have the potential to help us all better manage biodiversity loss. We are committed to

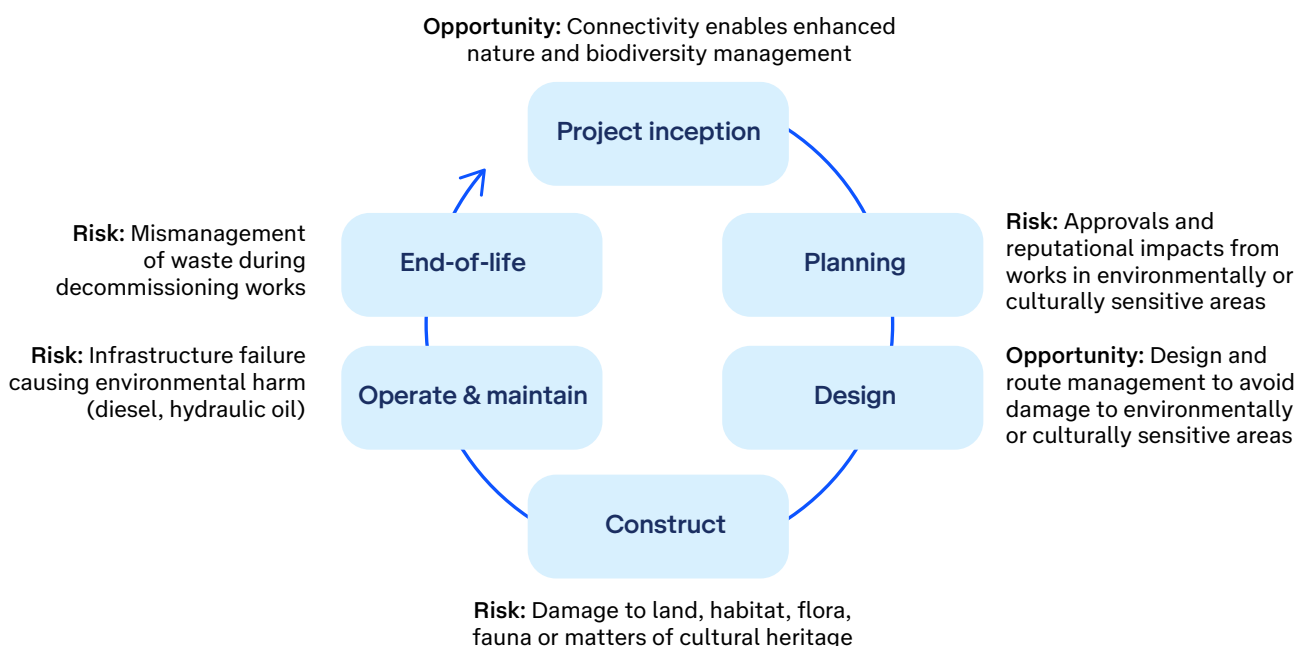
exploring ways we can best contribute to restoring and renewing our natural environment.

We continue to investigate our interactions with nature, and the risks and opportunities they present so we can better protect it. In FY24, we will assess the nature-related risks and opportunities across our business operations, value chain and assets, with a view to including our most material risks and opportunities in our FY24 disclosures.

Our ambition is to protect biodiversity in the environments in which we operate and to harness technology to regenerate nature. Our investment in a carbon farm is one way we are trialling technology-based solutions to restore ecosystems and improve biodiversity outcomes.

More information about our carbon farm can be found in the carbon farm case study on [page 62](#) and in [this video](#).

Key nature and biodiversity risks and opportunities across the infrastructure lifecycle



21 For more information, see the Taskforce on Nature-related Financial Disclosures, [Why nature-related risk and opportunity management matters](#) » TNFD

Case Study

Interacting with nature and biodiversity across our infrastructure lifecycle

From emus taking shelter in the shade of our buildings and vehicles, to bees making hives in our network huts and snakes enjoying the warmth of our pits, our field techs encounter and interact with animals every day while working to keep Australia connected.

We work in every environment you can imagine in Australia: the desert, the Daintree, remote National Parks, the islands of the Torres Strait and under the sea on our subsea cable network. Connectivity solutions are a powerful enabler of nature-positive outcomes, but they also take a lot of infrastructure and network equipment to operate and that can present risks to nature and biodiversity.

The way we consider, plan for and work with nature looks different at each stage of our infrastructure lifecycle.

When we plan for new or major upgrades to existing infrastructure, we consider the need to work in environmentally sensitive locations. This means employing the best methods for design and construction to reduce the risk of harm to habitats, flora and fauna as well as areas of cultural significance. We also consider how we can help regenerate nature by managing soil and erosion risk, and remediating and revegetating land as we go.

We also interact with flora and fauna on a daily basis – our infrastructure can make a warm, safe home for many animals. We help our people understand what to do when interacting with animals, to keep them and the animals safe (and our infrastructure protected from damage, where we can).

As the climate changes, we are seeing increasingly frequent severe weather events. Connectivity and technology solutions are key to monitoring weather, and to planning and effectively responding to natural disasters. Our infrastructure can also offer access pathways to remote parts of the country to help respond to bushfires and other events.

Modern biodiversity management and restoration relies on data, increasingly collected by sensors and robots and processed by computers. By connecting Australia, we are also enabling researchers, park rangers, conservation organisations and citizen scientists to carry out their important work.

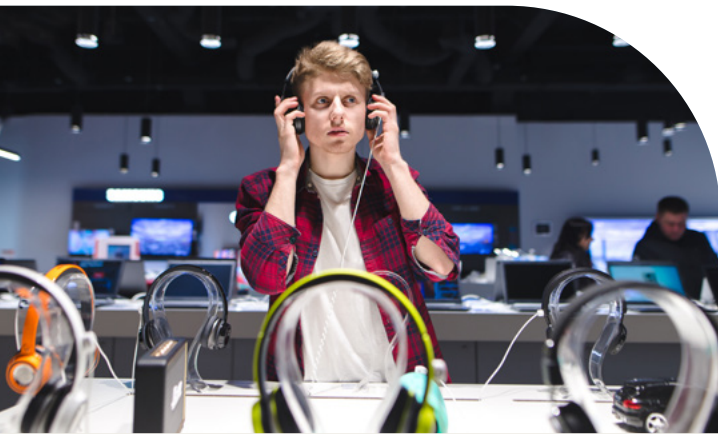


Progressing a circular economy

Telstra is committed to embedding circular economy principles in 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 solutions to reduce our environmental impact across the lifecycle of our networks and products. E-waste is growing three times faster than general waste streams.²² As a leader in the telecommunications and technology sector, we are committed to doing our part.

Our strategy has been designed to focus on both the resources we use and the waste generated by our operations, as well as the waste we generate from the manufacturing, distribution and use of our products. We are proud of our ambitious approach to improving our use of natural resources, because we know that by leading change across our organisation, we can also help our customers, suppliers, contractors and partners do the same.



Devices that can be recycled²³

- 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.

Devices and packaging

Australians are storing an estimated 38 million²⁴ 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 valuable precious metals and materials in old technology to re-enter the economy reduces reliance on extracting raw materials, resulting in a positive and wide-reaching environmental impact.

From FY24 we have increased our device target, to reuse or recycle 650,000 mobile phones, modems and other devices each year to 2025. Our FY23 target was 500,000, which we exceeded, reusing or recycling 632,919 mobile phones, modems and other devices. We are designing solutions based on circular economy principles for our products so 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, reuse and trade-in programs and responsibly recycling devices that have reached the end of their useful life. We do this via the Telstra eCycle program, which offers solutions for electronic devices - recovering materials for recycling, all while ensuring any data is securely wiped.

We have made it easier for our customers to recycle their old devices by accepting more types of devices. They can do this at any Telstra store or via our free eParcel option if they can't make it into one of our stores.

This year the Telstra eCycle program collected 632,919 devices from customers to be reused or responsibly recycled. We repurposed 254,133 customer devices that were used and/or obsolete. We also recycled 378,786 devices through the Telstra eCycle program via MobileMuster and other partners.

22 See [About e-waste | Environment Protection Authority Victoria \(epa.vic.gov.au\)](https://www.epa.vic.gov.au)

23 Find out more about what devices can be recycled in stores here [Recycling \(telstra.com.au\)](https://www.telstra.com.au)

24 Estimated number of electronic products stored in Australian homes sourced from [MobileMuster](https://www.mobilemuster.com.au).

For example, in FY23 we:

- recycled 134,002 mobile phones, 18,619 modems and 139,460 other devices (mobile accessories, tablets, smart home devices, home phones and Internet of Things devices) through MobileMuster
- collected 2,666 mobile phones, 20,671 modems and 8,629 other devices through the Telstra's CT Muster program
- partnered with Kingfisher Mobile Australia via trade-in and upgrade programs, empowering customers to return 83,225 old or out of contract devices
- collected 67,917 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 51,089 modems through our warehouse inventory management program
- recovered 31,481 modems via our modem returns and refurbishment program (launched in FY23) aimed at extending the lifespan of our modems
- collected 71,510 smartphones, tablets and other information and communications technology (ICT) through Moorup with 79 per cent reused and 21 per cent recycled
- recovered 3,291 enterprise customer managed services equipment for reuse and recycling
- donated 359 repurposed phones to people in need.

This work is all part of supporting 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.

Case Study

A smarter design for our Smart Modem 3

As we find innovative ways to make tech more sustainable and build on our environmental commitments, we are excited to now be using recycled plastics in our Smart Modem 3.

To minimise the environmental impact of the new generation Telstra Smart Modem 3, we:

- reduced the number of ancillary items included with the modem, including all the extra cables that always end up in a junk drawer. The cumulative length of these cables is equivalent to the distance between Sydney and Byron Bay!²⁵
- removed all unnecessary plastics in our modems, right down to the clingfilm on the logo
- changed the enclosure from white to black, which allowed us to use more than 80 per cent recycled plastics (being increased to 95 per cent)
- undertook a proof of concept where we used plastics from end-of-life modems, recovered by the Telstra eCycle takeback program, to build new modems. To our knowledge, this proof of concept is an industry/global first.

In 2023, we won an Australian Financial Review Sustainability Leaders Innovation Award, in the category of Telecommunications, Media and Technology for the Telstra Smart Modem 3. This is the second year we have won this category.

For more information, read our article on [Telstra Exchange](#).



²⁵ Calculations are based on the length of the ethernet cable which is 1.5m and the estimated number of smart modems shipped in FY22.

Modem refurbishment program

Customers can now return their old modems, at no cost to them, using our newly launched modem eParcel returns. All Telstra Smart Modem 2 and 3 units will now be assessed for refurbishment and when they have reached the end of their useful life, they'll be recycled responsibly.

Customers who contact our Telstra team about a modem fault and require a replacement will now automatically receive an eParcel SMS and/or email to return their faulty modem.

In FY23, we refurbished, repackaged and redistributed 15,008 modems.

To meet our strict privacy standards, customer data is removed from the recovered modems. They are then tested, cleaned, re-kitted and redeployed. This means when customers have warranty issues, we can send them a refurbished modem that is like new.

Where a modem is unable to be refurbished for reuse, customer data is removed, and it's responsibly recycled or disposed.

These capabilities provide benefits to our customers, our Telstra teams and the environment.

For more information read our article on [Telstra Exchange](#).

Recovering equipment from our enterprise customers

We partner with social enterprise, PonyUp for Good, to recover Telstra and Telstra client technology and uniforms for reuse or recycling. PonyUp then donates 50 per cent of profits to SecondBite, Australia's largest fresh food charity.

In FY23, we teamed up with PonyUp to recover over 9,252kg of obsolete Telstra equipment and we diverted 1,367kg of uniforms from landfill.

We recycled 6,364kg of company monitors. Ninety two per cent of this equipment was reused, the remainder recycled, enabling 95 per cent of material to be recovered. Through this program alone, 12,954 meals were donated through SecondBite to help those in need.

We also donated 7,964 universal power cords weighing 2,705kg and 183kg of equipment from warehouses to PonyUp ensuring they found a suitable reuse channel, enabling 4,072 meals to be delivered via SecondBite to people across Australia doing it tough.

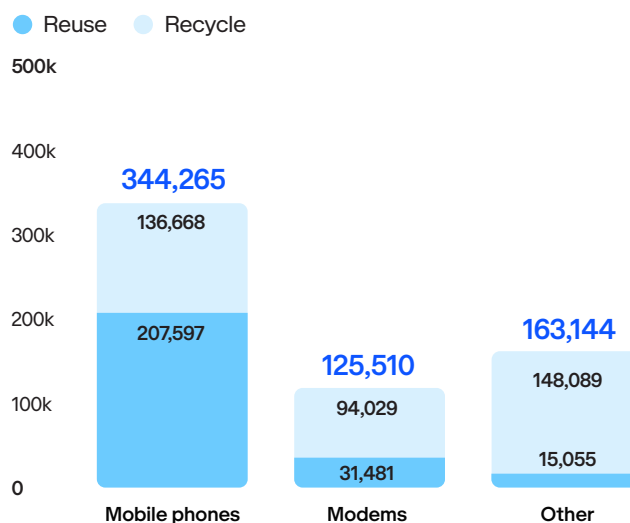
Through our uniform recycling program we diverted 1,367kg of old Telstra uniform items from landfill. Anything suitable for reuse has been debagged, removing Telstra's logo and tags and a suitable next use path found or donated to Vinnies to find another home. Items not suitable for reuse will be shredded and used as stuffing in couches and other furniture. This program has donated 3,375 fresh meals to SecondBite, which is five meals for every kilogram of uniform items collected by our Field Services Team.

Telstra's on-going partnership with PonyUp has now delivered more than 124,747 meals via SecondBite.



Image: In-store sustainability walls

Number of devices reused/recycled



Vantage and Frontline: Recycling and marketing

We want our customers' experiences to reflect our commitment to the environment. In August 2022, we hosted the Frontline conference for our customer facing teams. We invited attendees to bring in their old tech for recycling and we collected 2,179 devices, including handsets, accessories and modems. As we achieved the target of 2,000 devices we set ourselves, we donated \$4,000 to EarthWatch via the Telstra Foundation.

At Vantage, our conference for Enterprise customers, we went fully digital with no paper flyers, used edible coffee cups throughout the event (avoiding 12,000 coffee cups from landfill), designed our stands from paper or cardboard and reused merchandise and banners. Where banners couldn't be reused or recycled, we shredded them for reuse as mattress filler. We also used washable utensils and donated all excess food waste to the Mathew Talbot Hostel.

Sustainability Walls

In FY23 we trialled eWaste Sustainability Walls at four stores across the country: North Sydney (NSW), Warriewood (NSW), Camberwell (VIC) and Queen St Mall (VIC). These walls included a collection box for people to recycle devices, such as mobile phones, smartwatches and more. We plan to extend this trial in FY24.

Bring back bonus

As part of our 2022 Christmas campaign, customers were awarded an extra 5,000 Telstra Plus points when they traded in or recycled an eligible device. Customers could drop in store or send end-of-life devices via eParcel. Across November and December 2022, customers recycled 35,000 devices.

Sustainable packaging

Every year, we use over 970,000kg of packaging to deliver our products. We want to help our customers responsibly reuse or recycle our packaging rather than it ending up in landfill.

Packing our Telstra-branded products

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.

In October 2022, we met our commitment for 100 per cent of Telstra branded packaging to be made of renewable or recycled material and be fully recyclable, two months ahead of the December 2022 target.

Together with our design creative partners and sustainability experts Birdstone, we transformed packaging and branding of nearly 100 products to ensure they are fully recyclable. We have integrated sustainability metrics, including conducting material assessments and collecting compliance information from suppliers. We assess all packaging components as part of this process and use this to build packaging and design optimisation once we complete our concept work. We also use the Australian Packaging Covenant Organisation's (APCO) Packaging Recyclability Evaluation Portal (PREP) Analysis Tool for all new and upcoming device packaging. All packs contain APCO's Australasian Recycling Label to make correct disposal easy for our customers. We have introduced sustainable packaging principles for our Telstra-branded products and released a new and improved Telstra-branded packaging design to help customers know what can be recycled and how.

During the process we overhauled entire product categories to redesign and simplify the unboxing experience. An example of this is accessories packaging where each pack was originally made of 11 separate components, weighed approximately 50g and was not kerbside recyclable. Our new accessory packs are made up of an average of 2 components, weigh approximately 11g and are 100 per cent kerbside recyclable.



Improving waste and recycling

This year we increased our network waste recycling rate target to 90 per cent by June 2025 (our previous target was 85 per cent by June 2025).

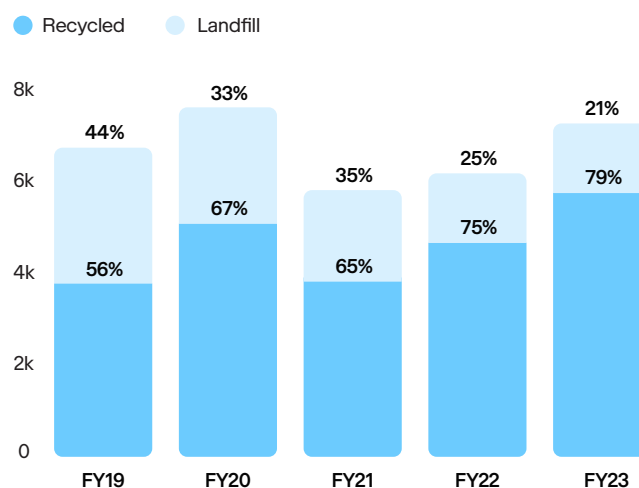
In FY23, our network waste recycling rate was 79 per cent.

To meet this target, 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 and external delivery partners and customers who use our sites. In FY23, we worked with partner Veolia to improve our signage on bins to help identify correct distribution practices, including recycling and landfill.

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 seven network facility sites, recovering and recycling 55,723kg of metals and e-waste.

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



To improve the recyclability of our packaging, we have included:

- Kraft Board exteriors that are instantly recognisable as recyclable and encourage consumers to focus on kerbside recycling
- zero plastics. Hard plastics have been replaced with fibreboard, plastic bags with tissue paper, cable ties with fixed Velcro ties, and plastic stickers with paper
- water-based inks and aqueous varnishes. This means there won't be any chemicals restricting the recyclability of the cardboard
- an Australasian Recycling Label which helps customers know how to do their part by recycling safely.

We have worked alongside many of our suppliers to guide them towards more sustainable packaging. As a result of our progress, we were asked by the APCO to co-host a session for over 200 APCO members on our success in achieving packaging optimisation through sustainable design.

In FY23, we won the Telecommunications Industry Sector Award for this year's APCO Annual Awards. We have also been recognised by several packaging design organisations around the world and won 11 awards for our sustainability and design achievements.

Telstra's sustainable packaging has received awards from: [Australian Graphic Design Association Awards](#) (two), [Australasian Packaging Innovation & Design \(PIDA\) Awards](#) (four), [Australian Packaging Covenant Organisation Industry Awards](#), [Good Design Australia Awards](#), [Penta Awards](#), [Transform Magazine Awards](#), and [WorldStar Global Packaging Awards](#).

For more information read our article on [Telstra Exchange](#).

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 and recovering valuable resources for reuse or recycling and, where we can, recovering these materials back into our operations for reuse.

3G recovery

In FY22, we undertook work to recover 3G spares, including radio access network (RAN) radios and remote integrated multiplexer printed circuit boards (RIM PCBs) to fulfill ongoing demand. These programs continued through FY23.

In FY23, we have recovered more than 4,800 RAN (3G) spares to fix network faults. This resulted in over 31 tonnes of network waste being diverted from landfill. Since 2021, more than 5,400 spares have been recovered through this program resulting in almost 35,000kg of e-waste avoiding landfill.

This program will deliver \$2.2 million in savings, by increasing our spares pool and avoiding operational costs. In addition to this we are avoiding valuable resources going into landfill, keeping materials in circulation and creating commercial value by selling surplus spares onto the grey market.

Valuable materials are extracted from redundant 3G equipment, assessed for damage, cleaned, labelled and then stored at our warehouses for use as spare parts to repair network faults. Through this process, more than 3,500 3G radios and other components were recovered, and 1,800 components were supplied to fix network faults and reused for network maintenance activities. We also distributed almost 500 components nationally with a focus on regional and remote areas to improve network fault restoration times. We have also avoided 25 tonnes of equipment going to landfill recovering an estimated value of \$1.1 million of 3G equipment.

Roadside cabinets

A Remote Integrated Multiplexer (RIM) is a roadside cabinet technology that provides PSTN services to Telstra customers in non-nbn areas. The nbn rollout has meant there is a decreasing need for this technology. At the same time, Telstra still needs to maintain and support more than 3,000 of these cabinets nationally, predominantly in regional and rural areas. To maintain reliability, Telstra has been undertaking a program to recover spare components from unused RIMs for reuse. In the past 12 months, we have recovered more than 4,600 spares to fix network faults. This resulted in 7.5 tonnes of network waste being diverted from landfill.

Since 2021, Telstra has fully supported 100 per cent of RIM fault maintenance work without having to procure or repair any spare parts. More than 6,600 spares have been recovered through this program resulting in more than 10,000kg of e-waste avoiding landfill.

In total over 12,000 parts totalling over 45 tonnes have been diverted from landfill through these initiatives.

Copper recovery

For most of our 140-year history we have used copper to deliver 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 13,930 tonnes of metal recycled in FY23. The various metals extracted (such as aluminium, copper and lead) avoided emissions and waste from mining new metals.

Exchange e-waste recovery

In April 2023, we ran a Clean Up Exchange Day at all our Australian Exchanges. More than 250 people were involved across 65 different sites. We partnered with PonyUp to engage, clean and organise our exchanges, including recycling branded Telstra uniforms and Small Pair Gains Systems (SPGS). We recycled 375kg of uniforms through PonyUp for Good.



Enabling the transition for our customers

To reduce our carbon footprint, we have been changing the way we do business – from piloting experimental tech at [our carbon farm](#), to leveraging smart solutions across our operations, we believe digital technologies have a crucial role to play in helping businesses reduce their emissions.

As Australia’s largest telecommunications and technology provider, we see a significant opportunity to help our customers and society transition to a lower carbon future by accelerating the adoption of innovative emissions-avoiding technologies.

The Enabling Positive Climate Action Report by Deloitte Access Economics analyses the impact of Telstra’s products and services by looking at our enablement potential. This quantifies the emissions avoided by our customers using our products and services when compared to our own emissions. The calculations reveal the overall contribution Telstra can make towards a lower carbon future.

The results

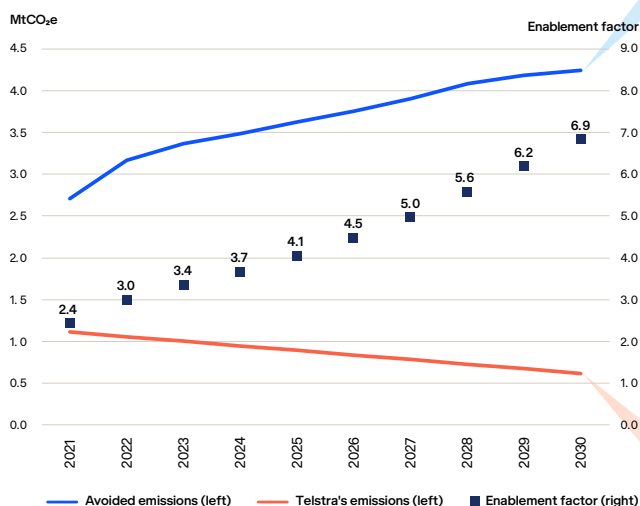
Deloitte determined that in 2021, we enabled our customers to avoid 2.7 million tonnes of carbon dioxide equivalent (CO₂e) emissions, comparable to taking 820,000 cars off Australian roads each year. Deloitte’s findings estimate that by 2030 our enablement factor will be 6.9. That means for every tonne of CO₂e we emit, we would help our customers avoid 6.9 tonnes of CO₂e emissions through the use of our products and services²⁶ – the equivalent of reducing the number of cars on Australian roads by 1.3 million each year²⁷. By 2030, it is estimated we can cumulatively help customers avoid an incredible 41 million tonnes of CO₂e.

To put this into context, our potential contribution to avoiding emissions is nationally significant – it’s the equivalent of about one per cent of the average annual reduction in emissions required to meet Australia’s reduction target of 43 per cent below 2005 levels by 2030.

Deloitte profiled the impact of Telstra’s digital technologies

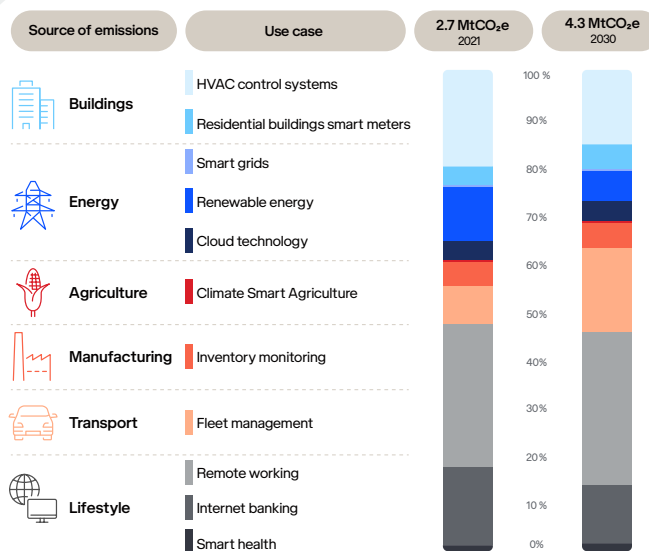
In 2021, Telstra enabled its customers to avoid **2.4 tonnes of CO₂e for every one tonne** emitted in Australia. By 2030, Telstra’s enablement factor will increase to 6.9. That is, **6.9 tonnes of CO₂e will be avoided** for every one tonne emitted by Telstra in 2030.

Enablement factor



Enablement framework

Avoided emissions: Telstra enables avoided emissions from 11 key uses of technology. These uses avoid emissions across six major sources of emissions in the economy.



Telstra’s emissions: Telstra’s Australian scope 1 and 2 emissions decrease from **1.1 MtCO₂e** in 2021 to **0.6 MtCO₂e** by 2030 to meet its climate targets by 2030

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26 For more information see the Enabling Positive Climate Action Report available at our [report website](#).

27 See the full report for further detail on key assumptions and qualifications across reported figures.



Breaking this down further

While the science on climate change is clear, for many businesses and government organisations, the pathway to reducing emissions is not. Increasing the adoption of new technologies such as smart HVAC, fleet management, remote working and cloud technologies are some of the ways Australia's offices, supply chains and warehouses can become greener.

For more information, please see the Enabling Positive Climate Action Report available on our [reports page](#).

Compliance

Protecting the environment remains a key priority and we have set minimum performance standards for managing current and emerging environmental issues. Our 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. In FY23, we continued to undertake work to uplift our environmental compliance program.

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 FY23.

