

Bigger Picture

2021 Sustainability Report

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For more information about our sustainability approach and performance, as well as access to our FY21 data pack and additional downloads, please visit our reporting website.

Our response to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) can be found in our 2021 Corporate Governance Statement, the Environmental action section of this report, and in the TCFD Appendix.

Message from our Chairman and CEO

As COVID-19 forced many households and businesses to shut their doors this year, something happened: digital doors opened in their place. Australians have embraced connected technologies like never before to keep businesses running, people working, children learning, families connected and themselves entertained.

But while so much has changed over the last 12 months one thing has stayed the same: Telstra's purpose to build a connected future where everyone can thrive. A deep commitment to our purpose and values continues to drive Telstra's efforts to do the right thing for our customers, our people, and the communities in which we operate by delivering the best products and services on the best network so our customers can thrive.

We do these things because they are the right thing to do, because they align with our company purpose and values, and because they are the sort of things Australians trust Telstra to do in good times and bad.

This report brings to life the many things Telstra has delivered in this past year, guided by our new Responsible Business strategy, aimed at building trust, and drawing on our tech expertise to play a leadership role in promoting digital inclusion and environmental action. It also acknowledges a small number of areas where we didn't reach the standards we have set for ourselves, and explains how we'll do better.

On climate change and energy - We maintained carbon neutral certification this financial year and we are on track to reach our 50 per cent absolute emissions reduction target by 2030.

To improve our resource efficiency - we introduced three new resource efficiency targets focussed on re-using and recycling devices, delivering recycled and recyclable packaging, and increasing our recycling of network waste. In FY21 we trialled an expansion of our device recycling services, updated our Telstra branded packaging with recycled and renewable material, and identified new opportunities to recover equipment from our network for further use or for recycling.

In digital inclusion - Telstra was recognised as a global leader in the first-ever World Benchmarking Alliance Digital Inclusion Benchmark, once again contributed to the national dialogue through our investment in the Australian Digital Inclusion Index, and helped one million customers in vulnerable circumstances to stay connected through delivery of specialised programs, products and services[1].

We continued to provide more coverage to more people in regional and remote places – and have invested $3 billion in improving our regional mobile network in the five years to 30 June 2020. This year we also announced significant forward investments to continue this work, including $150 million in additional regional investment for FY22, and an additional $200 million co-investment fund to improve regional connectivity over the next four years.

We remained committed to transparency and change – and continued to proudly support the United Nations Sustainable Development Goals (SDGs) and make progress against them this year. We are also a signatory to the United Nations Global Compact and are engaged in supporting its principles – on human rights, labour rights, environment and anti-corruption – wherever we operate. We also signed on to the Global e-Sustainability Initiative (GeSI)'s Digital with Purpose initiative this year, to take collective action on reaching the SDGs and combatting climate change.

During COVID-19 - we continued to provide a range of support measures for our people, including paid pandemic leave, wellbeing training and support, and COVIDSafe workplaces. In India and the Philippines, where the pandemic has been particularly devastating, we have provided accommodation for workers, vaccination, and assistance with medical expenses. We've also provided $28 million in COVID-19 relief packages for our customers.

1 Calculated based on the number of instances in which we provided specialised programs, products and services to support customers in vulnerable circumstances, and may include instances where a customer has accessed multiple mechanisms.

Our customers are at the heart of what we do, and doing business responsibly means understanding their needs and delivering products and services that meet them. We've reached or exceeded our Net Promoter Score (NPS) targets for this year, indicating good progress. We've also introduced organisation-wide principles for providing a high care approach to customers in vulnerable circumstances and those dealing with and escaping domestic and family violence. And we've reduced by 35 per cent the number of customers who can't meet their plan commitments and are ultimately disconnected, by ensuring they are on the right plan for their needs and budget.

Despite our commitment and best efforts there are times when we don't get it right and sometimes we don't deliver the experience our customers expect and deserve. In November 2020, we agreed to a penalty of $50 million and an Undertaking with the ACCC relating to unconscionable conduct when, between 2016 and 2018, a small number of Telstra licensed stores engaged in inappropriate sales practices with 108 First Nations customers by selling them mobile phone plans that ultimately did not suit their needs. We've taken steps to make things right for these customers having provided full refunds including interest, waived debts, and ensured most customers kept their devices. We apologise to these customers who did not receive the standard of care or service they should expect from us, and where we did not act quickly enough to fix the issues once they became known.

Following this action, Reconciliation Australia revoked the Elevate status of our Reconciliation Action Plan. We understand and accept this decision given what occurred. We acknowledge our journey ahead and as part of this we will listen better so that we understand, learn and re-build trust with First Nations Peoples. We have work to do to rebuild relationships and trust and we are committed to a stronger future of contribution towards reconciliation.

Building the future
Through a year of incredible (and ongoing) disruption we remain committed to building a connected future so everyone can thrive. It is why we've set ambitious goals around being a responsible and sustainable business, and why we've embedded these ideas and commitments in our forward strategy for Telstra.

We are incredibly proud of the progress we have made this year and detailed in this report. We hope you enjoy it and welcome your feedback.



Andrew R Penn
CEO and Managing Director

John P Mullen
Chairman

FY21 highlights

$23,132M

Total income[1]

$1,902M

Net profit after tax

Strategic Net Promoter Score (NPS) up

+9 Points

two points above target for FY21

Achieved group Episode NPS target of +32 this year

Doubled the number of scam calls blocked from reaching our customers to 13 million per month

Number 1 ranked company globally for digital inclusion[2]

Provided $127.3 million of value through our social and community investment programs

Helped one million customers in vulnerable circumstances to stay connected

Reduced our greenhouse gas emissions by 11 per cent, from FY19 baseline

Maintained certification as a carbon neutral organisation for 2021

Increased our network waste recycling rate to 65 per cent including recycling of nearly 4,000 tonnes of waste

1 Excluding finance income

2 World Benchmarking Alliance Digital Inclusion Benchmark, December 2020

About Telstra

Telstra is Australia's leading telecommunications company.

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

In Australia we provide 19.5 million retail mobile services and 3.6 million retail bundle and data services. We also facilitate over 2,000 network points of presence and connectivity in more than 200 countries and territories around the world.

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

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

For more information about our business structure and strategy, please refer to our 2021 Annual Report.



One of Australia's largest shareholder bases, with around 1.2 million shareholders



3.6 million retail bundles and standalone fixed data services, 19.5 million domestic mobile retail customer services



27,610 people located across 15 countries



Mobile networks covering 99.5 per cent of Australia's population



~340 retail stores around Australia



More than 400,000km of subsea cable facilitating over 2,000 network points of presence and connectivity across the globe

Our changing world



Technology is fundamentally changing the way the world works. Even before the COVID-19 pandemic, businesses and communities were responding to shifts that would have seemed unimaginable even a few years ago. COVID-19 accelerated this technological transformation and Australia's trajectory towards a digital economy.

The past twelve months have changed our world dramatically. Response to and recovery from the COVID-19 pandemic has highlighted how important digitising our economy and society is. Throughout the pandemic, technology has been playing a central role, providing access to education, healthcare, work and critical services amidst physical isolation and social distancing. This experience has underlined the critical importance of telecommunications networks. Trade, business, research, recreation, and even families have become so globally dispersed and interdependent that digital connectivity is essential, even as physical distancing is required.

The pandemic has also highlighted existing inequalities in access to connectivity. With the rapid digitisation of access to information and essential services it has become even more critical for Telstra to demonstrate leadership in bridging the digital divide. The inclusive adoption of key digital technologies will help deliver tomorrow's purpose-driven economies.

As we look forward, our future prosperity will rely heavily on our ability to leverage the benefits of technological innovation like 5G, Internet of Things (IoT) and Artificial Intelligence (AI) in a more inclusive way, and in a way where we take greater accountability for our impact on others, on society and on the world in which we live. We strongly support a transformative agenda that leverages the full power of digital technologies to contribute to society and the health of the planet.

Telstra is central to delivering the digitisation of Australia. As technology continues to rapidly evolve, and our competitive environment and industry move with it, we must also continue to evolve our business, culture and role in society. We are well positioned to leverage our brand and reputation, a growing customer base, world-leading networks and cutting-edge technologies to maintain our position as Australia's leading telecommunications provider and, most importantly, to achieve our purpose to build a connected future so that everyone can thrive.

Our sustainability approach

Doing business responsibly

This year we reviewed our approach to sustainability and took steps to more closely align our strategy to our purpose and broader organisational objectives. Our review resulted in the launch of a new Responsible Business Strategy (Strategy), which seeks to embed responsible business principles into every aspect of what we do, from the way we interact with our customers, suppliers and people, to the impact we have on our planet and the role we can play in increasing the number of Australians who benefit from the digital economy.

When considering what it means to be a responsible business, it's clear that how we do business is just as important as what we do and why we do it. Community trust in institutions reached a new low point at the end of the last decade and yet in a short space of time more and more corporates, like Telstra, are standing up on important issues, like climate change. In doing so, we are demonstrating that we understand the expectations on us and the responsibility to support the communities in which we operate.

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

The Strategy was developed in consultation with key stakeholders and represents a holistic approach to sustainability that is informed by, and integrated with, our core business activities. The Strategy includes three pillars, as outlined below.

For a comprehensive overview of our approach and progress in relation to each of these three strategic pillars, please refer to their corresponding chapters throughout this report. A high-level overview of the key focus areas of each pillar, as well as how we are progressing against our targets, can be found on page 10.



Trusted operations

We will operate as a globally trusted company that people want to work with

Product and service responsibility
Ensuring our products and services are designed and delivered fairly, and meet our customers' underlying needs

Our suppliers
Sourcing responsibly, treating our suppliers fairly and managing key supply chain risks

Our people
Creating a world-class workplace where our people can thrive



Digital inclusion

We will help our customers and communities to thrive in a digital world

Our customers
Keeping our customers connected when they need it most

Our communities
Ensuring everyone can enjoy the benefits of being connected

Tech for good
Using technology to drive social and environmental innovation



Environmental action

We will use technology to address environmental challenges and help others to do the same

Climate change and energy
Mitigating climate change impacts and helping our customers and communities to do the same

Resource efficiency
Using resources efficiently and minimising environmental impacts across our value chain

Integration

Governance and reporting



Photo taken prior to the introduction of physical distancing requirements.

Sustainability governance

The Telstra Board is responsible for overseeing and monitoring the effectiveness of our Responsible Business Strategy. The Board receives an annual update on material sustainability issues as identified by our annual materiality survey, as well as our sustainability progress twice a year. The Audit and Risk Committee of the Board reviews our Human Rights and Modern Slavery Act Statement, our external environment targets and our disclosures under the Task Force on Climate-related Financial Disclosures (TCFD) framework, which are then recommended to the Board for approval. The Board also reviews our Executive due diligence and verification process for this report, and plays a role in identifying our list of material sustainability topics, which in turn informs strategy and program development, as well as our annual reporting.

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

Our Sustainability Centre of Expertise (CoE) is responsible for planning and reporting on progress towards our Responsible Business Strategy objectives. The CoE team drives internal and external engagement with Telstra's Responsible Business Strategy and provides strategic advice on current and emerging responsible business issues, as well as providing specialist skills and knowledge to support functional areas to deliver on the programs of work required to execute our Strategy.

Our sustainability approach is supported by a number of Telstra Group policies, including the Telstra Group Code of Conduct, and our Diversity and Inclusion, Health and Safety, Privacy, Human Rights, Responsible Artificial Intelligence, Environment and Disability Services policies. The Supplier Code of Conduct sets out our expectations of business partners and suppliers.

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

FY21 performance

Strategic focus area	Headline targets	SDG priorities alignment	Progress	More info
Product and service responsibility	Improve our sales and service practices to reduce the number of customers who are unable to meet plan commitments by 25 per cent in FY21	Goal 8	● Reduced by 35 per cent the number of customers who were unable to meet plan commitments and were ultimately disconnected.	Page 29
Our suppliers	Implement an enhanced supplier on-boarding and on-going due diligence monitoring system by end FY22	Goal 8	● Launched Telstra's new Know Your Supplier (KYS) platform	Page 31
	Achieve 100 per cent completion of supplier risk training for designated employees		● Achieved 100 per cent completion of training	Page 32
Our People	Achieve a sustainable engagement score that is in line with the global high performing norm by 2022	Goal 5 Goal 8	◖ Achieved a sustainable engagement score of 78 per cent	Page 18
	Increase female representation in FY21 to 33 per cent (Telstra Total), 33 per cent (Executive Management) and 31 per cent (all people management roles excluding Executive Management)		○ Achieved 32.1 per cent for Telstra Total, 34.4 per cent for Executive Management and 31.3 per cent for all people management roles (excluding Executive Management)	Page 36
	Achieve at least 98 per cent annual completion of Business Essentials refresher conduct training course		○ Achieved 97.3 per cent completion of training	Page 20
Our customers	Help to close the digital inclusion gap by assisting one million customers in vulnerable circumstancesto stay connected each year through our affordability, accessibility and digital ability programs	Goal 9	● In FY21, we assisted one million customers stay connected through delivery of specialised programs, products and services[1]	Page 47
Our communities	Enhance digital access in regional communities by delivering over 200 Mobile Black Spot Program sites in FY21-22	Goal 9	◖ In FY21, we built 73 Mobile Black Spot Program sites	Page 50
	Deliver 77 Satellite Small Cells in FY21 to improve connectivity in regional and remote communities	Goal 9	○ In FY21 we delivered 69 Satellite Small Cells to improve connectivity	Page 50
Tech for good	Commit at least $15.9 million over three years (FY21-FY23) to the Telstra Foundation	Goal 8 Goal 9	● We committed $5.3 million to the Telstra Foundation in FY21	Page 55
Climate change and energy use	Carbon neutral in our operations from 2020 and maintain ongoing certification	Goal 13	● Maintained certification as a carbon neutral organisation for 2021	Page 65
	Enable renewable energy generation equivalent to 100 per cent of our consumption by 2025	Goal 13	◖ Announced our third power purchase agreement, adding to existing agreements with Murra Warra Wind Farm and Emerald Solar Farm	Page 68
	Reduce our absolute emissions by at least 50 per cent by 2030	Goal 13	◖ Reduced our GHG emissions by 11 per cent from FY19 baseline	Page 67
Resource efficiency	Reuse or recycle 500,000 mobile phones, modems and other devices each year to 2025[2]	Goal 12	◖ Reused or recycled 392,229 customer mobile phones, modems and other devices	Page 71
	100 per cent of Telstra branded packaging is made of renewable or recycled material and is fully recyclable by 2022	Goal 12	◖ Launched new branded packaging that includes recycled cardboard material	Page 72
	Increase our network waste recycling rate to 85 per cent by 2025	Goal 12	◖ Increased our network waste recycling rate to 65 per cent including recycling of nearly 4,000 tonnes of waste	Page 73
			● Achieved ◖ In progress ○ Not achieved	

1 Calculated based on the number of instances in which we provided specialised programs, products and services to support customers in vulnerable circumstances, and may include instances where a customer has accessed multiple mechanisms.

2 Note that the target was announced in May 2021. In FY21 we have reused or recycled 392,229 devices via the MobileMuster program, Telstra's Repurpose & Returns program and the PonyUp program. Our progress towards achieving this target is not limited to these programs. We will continue to include and report other programs that contribute towards achieving this target.

Material topics

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

We undertake our assessment in accordance with the Global Reporting Initiative Standards (GRI Standards). Each year we consider materiality in the context of emerging global trends, key stakeholder interests, sustainability best-practice, and our overall corporate context. Our findings inform our sustainability approach and programs, internal risk assessments, stakeholder engagement and reporting.

We identify topics by reviewing a broad range of primary and secondary sources, including direct stakeholder engagement and feedback. This year our direct engagement included reaching out to over 70 of our key community stakeholders, as well as over 100 domestic and foreign institutional investors, to get their view of our most material sustainability topics.

Ethics, Values and Governance became our most material topic in 2021, reflecting the increasing societal expectation, and Telstra's recognition, that companies should conduct their business responsibly and create a positive impact. In recognition of the impact of the COVID-19 pandemic on our people, customers, communities and business operations, we added a new material topic this year: COVID-19 impacts. COVID-19 has impacted the external environment in which we operate, and its impact was seen in the increase in materiality of several people and culture-related topics, as well as Digital inclusion.

While Climate change remains our most material environmental topic, Resource efficiency and Environmental risk and compliance both increased in materiality this year. These shifts reflect an increased focus on effective resource and risk management both internally – with the launch of our new resource efficiency targets – and externally, with our investors, customers, regulators and industry peers all considering these topics more material this year.

We acknowledge unconscionable sales practices to First Nations Australians as a highly material issue for Telstra in FY21. The findings of the Australian Competition and Consumer Commission (ACCC) and the associated penalty imposed are captured in our material topic Product and service responsibility.

In response to the ACCC's findings, Reconciliation Australia reviewed our business practices and concluded we did not meet our own aspirations to be an Elevate Reconciliation Action Plan (RAP) partner. Consequently, our RAP was revoked. We have been invited to develop a new RAP, which will not be an Elevate RAP. This has been captured in our material topic Maintaining trust. Both Product and service responsibility and Maintaining trust became more material this year, reflecting the significance of this issue for both our business and stakeholders. For more information, please see the Delivering the right customer experience section of this report.

All high and medium priority topics identified through this year's assessment are listed in the table located in the Content index to this report. Detailed information on these issues, as well as how we are managing them, can be found throughout this Bigger Picture 2021 Sustainability Report. Where applicable, more information may also be found within our 2021 Annual Report.

For definitions of our material topics, please see our Report Glossary, available in the data and downloads section of our reporting website at www.telstra.com/sustainability/report.

For more information on how we have measured Telstra's impact in relation to each of these topics in FY21, please see our reporting website at www.telstra.com/sustainability/report/valuechain.

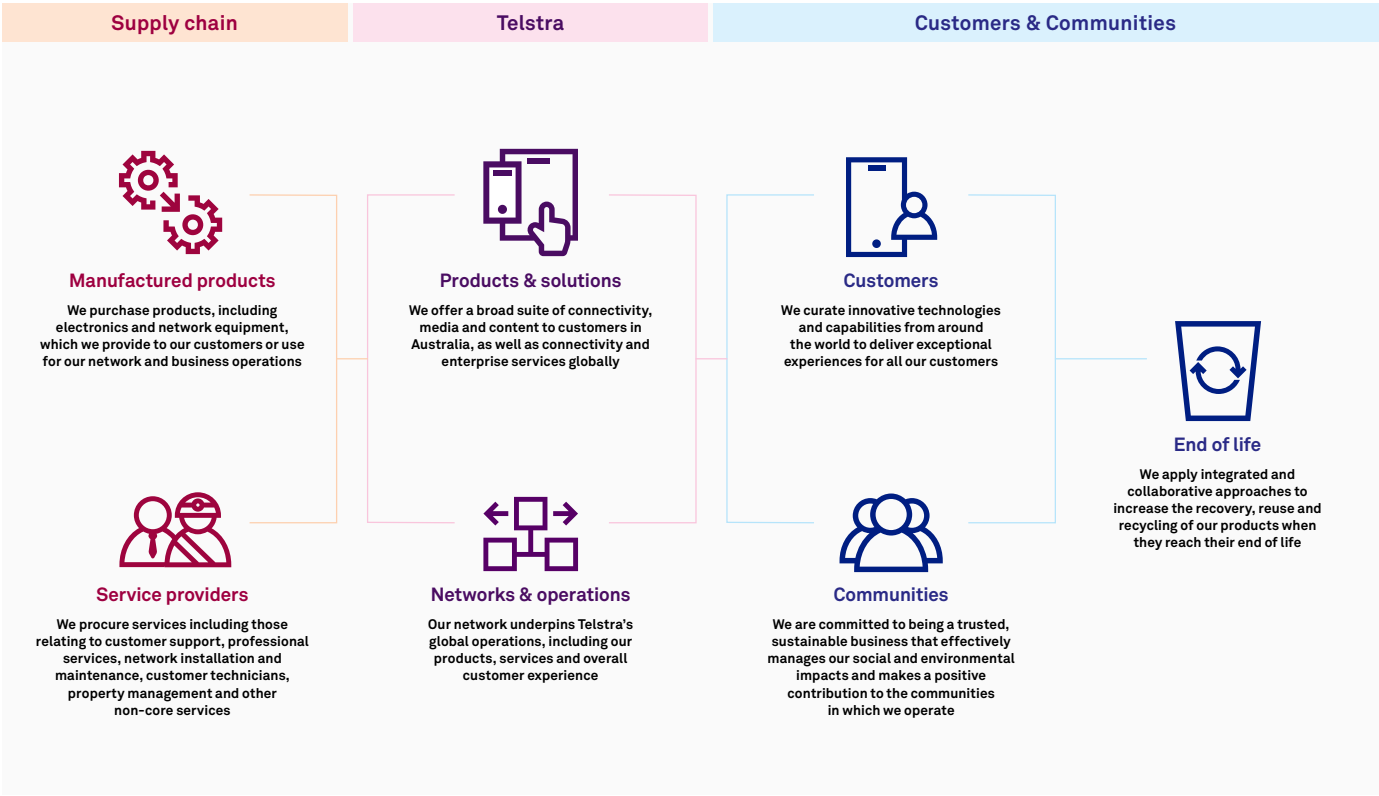
High priority topics	Medium priority topics
Ethics, values and governance	Network investment and innovation
Customer experience	Workforce changes
Privacy and data security	Regulatory change
Health, safety and wellbeing	Product and service innovation
Climate change	Cyber safety
Maintaining trust	Talent attraction and retention
Diversity and inclusion	New growth and business expansion
Energy and emissions	Industry disruption and competitive practice
Digital inclusion	Future of work
Product and service responsibility	Resource efficiency
Culture and engagement	Emerging-tech ethics
Human rights	Community investment
Supply chain sustainability	Social and environmental innovation
Network resilience and reliability	Growing inequality
COVID-19 impacts	Political and social advocacy
Digital transformation	Mobile phones, base stations and health
Environmental risk and compliance	Corporate taxation
Workforce capability	Executive remuneration

Managing material impacts across our value chain

Telstra's influence extends beyond our own operations and as a result, so do our economic, social and environmental impacts. We therefore hold a broad view of how we manage risk and create value for our business and stakeholders. In accordance with the GRI Standards, the infographic below identifies the key stages of Telstra's value chain, including our supply chain, our direct operations, our customers and communities, and product end of life.

As part of our annual materiality process, we determine where along our value chain each of our material topics are of greatest impact. An overview of our impacts across our value chain can be found in the GRI and UNGC Index of this report, which is available on the data and downloads page of our reporting website.

For an interactive view of the key stages and structure of our value chain, including our key stakeholders, SDG priority targets and material topics, please refer to the Value Chain page of our reporting website at www.telstra.com/sustainability/report/valuechain.



Stakeholder engagement

Stakeholder engagement is the foundation of our approach to sustainability. We consider our stakeholders to be any group or individual who influences or is impacted by our business.

We deeply value the meaningful relationships we maintain with our stakeholders. We regularly engage with key stakeholder groups to ensure we understand their expectations of us and are responsive to their varied interests and concerns. This helps us to keep abreast of evolving social and environmental issues, and to use stakeholder insights to develop targeted products, services and programs to improve the experience of our customers and communities.

Our approach to stakeholder engagement is values-led. Our engagement takes many forms, including face-to-face interactions, surveys and market research. We are active in industry groups, participate in industry networks and forums, and have teams across the company that manage relationships with specific stakeholder groups.

We aim to build stakeholder trust by being transparent, responsive and accountable. The adjacent column includes a list of our key stakeholder groups. For information on how we engage with our stakeholders, and their key areas of interest, please see the GRI Index to this report, available at www.telstra.com/sustainability/report/download.

Telstra is a signatory to, or participant in, the following voluntary sustainability initiatives

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

Stakeholder groups

Customers
Our customers are residential consumers, small to medium enterprises, large companies and organisations, as well as government.

Communities
We engage with our communities wherever we operate, including non-profit organisations and program partners, as well as community groups and individuals local to our operations.

Employees/Potential employees
Our workforce is large and diverse – we have 27,610 employees located across 14 geographic locations.

Government
We engage with government ministers and staff at local, state and federal levels in Australia, and internationally.

Industry
We regularly engage with our sector and corporate peers, as well as ICT and telecommunications specific associations around the world. We also engage with like-minded ASX peers on issues ranging from people and culture, to modern slavery, to environmental leadership.

Shareholders and investment community
Our investment community comprises institutional investors, buy and sell-side analysts, as well as around 1.2 million shareholders, some of whom invest with social and environmental preferences.

Media
We regularly engage with representatives from print, radio, TV, social and online media at a local, national and international level.

Unions
We work closely with the relevant employee trade unions including Community and Public Sector Union, Communications Electrical Plumbing Union and Professionals Australia.

Suppliers
We engage with more than 4,900 suppliers from 96 countries.

Regulators
We work closely with industry regulators in all our markets.

Contributing to the United Nations Sustainable Development Goals

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

At Telstra we see technology as an enabler of action on the SDGs. This is reflected in the focus of our Responsible Business Strategy. It includes initiatives and targets to address our impacts and opportunities in relation to the five priority SDGs listed below. Our SDG priorities reflect the areas we believe Telstra is best placed to contribute to, given our role as a major Australian employer and a leading telecommunications and technology company.

In 2016, we undertook an assessment to determine which SDGs best reflect our business context and strategy, our ICT capabilities, as well as our key risks and impacts across our value chain. We identified four priority SDGs for Telstra to contribute towards. With the introduction of our Responsible Business Strategy, we refreshed our assessment and determined that we should add Goal 12: Responsible Production and Consumption to our list of priorities this year, reflecting the increasing materiality of resource efficiency to our business and stakeholders.

For more information on how our SDG priorities are reflected in our Responsible Business Strategy, our FY21 performance highlights, and the stages across our value chain where we can make the greatest impact, please see the Responding to the SDGs page of our reporting website at www.telstra.com/sustainability/report.

Telstra signs on to the Digital with Purpose Movement

In June this year we pledged our support to GeSI's Digital with Purpose Movement, which is focused on bringing together the ICT industry to leverage technology and innovation to deliver against the Paris Climate Agreement and Sustainable Development Goals by 2030. We were proud to be one of the first telecommunications companies to sign-on to the movement, through which we will work with our global peers to create positive, measurable impact through collaboration and collective action on the SDGs.



Priority goals

Goal 5: Gender equality

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

See the 2021 Corporate Governance Statement for information on our approach to gender equality and our 2021 Data Pack for detail on the gender breakdown of our workforce.

Goal 8: Decent work and economic growth

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

For more information on our workforce see the Our people section of this report.

Goal 9: Industry, innovation and infrastructure

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

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

Goal 12: Responsible consumption and production

As a leading provider and user of telecommunications hardware, we are committed to maximising the value of the resources we use, reducing consumption and waste across our business, and investing in 'circular solutions' that are designed to be sustainable across their lifecycle. Our three resource efficiency targets commit us to promoting responsible consumption and production across our value chain. By 2022 we have targeted that 100 per cent of Telstra branded packaging will be made of renewable or recycled material and will be fully recyclable. We are also targeting to reuse or recycle 500,000 mobile phones, modems and other devices each year to 2025, and increase our network waste recycling rate to 85 per cent by 2025.

For more information on these targets and our performance in FY21, see the Resource efficiency section of this report and for detail on our waste production and disposal see the 2021 Data Pack.

Goal 13: Climate action

We believe businesses, and technology companies in particular, have a critical role to play in addressing climate change. As one of the largest consumers of power in Australia, we are committed to mitigating our impact and meeting our three climate change targets: maintaining our carbon neutral status, which we first achieved in July 2020, enabling renewable energy generation equivalent to 100 per cent of our consumption by 2025, and reducing our absolute emissions by at least 50 per cent by 2030. We are also committed to helping our customers to manage their own environmental impacts using technology, so that we can all move towards a low carbon future that's more resilient to a changing climate.

For more information on these targets and our emissions performance in FY21, see the Climate change and energy section of this report, as well as our 2021 Data Pack.

About this report

Our 2021 Annual Reporting Suite for 1 July 2020 to 30 June 2021 (FY21) comprises this Bigger Picture Sustainability Report, the Telstra Annual Report, and our 2021 Corporate Governance Statement. All of these documents are available to download via our sustainability reporting website, at www.telstra.com/sustainability/report. Our reporting website also contains more information regarding our impacts across our value chain, infographics and tables that detail our FY21 performance, and a number of documents to download – such as detailed data tables, our FY21 assurance statement, report glossary and Global Reporting Initiative (GRI) & United Nations Global Compact (UNGC) Index.

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

The structure of our Bigger Picture 2021 Sustainability Report is aligned to the three pillars and corresponding focus areas of our Responsible Business Strategy. Material topics identified through our materiality assessment have been aligned to these areas as relevant. Some topics represent global challenges, such as responding to the threat of climate change and respecting human rights. Others are key challenges for most large businesses, such as protecting our customers' privacy and data security, and ensuring all vulnerable customers can access the benefits enabled by modern communications technologies.

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

Reporting standards

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

The GRI topics and disclosures we have reported on throughout this report and on our website have been determined through our materiality process. The GRI Content Index accompanying this report contains a full list of disclosures, including their internal and external boundaries and scope, and their alignment with the UNGC Principles and UN Sustainable Development Goals.

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

Reporting scope

Our sustainability reporting covers the financial year 1 July 2020 to 30 June 2021 (FY21) for Telstra Corporation Limited, unless otherwise stated.

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

This report covers the activities of the Telstra Corporation Limited, including in relation to its Belong-branded mobile and broadband products. Information regarding the controlled entities in the Telstra Group can be found on our website.

Assurance

Ernst & Young (EY) provides limited assurance in accordance with ISAE 3000 over a selection of performance disclosures in our Bigger Picture 2021 Sustainability Report. For FY21, EY's assurance extended to ensuring that a selection of Telstra's FY21 performance disclosures aligned with the targets set in our Responsible Business Strategy.

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

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

For an overview of the metrics that underwent assurance this year, please see EY's Assurance Statement, available via our reporting website at www.telstra.com/sustainability/report/download.



Trusted operations

Approach

How we do business responsibly

There has never been a more important time for business to think deeply about the role it plays in society. While technological innovation and digital disruption have opened up new opportunities for staying connected as the pandemic has kept us apart, they have also highlighted our need to engage with ethical concerns and our responsibility to support, educate and protect the people who use and supply our products and services.

As the world has faced into the reality of adjusting to life with COVID-19, we have been reminded daily that our obligations as a large, iconic Australian business are not defined only by the small print of our contracts but by our purpose and values. Responsible business has again been front and centre in our organisational priorities for FY21.

For Telstra, doing business responsibly means understanding our customers' needs and meeting them fairly. It also means speaking out on issues that do not align with our values and creating a culture where people feel safe in calling out things that don't feel right. It means investing in our people, treating them fairly and keeping them safe. And above all else, it means being accountable for our own actions, including when we don't get things right.

We recognise that the long-term success of our company depends on gaining and maintaining the trust of our customers and our people, not just within our own operations but in our supply chain and relationships with our business partners. The Trusted operations pillar of our Responsible Business Strategy brings to life our commitment to engage responsibly with our customers, our suppliers and our people.



Ethics, values and governance

Across our operations, we promote a **fair and responsible culture** through our Code of Conduct and governance policies, mandatory compliance training, and by recognising employees who demonstrate our values. Along with our purpose and values, our Code of Conduct and supporting policies guide directors, our people and contractors, as well as suppliers and other third-party business partners to uphold our expectation to behave fairly, ethically and in accordance with the law. Everyone is encouraged to speak-up and express concerns about improper behaviour.

Our values

Our values have guided how we work since 2013. During this time they have brought us closer together with a common language, encouraged greater appreciation for our diverse backgrounds and motivated us to deliver on our commitments. They have also inspired us to step up in times of crisis to care for each other, our customers and our communities.

Together with our purpose, they are helping us transform Telstra.

This year we continued the evolution of our values.

Based on feedback from our people, we refreshed our values. Our four values describe what we stand for and will guide us into the future.

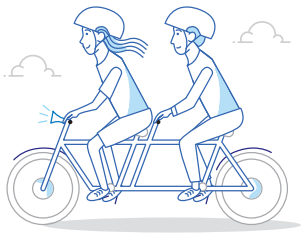
Our values

Together with our purpose, our values express what we stand for and guide the way we do things.
They are core to who we are and we align everything we do with them. Here at Telstra, we have four values:



We are changemakers

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



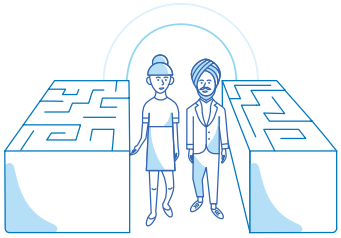
We are better together

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



We care

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



We make it simple

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

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



Photo taken prior to the introduction of physical distancing requirements.

Telstra's values and Code of Conduct (Code) define **how we do business** and inform the **behaviours** we need to deliver our strategy and meet our customers' expectations. All directors, employees and contractors in all areas of Telstra and its controlled entities (and any other person notified that our Code applies to them) are responsible for knowing, understanding and complying with the principles and policy requirements that apply to their jobs, and for reporting any concerns or incidents that conflict with the Code. Our Group Executives and people leaders are accountable for creating and promoting a culture in which acting responsibly is core to our daily decision making, and what we need to do to deliver compliant and sustainable outcomes.

Speaking up

The Code also fosters a culture where concerns may be raised with confidence and our people know they are protected from detriment for doing so. Telstra's **Whistleblowing Policy** and the relevant legislation establish protections for a range of people – including current and former employees, their relatives and dependants, and suppliers – to report concerns about unethical or illegal behaviour, or an improper state of affairs at Telstra.

Our Whistleblowing Policy is supported by a confidential process that provides appropriate protections for anyone to report their concerns. This Whistleblowing Service enables people to report their concerns anonymously for investigation by professional investigators and case managers. Telstra's Whistleblowing Committee, which is chaired by the Company Secretary, receives any whistleblowing disclosures and oversees an investigation of each matter and any follow-up actions required. Our Audit and Risk Committee oversees the process for the management of matters raised by whistleblowers and reviews significant matters raised through the process.

We received 115 whistleblowing reports in FY21, which was a decrease of 20 per cent compared to FY20. We completed 131 investigations in FY21 and in 30 of these investigations the allegations were substantiated in whole or in part, noting that one report might cover multiple matters and the types of issues being reported vary in terms of the seriousness of the allegation.

We continue to focus on driving a positive speak-up culture across our teams and Functions at Telstra. Our Speak Up platform enables employees to raise concerns which can then be escalated to management to address. Speak Up is part of our focus on building a culture where everyone has a voice, can contribute, and is able to speak up if they see something that isn't right.

Compliance training

Our group wide compliance training 'Business Essentials' is aligned to Telstra's Code of Conduct. It defines what we stand for as an organisation and outlines how everyone is to conduct themselves as we deliver our strategy. We monitor, manage, and report compliance training completion rates across the Telstra Group, as part of our Group Compliance framework. We consider a range of potential consequences for those who fail to complete our mandatory Business Essentials training by the required date each year, including suspending their access to Telstra systems until they have completed it and considering conduct or performance impacts where appropriate.

This year 97.3 per cent of Telstra Group employees, contingent workers, and partners completed the mandatory refresher training. Whilst the overall completion rate was just below our target of 98 per cent, it is a significant improvement on the completion rate of 89.4 per cent achieved last year.

Bribery and corruption

Our reputation is built on our values and the professionalism of our employees. We are committed to being a responsible business that does the right thing and meets community standards by conducting ourselves with integrity, accountability and transparency at all times. We take a zero tolerance approach to **bribery and corruption.**

We prohibit corruption, bribes or kickbacks of any kind. Our mandatory compliance training is designed to educate our employees and contractors on recognising the many forms bribes can take and how to avoid them, even at the risk of losing business opportunities.

We expect that the Suppliers and Business Partners acting on our behalf comply with our minimum standards in relation to ethical dealings, which are described in our Supplier Code of Conduct.

We exercise caution when offering or accepting gifts or hospitality to ensure it does not and, is not perceived to, improperly influence a business outcome.

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

Corporate governance

Our governance framework plays an integral role in supporting our business and helping us deliver on our strategy. It provides the structure through which our strategy and business objectives are set, our performance is monitored, and the risks we face are managed. We are committed to excellence in corporate governance, transparency and accountability. This is essential for the long-term performance and sustainability of our company, and to protect and enhance the interests of our shareholders and other stakeholders. For detailed information about governance at Telstra, please refer to our 2021 Corporate Governance Statement.

Human rights

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

Managing our tax affairs

We are committed to the highest standards of tax governance and compliance with the tax laws and obligations in the jurisdictions in which we operate. We pay tax consistent with our business presence and operations. We apply the Australian Board of Taxation's Voluntary Tax Transparency Code, and provide the recommended disclosures on our website (Managing our tax affairs), as well as in Note 2.4 of the Financial Statements in the 2021 Annual Report.

Progress



FY21 progress against targets

Strategic focus area	Headline targets	SDG priorities alignment	Progress	More info
Product and service responsibility	Improve our sales and service practices to reduce the number of customers who are unable to meet plan commitments by 25 per cent in FY21	Goal 8	● Reduced by 35 per cent the number of customers who were unable to meet plan commitments and were ultimately disconnected.	Page 29
Our suppliers	Implement an enhanced supplier on-boarding and on-going due diligence monitoring system by end FY22	Goal 8	● Launched Telstra's new Know Your Supplier (KYS) platform	Page 31
	Achieve 100 per cent completion of supplier risk training for designated employees		● Achieved 100 per cent completion of training	Page 32
Our People	Achieve a sustainable engagement score that is in line with the global high performing norm by 2022	Goal 5 Goal 8	◖ Achieved a sustainable engagement score of 78 per cent	Page 18
	Increase female representation in FY21 to 33 per cent (Telstra Total), 33 per cent (Executive Management) and 31 per cent (all people management roles excluding Executive Management)		○ Achieved 32.1 per cent for Telstra Total, 34.4 per cent for Executive Management and 31.3 per cent for all people management roles (excluding Executive Management)	Page 36
	Achieve at least 98 per cent annual completion of Business Essentials refresher conduct training course		○ Achieved 97.3 per cent completion of training	Page 20

● Achieved
◖ In progress
○ Not achieved

Photo taken prior to the introduction of physical distancing requirements.

Product and service responsibility

Demonstrating responsible digital citizenship

Protecting our customers' privacy

We are committed to being transparent with our customers about how we collect, use and manage their personal information.

We manage privacy and data access through our Code of Conduct, Privacy Statements and other relevant policies and security controls, which commit our employees to strict standards of privacy and confidentiality, and protect customer data from interference, misuse and unauthorised access.

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

We continue to adapt our privacy framework by expanding existing practices to reflect new ways of working and by continuing to implement 'privacy by design' principles when developing and assessing new products and services. Our Privacy Statements explain to our customers how we manage the personal information entrusted to us. We undertake regular reviews of the Privacy Statements to ensure that they remain fit for purpose.

In FY21, we had 10 privacy incidents requiring notification to the Office of the Australian Information Commissioner (OAIC). In all cases, we directly contacted the impacted customers to discuss concerns they may have and offered solutions appropriate to their situation, such as updating customer accounts, covering costs of credit check subscriptions (for customers whose credit history may be at risk) or referral to third party identity and cyber support services.

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

Data and AI governance

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

In FY21 we implemented our first **Responsible AI Policy,** providing guidance to everyone in the Telstra Group on how to use these technologies. The Responsible AI Policy is closely aligned to the Australian Framework for Ethical AI, which we have helped the Commonwealth Government to develop and pilot over the past two years. In addition to the policy framework, we introduced detailed implementation guidance and technical standards to translate the principles underpinning our approach into practical steps and tools. This allows our people to make informed risk assessments about AI and ML systems, as well as mandating that they undertake certain steps, such as testing for bias and ensuring systems are fair, reliable, transparent and contestable.

In FY21 we also stood up a new governance framework for managing AI and ML at Telstra. We expanded our existing Big Data Risk Council to include AI and ML. New products and systems that use these technologies must come to the **Risk Council on AI and Data** (RCAID) to be evaluated by a cross-company team of experts that considers the legal, privacy, cyber security, reputational and human impact of proposals and devises appropriate measures to treat the associated risks. On higher risk initiatives RCAID makes recommendations to Telstra's Executive Data and AI Council, which makes the final decision regarding whether the human, social and environmental benefits of proposals outweigh the risks and whether they align with our commitment to responsible digital citizenship.

Managing cyber security

Growth and the overall success of the digital economy is inextricably linked to connectivity. Equally important is having a secure network that keeps those connections safe. Cyber criminals and scammers have not failed to notice that millions of Australians are now much more dependent on being able to live, work and learn online because of COVID-19, and cyber-crime is on the rise again. An example is a rise in the number of scam calls. These are not only a nuisance, they have a real financial impact and are estimated to have cost Australians nearly $48 million last year.

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

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

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

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

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

People
Cyber security is as much about people as it is about technology. We deliver programs designed to foster a strong cyber security culture.

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

In addition, our CEO, Andy Penn, Chairs the Cyber Security Industry Advisory Committee where we have the opportunity to advise and work closely with the Government on recommendations for developing and maintaining sovereign cyber resilience and maximising the benefits to all Australians of a connected global economy.

In FY21 we doubled down on efforts to address scam calls and are now blocking around 13 million scam calls a month, on average, from reaching our customers, which is a two-fold increase on the 6.5 million suspected scams calls that we were blocking in March 2021.

We also announced a new pilot program in conjunction with the Australian Cyber Security Centre (ACSC) and Services Australia, which identifies and rejects illegitimate phishing text messages that are impersonating myGov and Centrelink before they reach Telstra customers. This activity is part of our Cleaner Pipes initiative, where we are working to reduce the harm of phishing, malware, ransomware and other scams across our networks both online and through voice and SMS.

In June 2020 we signed up to the Voluntary Principles to Counter Online Child Sexual Exploitation and Abuse (Voluntary Principles). The Voluntary Principles were introduced by the Five Country Governments (Australia, Canada, New Zealand, the United Kingdom and the United States), with the aim of guiding global efforts to safeguard children on online platforms and services. We are committed to protecting children's safety online and continue to work with government and industry partners to make the internet a safer place for all users.



Telstra Field Service Delivery at The Pinnacles on K'gari (Fraser Island), Queensland

Cyber safety in our communities

As an organisation responsible for enabling so much of today's connectivity, we also have a responsibility to support communities to be smart, safe and responsible when it comes to technology use. Research indicates that more than six out of ten parents are concerned about online bullying or their kids being exposed to inappropriate content, and more than half are worried about stranger danger on the internet. We provide our customers with products, including Telstra Cyber Security Device Protect, which we launched in February this year, and practical tips, particularly on digital parenting and advice on cyber safety, to mitigate these concerns. For example, our SmartPhone Safety Hub provides support for parents who are introducing a smartphone into their child's life. We are also a subscriber of ID Care - a non-profit service that helps Australians protect themselves against and recover from ID theft and fraud. For more information, see our SmartPhone Safety Hub webpage.

Mobile phones, base stations and health

As we continue our rollout of 5G technology around Australia, we're committed to sharing information on our real-world tests of 5G Electromagnetic Energy (EME) levels. With the mmWave spectrum auction now complete, the new ARPANSA mmWave research and safety standards published, and Telstra commencing 5G small cell and mmWave deployments, we have recently refreshed the information on Telstra's EME website. The results of the new 5G mmWave surveys in real world settings and our 5G testing in a smart apartment with over 50 connected devices show very low EME levels and a great connection on 5G. We also offer an EME email help desk for anyone seeking further information.

This year, we continued our mobile safety information SMS campaign referring customers to our website for information on mobile use, Electromagnetic Energy, and the facts about 5G safety and small cells. Over 11 million messages were sent in FY21.

We ensure that all of our base stations and wireless devices are designed and tested to comply with the applicable EME safety standards. In FY21, we added 2,279 5G sites taking the total 5G sites to 3,829. We also added 166 new macro sites to the network and completed 890 capacity augmentations at existing locations. The ACMA confirmed that it received four enquiries and 12 complaints about Telstra's mobile phone base station deployments in FY21, compared to 83 in FY20, and seven in FY19. While this is much lower than the previous year and reflects the significant stakeholder engagement and 5G safety educational initiatives, it highlights some ongoing community concern regarding 5G deployment. Of the 12 complaints received, the ACMA commenced five Compliance Assessments, of which, one is still ongoing as of 30 June 2021.

The Radio Frequency National Site Archive (RFNSA) is a publicly available database of all mobile base stations in Australia. We use the RFNSA to provide the community with access to up-to-date information about new and existing base station proposals. The RFNSA received more than 500,000 visits in FY21 to access information about network deployment activities, and information on EME and site safety. Every mobile handset we sold in FY21 was certified by the manufacturer as compliant with the mandatory ACMA Radiocommunications (Electromagnetic Radiation – Human Exposure) Standard 2014 (Cth).

A number of communities raised concerns through the mobile base station deployment consultation process, the majority of which were focused on 5G EME and health. We responded to these concerns by referring to international research, statements made by the Chief Medical Officer, and the ARPANSA Standard for radiofrequency EME, all of which state that 5G technology is safe. We also conducted our first ever virtual community information session for Albert Park, Victoria.

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

Delivering the right customer experience

Products and plans

We're on a mission to improve the way we do business. Central to that is our customers, and how we serve them. We are committed to building and maintaining trust with all our customers, including operating responsibly, learning from the feedback we receive and updating our plans and pricing to meet our customers' needs.

This year we continued to migrate our customers onto our new, simpler mobile plans. These plans are aimed at addressing customer pain-points by eliminating excess usage charges and making bills easier to understand. Our new mobile plans have no excess data charges, no late payment fees and no lock-in contracts, just a simple upfront subscription payment like a video or music streaming service. We have made international calling easier by including it in the new plans, and also brought back data sharing for our customers.

During the extended COVID-19 restrictions across Australia through 2020 and 2021, we focused on helping our affected customers stay connected. We provided a range of support measures to ensure everyone had the tools they needed to stay connected and keep business flowing wherever possible. Our consumer and small business home broadband customers (ADSL, NBN and Cable) in Victoria who were under at least Stage Three restrictions during the extended lockdown were provided with unlimited data at no additional charge on their plan until 30 September 2020. We also offered unlimited home phone calls to pensioners during this period to make staying in touch with friends and family simpler. Our eligible consumer and small business mobile customers in affected areas were offered more mobile data from 6 August to 30 September 2020. Other offers were also made available to small business customers, including the ability for eligible customers to hibernate their fixed business services. In total we have provided $28 million in COVID-19 related customer support packages during FY21. We will continue to offer support to all our customers who are impacted by the pandemic.

To ensure those designing our products and services can easily find information to help them to deliver on our responsible business commitments, we launched a Responsible Business Hub intranet site this year. The site provides access to relevant policies and regulations, links to training, case studies, contact points and further information relating to several key areas of responsible business.

Customer experience

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

We achieved our Group Episode NPS target of +32 this year. Positive movements were observed across all episodes across FY21, with all channels and segments contributing to the uplift. This is a pleasing result given the impacts of COVID-19 on our customer-facing workforces in the Philippines and India. Our Strategic NPS for FY21 is +9, which is two points above the FY21 target of +7. For our Consumer and Small Business segment customer feedback suggests the upward trend in FY21 has been due to improved customer service and the increasing perception that Telstra delivers products and services that are worth paying more for. Please see our 2021 Annual Report for more information.



Photo taken prior to the introduction of physical distancing requirements

Responsible selling

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

When we don't get it right

It is important that we provide our customers with products and services that are safe and easy to understand, and that meet their underlying needs. While we are continuously working to improve our performance in this area, we acknowledge that sometimes we don't deliver the experience our customers expect and deserve.

In November 2020, Telstra agreed to a penalty of $50 million and an Undertaking with the ACCC relating to unconscionable conduct when, between 2016 and 2018, a small number of Telstra licensed stores engaged in inappropriate sales practices with 108 First Nations customers by selling them mobile phone plans that ultimately did not suit their needs. We've taken steps to make things right for these customers having provided full refunds including interest, waived debts, and ensured most customers kept their devices. We continue to offer remediation to customers, have relaunched our First Nations Connect Hotline to provide in language support, improved and made cultural awareness training mandatory for anyone who engages with First Nations customers, appointed a new Indigenous Cultural Compliance Officer and launched a new Indigenous Policy statement.
We apologise to these customers who did not receive the standard of care or service they should expect from us, and where we did not act quickly enough to fix the issues once they became known.

In May 2021, the Federal Court formally approved the penalty. We accept the Court's decision and we have apologised to impacted customers and issued refunds. As part of the Undertaking we are providing additional remediation to any other First Nations customers who may have been affected by similar conduct; improving our existing compliance programs; reviewing and expanding our First Nations hotline; and enhancing our digital literacy program for consumers in certain remote areas. In May 2021 we also launched our new Indigenous Policy Statement which details how we engage, support and play our part in First Nations communities, including through the positive difference that communication and connectivity can have in these communities.

Reconciliation

Following the ACCC action last year in relation to sales practices in some of our licensee stores to First Nations customers, Reconciliation Australia revoked our Reconciliation Action Plan. We understand and accept this decision given what occurred. We will reflect on what we have learned and welcome the opportunity to work together with Reconciliation Australia to develop a new Reconciliation Action Plan (RAP). We remain part of the RAP network and have been invited to begin development of a new RAP (that will not be an Elevate RAP). We acknowledge our journey ahead and as part of this we will listen better so that we understand, learn and re-build trust with First Nations Peoples. We have work to do to rebuild relationships and trust and we are committed to a stronger future of contribution towards reconciliation.

Click here for more information.

In May 2021 we paid an infringement notice of more than $1.5 million after the ACMA found we failed to provide consumers with the opportunity to keep their existing local phone number when changing telcos, known as local number porting. This issue occurred at the height of the first global wave of COVID-19 that had a significant impact on our offshore operations that manage this service. Given the number of our people and services affected by the pandemic, we could not guarantee that numbers would be ported correctly and decided to hit pause until we could be sure that we would not leave people without a service. Since then we've made a range of changes to ensure we can continue to meet our regulatory obligation to provide number porting services.

In April 2021 the ACMA issued us with a formal warning for contravening the Telecommunications (Mobile Number Pre-Porting Additional Identity Verification) Industry Standard 2020 that came into effect last year. The ACMA found that we did not use the additional identity verification processes described in the Standard to confirm that the requesting person was the rights of use holder of the mobile service number to be ported for 52 requests between 1 June 2020 and 14 July 2020. Our customers' privacy is incredibly important and we work hard to protect it. We're a big supporter of the new rules the ACMA put in place in last year. Unfortunately, due to COVID-19 impacts when these rules first came into effect, we didn't have all our processes in place to implement some of the changes as quickly as we should have.

In June 2021 the ACMA issued us a remedial Direction in relation to our failure to comply with the Telecommunications Service Provider (NBN Service Migration) Determination 2018. The ACMA found that we had failed to notify customers of their maximum attainable line speeds upon connecting to the NBN for the first time, and failed to accurately, or at all, describe the remedies available to the customer. The Direction requires Telstra to appoint an independent auditor to audit and report on the extent to which certain systems, processes and practices outlined in the Direction are effective in achieving compliance with the relevant sections of the Determination and provide recommendations as to the improvement or maintenance of those systems, processes and practices. Telstra has already commenced a comprehensive program to ensure the customers we failed to notify as required by the Determination receive the correct notice, and are clear on the remedies available to them.

In relation to the same conduct, in August 2021, the ACCC commenced proceedings in the Federal Court against Telstra alleging representations made to customers about the maximum attainable line speeds they would receive for certain nbn services, and the steps Telstra would take to check speeds and offer remedies where maximum speeds were not available, were misleading or false in breach of the Competition and Consumer Act 2010 (Act). The proceedings follow Telstra providing an Enforceable Undertaking under s87B of the Act to the ACCC in November 2017 in respect of similar conduct, and self-reporting breaches of that Undertaking to the ACCC. We are in the process of remediating all customers affected by these representations.

We recognise that as a large company, even small errors can impact many customers. We continue to review all elements of our business, address issues as we find them and strengthen our operations.



Photo taken prior to the introduction of physical distancing requirements.

Improving our approach to responsible selling

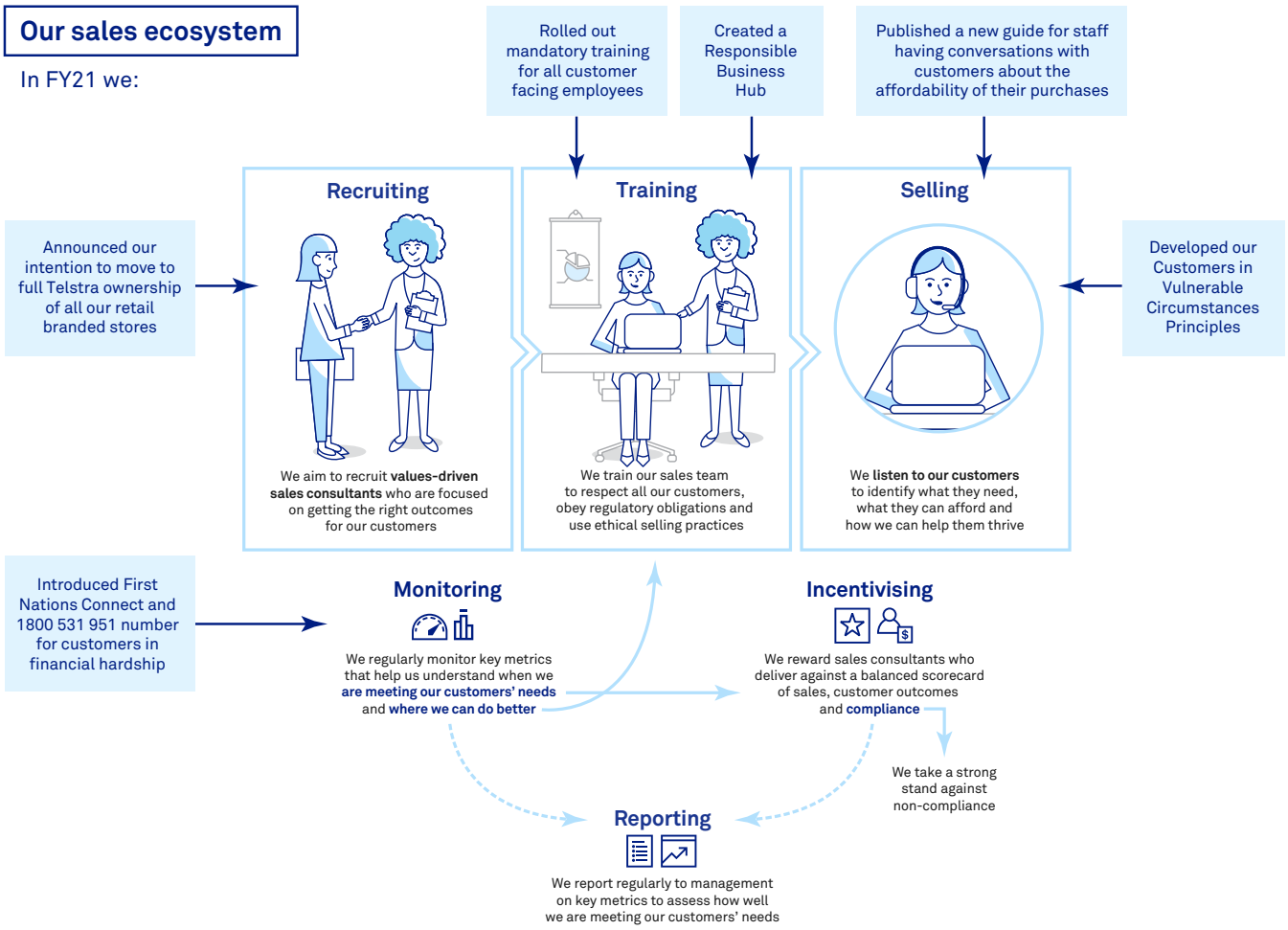
In 2021 we introduced a number of new initiatives to further improve our approach to responsible selling as we work to rebuild trust with First Nations Peoples, continue to support customers in vulnerable circumstances and respond to feedback from our customers.

In February 2021 we announced our intention to move to full Telstra ownership of our retail branded licensee stores, which means we have more control over the customer experience and have more direct engagement with employees.

We continue to drive a focus on affordability in sales conversations and have taken steps to embed this in every interaction through ongoing training and communications to our frontline employees. We also rolled out new mandatory training courses, called 'Customers in vulnerable circumstances' and 'Introduction to Indigenous cultural capability' and 'Responsible Business and Sales Practices 2021' for all customer facing employees. Frontline employees who fail to complete these courses within the required timeframe won't retain access to our core systems until they have completed them, ensuring that only trained staff sell to and serve customers. As at 30 June 2021, more than 26,000 staff had completed 'Customers in vulnerable circumstances' and 'Introduction to Indigenous cultural capability' training and more than 24,000 had completed 'Responsible Business and Sales Practices 2021'.

Along with the training courses, we have updated, centralised and made it easier for staff to search and find the relevant resources relating specifically to customers in vulnerable circumstances. We have also published a new guide for staff having conversations with customers about the affordability of their purchases.

Our commitment to improve our sales and service practices has reduced the numbers of customers who are unable to meet plan commitments by 35 per cent since FY20 against our target of a 25 per cent reduction.



Enhanced care for customers

We are committed to helping our customers in vulnerable circumstances to stay connected.

During this year there has been increased focus on integrating and strengthening our Customer Experience Design Mandates framework to uplift Telstra's approach to responsible business, inclusion and the experience of our customers in vulnerable circumstances. We developed Customers in Vulnerable Circumstances Principles to ensure our products and services are accessible, affordable and suitable to the individual needs of our vulnerable customers so we can consistently offer them the best experience when they need our support. In FY21 we also continued our $30 Value Offer mobile plan for eligible customers with a healthcare card, with almost 33,500 customers taking up the Offer.

In March 2021, we also opened our First Nations Connect Hotline in Darwin, a contact centre with a dedicated 1800 number for direct access to our First Nations team members. Every year we receive 25,000 calls from First Nations communities, relating to connectivity, billing or general enquiries about our products and services. The First Nations Connect Hotline assists with customer enquiries and fault reporting. It provides interpreter services for over 40 First Nations languages.

TIO complaints

In an industry as complex as ours, things will sometimes go wrong. When they do, we work with customers to resolve issues as quickly as possible. To help ensure customers are treated fairly, including those in vulnerable circumstances, our Telstra Customer Advocate works across the business to ensure the voice of the customer is considered in complaint resolution. If a customer remains dissatisfied with the way their complaint has been resolved, the Telecommunications Industry Ombudsman (TIO), an Industry-funded scheme, can be accessed to facilitate external dispute resolution.

The impacts of COVID-19 posed significant customer service challenges throughout FY21, impacting both domestic and international contact centre and back of house operations. Our primary focus was to ensure customers remained connected throughout the pandemic, recognising that working and learning from home was a necessity. Consequently, it took longer to resolve some customer complaints than normal, as customers in vulnerable circumstances and connectivity-related complaints were prioritised throughout this period.

Responding to the evolving situation around COVID-19 and its impacts on our business, our customers and our people remains a key priority. We have been very concerned about effects in key locations, namely the Philippines and India, where infection rates and prolonged restrictions continue to pose operational challenges. Ongoing support is being offered to colleagues in these locations. The lessons learned during the past year mean we now have robust mechanisms to manage business continuity, including cross-skilling onshore customer service teams, which have positioned us well to deal with these challenges. Additionally, we have transferred the complaint handling function to the area responsible for the complaint. This will enable us to respond more quickly and address the causes of complaints.

While complaints to the TIO increased overall this year, in recent months they have returned to the lowest levels since 2016, suggesting these interventions have been effective.

Billings and accounts were the primary driver of complaints in FY21, comprising 44 per cent of all submissions. These complaints have reduced in the last quarter of FY21 by 30 per cent, which we have attributed to our proactive communication of upcoming bills – removing surprises. Our new mobile plans also create greater certainty with no excess data charges, no late payment fees and no lock-in contracts, which we expect will lead to further complaint reductions in FY22. For more information, see the Products and plans section.



Photo taken prior to the introduction of physical distancing requirements

Our suppliers

Setting clear expectations of our suppliers

As a major telecommunications and technology company, we rely on a large and complex supply chain. Our scale gives us the opportunity to work with our suppliers to positively influence their environmental, social and ethical performance. In FY21, we engaged directly with more than 4,900 suppliers from 96 countries and approximately 78 per cent of our total spend was with our top 100 suppliers. In addition, our direct suppliers often have many suppliers of their own, who then also rely on suppliers and so on.

For detail on our supplier spend, where we source our products and services, as well as our grievance mechanisms and remediation practices, see the FY21 Human Rights and Modern Slavery Act Statement.

Supplier risk management

To help make more informed purchasing decisions, we continue to refine our Supplier Governance Framework, which assesses suppliers against twelve categories of risk (see diagram). We consider labour practices, environmental practices, health and safety, and bribery and corruption risks to be sustainability risks. We assess these risks as part of our selection and contract renewal process using a combination of due diligence reports, questionnaires, documentary review and, where warranted, onsite audits. A supplier's ability to meet or exceed Telstra's minimum standards set out in Telstra's Supplier Code of Conduct (SCOC) is a key consideration for Telstra when we make purchasing decisions.

Supplier risk categories



Since 2020, to help us gain a more in-depth understanding of our suppliers, we have engaged a third party to perform an Enhanced Due Diligence (EDD) screening over 1,100 suppliers that we engage regularly, representing approximately 83 per cent of our total spend.

As part of our EDD screening, suppliers are screened against public records, such as company registry records, media reports and civil litigation, regulatory, criminality and bankruptcy checks. In FY21 we completed EDD screening of 1,317 suppliers, including 100 per cent of the 1,100 suppliers we committed to screen at the start of the EDD program, as well as a further 217 suppliers as part of our selection and on-boarding process.

For information about our supplier governance framework and EDD screening, see the FY21 Human Rights and Modern Slavery Act Statement.

Supplier Code of Conduct

Our SCOC sets out the minimum standards we expect from our suppliers and forms part of our standard purchasing terms.

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

Our SCOC is aligned with 10 universally accepted principles of the UN Global Compact, Responsible Business Alliance (RBA) Code of Conduct, and Joint Audit Cooperative (JAC) Supply Chain Sustainability Guidelines, as well as legislative obligations such as the Modern Slavery Act (UK) 2015 and the Modern Slavery Act 2018 (Cth). The SCOC was updated in June 2021 to include enhanced requirements in relation to resource efficiency, employee wages and identifying, mitigating and addressing forced and compulsory labour.

A copy of the updated SCOC was communicated in June to all 4,900 suppliers engaged in FY21. All suppliers engaged subsequently receive the updated SCOC as part of our standard purchasing terms. This year, we hosted a forum with a number of our top 100 suppliers to discuss our expectation from our suppliers in the SCOC on climate change.

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

By supplier, we mean any entity that supplies goods or services to Telstra Corporation Ltd or its related companies anywhere in the world. Where the SCOC refers to workers, this includes employees, contractors, agency, migrant, student and temporary staff of the supplier and of its related entities. For details on how we manage the risks associated with our indirect workforce, please refer to the FY21 Human Rights and Modern Slavery Act Statement.

Supplier compliance

We work with our suppliers to assess whether they are meeting the SCOC in a number of ways. This includes conducting governance meetings, reviewing reports and public records, monitoring adverse media alerts, and undertaking questionnaires and audits. The approach we take is based on the nature of the risks, and the category of the goods or services being provided.

At Telstra, sustainability risks are more likely in ICT products and services, and construction and physical network infrastructure maintenance categories, which are also our two largest categories of spend. Within the remaining categories of spend, we have identified branded apparel and merchandise manufacturing, agriculture, and cleaning and waste management as categories warranting specific attention. We focus on these areas in the remaining categories due to the use of low-skilled and low-wage labour, together with the potential for environmental damage within these industries' supply chains.

We monitor sustainability risks through a combination of internal and external questionnaires and site audits. This year, 64 of our higher risk suppliers were selected to complete detailed questionnaires and provide evidence to support their responses. These questionnaires have been designed using internal and external supplier sustainability experts and are aligned with industry standards.

In some cases, a site audit is required in addition, or instead of, a questionnaire. For detail on our supplier audits see the FY21 Human Rights and Modern Slavery Act Statement.

Upskilling our people to identify supplier risk

This year we deployed role specific modern slavery training for our procurement team, as well as others within the business who approve spending or labour hire decisions, to increase their understanding of their responsibilities. The training was also made available to our business partners and suppliers to enhance their modern slavery prevention efforts. It focuses on helping people to understand what modern slavery might look like in our value chain, identify red flags, and explain how to take action if they suspect there is a risk of modern slavery occurring. In FY21, 100 per cent of people in designated roles completed the training.



Partnering with suppliers to deliver results

Social and environmental partnerships

In FY21, we consolidated our partnerships with non-profit groups around Australia that create employment opportunities for people living with disability or from disadvantaged backgrounds. We now work with four providers, in line with our commitment to have greater oversight of our supply chain, particularly with suppliers who work with vulnerable groups. At 30 June this year, 154 people living with disability and people from a disadvantaged background were accessing employment through the program. In FY21, we spent $1.6 million with supplier enterprises that support people with a disability.

Through the Indigenous Workforce Program (IWP) we partner with 30 local Indigenous small businesses and Ranger groups to undertake cleaning and grounds maintenance at regional and remote sites across Queensland, the Northern Territory and Western Australia. The IWP supports the employment of 104 people at over 620 sites. In FY22, this program will be expanded to cover all areas across the three regions, including metropolitan areas.

This year we have engaged seven new First Nations businesses for the first time, building the breadth and depth of our engagement. In FY21 we spent $5.4 million with First Nations suppliers, up from last year and ahead of our FY21 target of $5 million.

We are actively working with our suppliers to gain better insights into our emissions and identify reduction opportunities. To better gauge our scope 3 emissions and our holistic environmental impact we've partnered with CDP through their Supply Chain Program to engage our suppliers to better account for and address their climate change impacts. Since June 2020, 89 per cent of our top 100 suppliers have disclosed their environmental impacts to Telstra via CDP. Accenture is one supplier proactively working to help define, measure and communicate the carbon footprint associated with its services to Telstra. Leveraging external and internal environmental data, along with Telstra specific project information, Accenture is able to calculate the carbon footprint associated with relevant facilities, travel, hotel, and other significant emissions sources to provide a detailed estimate of the carbon intensity of the services it provides to Telstra by location and resource.

Through this collaboration, we have identified a number of opportunities to continue to reduce emissions associated with delivery. This is largely possible due to Accenture's commitment to the use of 100 per cent renewable energy at all its facilities by the end of 2023. For more information about our scope 3 emissions, please see the Climate change and energy use section of this report.

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

Industry cooperation on supply chain

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

Our Human Rights and Modern Slavery Act Statement provides details of how we are working with the global telecommunications and information technology industries to investigate allegations of labour rights abuses in the global ICT supply chain.

Providing our suppliers with support and building capacity

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

Our people

Building culture and capabilities

Sustainable engagement

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

We measure employee engagement through a quarterly Experience Pulse, which provides insights into how our people feel about their experience of working at Telstra. We finished FY21 with an engagement result of 78 – five points below our target of 83. A score of 78 places us in the range of other high performing companies and gives us confidence we remain on track to deliver on our overall T22 target of 84. Pleasingly, the cultural practices established through the T22 transformation and adoption of Agile at scale continue to deliver positive engagement results. Our people report highly positive experiences towards being 'treated with respect', having the 'flexibility to meet both work and personal needs' and they are 'proud to work for Telstra'.

Our values of 'We care' and 'We are better together' are most frequently demonstrated in the way we work day-to-day, but employees are saying that 'We make it simple' is not routinely demonstrated. 'Processes to effectively meet my customers' needs' was the lowest scoring item on the Experience Pulse. In response, we have set-up a cross-company working group to identify and address the most critical end-to-end processes hampering a great employee experience. We have identified and are working on 18 key processes that need to be established or remediated to alleviate workforce frustration and significantly improve employee experience and are tracking progress through a real time 'simplifying our processes' dashboard.

Leaders are also able to access their engagement dashboard for feedback on their leadership impact. The dashboard provides information on the factors creating a positive experience and areas for improvement within their teams.

While we didn't meet our engagement target, our people continue to report really positive experiences when it comes to 'being treated with respect' and having 'the flexibility to meet both their work and personal needs', and the vast majority of people are proud to work at Telstra.

We're committed to continue listening to our people and holding ourselves accountable for creating a workplace where everyone can thrive.

Flexible working

Flexible working has been a feature of life at Telstra for close to a decade. Even prior to the pandemic, on average, our office workforce worked from home two days a week, and we offer other types of flexibility (such as around hours or rostering) for retail and field-based staff. The pandemic has accelerated flexible working, extending the types of roles covered (for example, most of our contact centre workforce now works flexibly) and enabling our employees' preference to work from home most of the time.

We're now helping our teams to work in different ways based on what works for them, while also thinking about where the best space is for particular types of work. This includes a refreshed flexible working policy that's founded on maximising flexibility and choice for all, as we believe all roles can flex in some way to deliver a great experience and outcomes for us and our customers. People discuss their preferences with their leader about where, when and how they work, and then put a plan in place to make it happen.

In FY21 we continued to build our Agile maturity, transforming how we work at Telstra. We now have more than 15,000 people working in Agile teams. Agile has brought about a significant change in how we prioritise, organise and get work done at Telstra and empowered teams to have more control over how their work is organised and delivered.



Learning and capability development

We have assessed the capabilities required to prepare our workforce for the future world of work. To build this capability we invested over $21.4 million in training and development in FY21, including over $6 million in technology training.

We invested $3 million in developing critical commercial capability in the areas of human-centred design, critical decision making, influencing and negotiation skills and our micro credential programs, along with $1 million for all company access to LinkedIn learning. To support our operating model changes we invested $1.5 million in capability development to embed Agile, and $4.5 million in operational excellence development, which includes operations and sales training, 5G technology, technology product and solutions training and frontline induction programs. In addition, we delivered virtual training to 45 groups of new agents in customer facing roles (over 1500 agents) to deliver business continuity when our call centres in the Philippines were impacted by COVID-19 lockdowns.

As we progress our T22 business strategy transformation, we will continue to focus on developing our people's technology skills and technical capabilities to leverage emerging technologies and simplify how we deliver products and services. In FY21 we invested $2.2 million to increase the coverage of access to technical learning platforms. This year we had over 13,000 employees participating in a technical learning platform and recorded nearly 96,000 hours of learning aligned to our competitive advantage talent segments including Security, Software Engineering, Data & Analytics and Product Management. In addition to this, we developed and delivered another seven micro credentials to add to the four built in 2020. Micro-credentials give a globally recognised qualification in just six to eight weeks. They are an innovative alternative to longer, traditional degree programs and we've been advocating for an increased focus and investment in these credentials by government, industry and education providers. Click here for more information about how we're upskilling our team for the future of work.

As one of the country's biggest employers and a major driver of the digital economy, we're committed to playing a part in the solution. Investing in Science, Technology, Engineering, Arts and Mathematics (STEAM) is required to transform Australia into an innovation hub and support businesses that are themselves transforming. To that end, our partnership with the University of Melbourne is our next education investment and part of our ongoing collaboration with five Australian universities to build a strong foundation for STEAM skills education for the future. Click here for more information about how we're building Australia's technology future through education.

Building a high performance culture

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

At the end of the financial year, our people receive an individual performance rating that equally assesses what they achieved and how they role modelled our values and desired behaviours. The overall rating informs pay decisions and outcomes. The 2021 Remuneration Report, which forms part of the 2021 Annual Report, has details regarding senior executive pay.

Diversity and inclusion

Telstra serves millions of diverse customers. We recognise the value of having diverse employees who represent their unique perspectives. Diversity of thought drives innovation, which is essential to achieving our business strategy, and supports our Purpose to build a connected future so everyone can thrive.

We are passionate about creating an environment that is inclusive and supportive; a place where everyone can truly be themselves.

The global pandemic and its economic fallout in 2020 had inequitable consequences for people all over the world and will continue to do so for years to come. Many reports warned of the potential risk of a disproportionate impact on diversity groups. Mindful of this, Telstra's commitment to diversity, inclusion and flexibility has been amplified in FY21. We knew intense focus was needed to ensure we did not jeopardise our diversity and inclusion goals.

This year we saw growth in female representation in our management and Executive leadership levels in part due to the opportunities created for women as our organisation moves to Agile at scale and our increased focus on managing our leadership pipeline.

We are committed to achieving gender equality at Telstra and have a broad range of policies, programs and engagement initiatives in place to help us achieve this goal.

We are required by the Workplace Gender Equality Act 2012 to report our workforce gender profile as at 31 March each year. Our 2021 report was lodged with the WGEA on 23 June 2021 and is available on our website.

Representation of women in Telstra as at 30 June 2021

Role	Number	Percentage
Board(i)	4	40
Executive management*(ii)	56	34.40
CEO	0	0
CEO-1	3	33.30
CEO-2	18	36.00
CEO-3	35	33.70
Middle management*(iii)	2603	28.70
Operational*(iv)	5584	34.0
Telstra Total*	8243	32.1
Telstra Group Total°	8454	32.1

* Includes full time, part time and casual staff in Telstra Corporation Limited and its wholly owned subsidiaries, excluding contractors and agency staff. It does not include staff in any other controlled entities within the Telstra Group.
° Includes full time, part time and casual staff in controlled entities within the Telstra Group, excluding contractors and agency staff. Information regarding the controlled entities in the Telstra Group can be found on our website at telstra.com.au/aboutus/investors/financial-information/financial-results.
(i) Number and percentage relates to non-executive Directors. (ii) Executive management comprises persons holding roles within Telstra designated as Bands A, B and C. CEO is also included in the executive management total.
(iii) Middle management comprises persons holding roles within Telstra designated as Bands 1 or 2, or equivalent. (iv) Operational comprises persons holding roles within Telstra designated as Bands 3 or 4, or equivalent.

Employee diversity and inclusion

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

Fair and Accessible Recruitment
Our 'interview guarantee' for shortlisted candidates means if any external candidates who identify as being Indigenous or living with a disability are shortlisted for a role, they will be offered an interview. The Indigenous component of the new procedure applies to all external candidates for roles in Australia. The people living with a disability component applies globally.

All recruitment decisions continue to be based on merit, and all quality candidates will continue to make their way through our recruitment process. However, by ensuring that candidates who meet our key diversity criteria – and who have already been shortlisted - are then interviewed, we can maximise our opportunity to consider these people for open roles, and therefore increase our pipeline of diverse talent.

Indigenous Employment
In FY21 we continued to deliver on our commitments to Indigenous employment and achieved our employment target of one per cent Indigenous representation of the Australian workforce. We also continued our partnership with Career Trackers Indigenous internship program to help improve the participation of Indigenous Australians in the workforce and develop future talent. Two former Career Tracker interns who applied for the FY21 Graduate Program were offered a place in the program. This year we were proud to host 34 interns at Telstra, achieving another commitment. We continue our ten-year partnership agreement with Career Trackers, extending this commitment until 2030.



Photo taken prior to the introduction of physical distancing requirements

Employment for People with a Disability
We carry a Disability Confident Recruiter accreditation through the Australian Network on Disability (AND) and are in our third year of the accreditation and sponsored the AND Annual Conference. We significantly improved our workplace assessment and adjustment processes, making it simpler for our employees with disabilities to thrive at work. We are investing in supported workforce programs and developing our leaders to be able to support people living with disabilities.

This year, in partnership with Specialisterne, Telstra piloted a neurodiverse recruitment program which looked an alternative recruitment approach that removes barriers for neurodiverse individuals. We successfully onboarded six new employees through the pilot. This program is one of the ways Telstra is looking to address critical talent gaps in Software engineering, AI and other IT related skillsets, strengthen our inclusive culture, and improve engagement with existing employees living with a disability.

LGBTQI inclusion
Lesbian, Gay, Bisexual, Transgender, Queer and Intersex (LGBTQI) inclusion is important to us. We want our people to have 'out' role models and allies that encourage them to bring their whole selves to work. We are active members of Pride in Diversity and our Spectrum network continues to thrive in its 12th year.

In 2020 we joined the Intertech alliance and hosted the launch of an inter-organisational mentoring program. We hosted an event on the importance of allyship on Wear it Purple Day and made a significant donation to enable the distribution of wristbands in schools to encourage open conversations about inclusion. We launched our LGBTQ+ learning module to build awareness. In FY22 we plan to build on our Gender Affirmation policy by offering paid leave to support LGBTQ+ employees.

Cultural and Linguistic Diversity
Inclusion of culturally and linguistically diverse people is important to us. Our Telstra team is from diverse ethnic backgrounds, nationalities, languages, traditions, societal structures and religions. Together they bring diverse experiences and perspectives to our organisation which we truly value. MOSAIC is the name our CALD network has chosen, to represent their rich diversity. It's a group where people from all over the world can connect and create an environment that's inclusive and supportive. By driving diversity awareness within Telstra, we create a place where everyone can truly be themselves.

Gender pay equity

Gender pay equity continues to be of key importance at Telstra as we fine-tune our policies and initiatives to drive greater equity across the organisation. We are continuously looking to identify, target and reduce any gender pay gaps that exist within the organisation, focussing on any differences in remuneration for individuals doing similar work. We do not believe that we pay women and men differently for like roles.

Similar to last year, a pay gap exists at the operational level and is predominantly driven by a significant portion of operational employees being managed against fixed pay rates under our Enterprise Agreement known as Workstream. These fixed pay rates, which are typically in male dominated professions, are notably higher when compared to the pay of peers at the same level not employed under the Workstream fixed pay rate structure.

We compare remuneration for individuals on the basis of 'compa-ratio'. Compa-ratio compares an employee's fixed remuneration to the median of the market remuneration range that they are mapped against. This enables us to compare the relative 'fairness' of remuneration for different employee groups, taking account of the kind and level of work that they are doing.

The two tables below show Telstra's overall position when averaging the compa-ratios for both male and female employees. We have been close to parity for some time, and we will continue to strive for absolute equity.

The data opposite shows a 2.6 per cent gap between the average compa-ratio for male and female employees. Average compa-ratios vary over time, and we do not expect them to ever be identical because we pay individuals differently as they achieve further levels of performance and or experience in their role. However, we remain vigilant and work with each part of the business and their data to identify any key focus areas, including their data on gender pay. We support this activity with a specific budget so any identified anomalies can be addressed.

No place for sexual harassment

At Telstra, we're committed to creating a safe and inclusive culture where everyone is treated with respect. Sexual harassment, in all its forms, is unethical, against the law and against our code of conduct. However, despite our best efforts, including work on our culture and having the right policy and procedures in place, there are times when people just do not behave appropriately. This year we became aware of a small number of incidents of sexual harassment and misconduct within our workplace. As always, we took these complaints seriously, investigated them fully and took appropriate action. For more information please see our CEO's message on sexual harassment.

Australia Avg. Compa-ratio*

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

Australia Avg. Compa-ratio* excl Workstream employees°

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

* Compa-ratio analysis includes full time and part time staff in Telstra Corporation Limited and its wholly owned subsidiaries, excluding casuals, contractors and agency staff. It does not include staff in any other controlled entities within the Telstra Group. Ratio calculated as base salary plus superannuation (female Fixed Remuneration vs of male Fixed Remuneration). ° Workstream employees are paid fixed pay rates as determined under the Telstra Enterprise Agreement.

Providing leading employment conditions

We consult with our people before we implement any significant changes to the way we work. We regularly engage with our three employee unions – the Communications, Electrical and Plumbing Union of Australia (CEPU), the Community and Public Sector Union (CPSU) and Professionals Australia (APESMA). Our aim is to maintain an open and constructive relationship with the representatives of these unions.

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

In Australia, Telstra has a single enterprise agreement in place covering our workforce – the Telstra Enterprise Agreement 2019-2021 (Telstra EA). In January 2021, we announced our intention to apply for the termination of our Australian Workplace Agreements (AWAs) and Individual Transitional Employment Agreements (ITEAs). This means transitioning Band 2 – 4 employees covered by these agreements to the Telstra EA. On 7 April 2021, the Fair Work Commission approved our application. As a result, AWAs and ITEAs terminated on 6 July 2021. At this time, all our AWA and ITEA people will be covered by the Telstra EA.

In late July we commenced bargaining to replace the current Telstra EA with the Telstra unions and a number of employee bargaining representatives. We look forward to constructive discussions with our unions and our people over the coming months.



Promoting health, safety and wellbeing

Preventive programs

Managing safety and supporting the mental health and wellbeing of our people helps create an environment in which they can be their best selves – both at work and outside of it. Through our global health, safety, wellbeing and environment (HSWE) management system, we strive to embed the latest HSWE strategies to eliminate or minimise risks and build resilience.

In FY21, we continued to implement important preventive health, safety and wellbeing initiatives, learning to do this differently given the extraordinary challenges COVID-19 presented.

Responding to COVID-19 and adopting new ways of working

During these unprecedented times the mental health and wellbeing (MH&W) of our people remains our top priority. Highly mindful that the mental health and general wellbeing challenges would be with us long after the physical protections were in place to protect us from COVID-19, we pivoted our mental health and wellbeing strategy, providing our people leaders with the tools to support their people and highlighting and building on team connection and care.

A dedicated Mental Health Hub was established, providing our people with a range of material and resources to help build connection, support each other and manage their own wellbeing. Corporate communications included daily articles, livestreams and proactive mental health well-being checks for leaders. In the past 12 months, we've had more than 7,000 attendances at webinars on topics ranging from understanding and managing health anxiety, supporting children through COVID-19, managing remote teams, to self-care tips and strategies.

Our Telstra Health Management and Rehabilitation team have continued to provide expert case management support for both work and non-work-related health issues. Our Benestar-provided MyCoach provides free professional, confidential coaching and support for our people and their immediate family. Utilisation of MyCoach increased from 6.4 per cent in December 2019 to 8.2 per cent by June 2021.

Our mental health strategy provides support and resources to our people, including specialised support for individuals, leaders and teams. We have continued to share MH&W communications and initiatives focused on staying connected while physically distanced, and techniques to help manage anxiety. In addition to our usual offerings, we established further support for our Victorian community including:

- Proactive psychologist calls to leaders to check in and identify any team members of concern.
- Virtual sessions for up to 20 leaders at a time focused on shared challenges, self-care and care for team members.
- Conversation starter guide to help leaders to check in with their teams, know what to ask and how to respond if someone is not ok.

In recognition of the increased risks faced by our people in India and the Philippines during COVID-19, we implemented additional measures to allow operations to continue safely.

In the Philippines we provided shuttle transportation for employees to travel to and from their home address to the office. This was extended to employees staying in hotel accommodation, which removed the need for them to use public transport. During the strictest of lockdowns, Telstra provided hotel accommodation with all meals for over 400 employees in both Manila and Cebu. We continue to provide hotel accommodation for a number of employees in Manila who cannot work from home, due to poor internet connectivity.

In India we committed to providing vaccinations for our people and their immediate families, subject to vaccine availability. We are providing access to telehealth services and additional insurance coverage which will help our people cover the cost of any medical needs they have. We're also covering the costs of required Personal Protective Equipment (PPE) in the event of hospitalisation, a cost they would normally have to pay for themselves.

We implemented a vulnerable persons program to identify employees with co-morbidities and those most at risk during COVID-19. We performed almost 7,000 assessments globally to establish where additional measures or alternate work might be required to reduce the risk to these employees. For example, our field technicians with identified co-morbidities were placed into other meaningful work that lowered their risk to COVID-19 exposure. If suitable alternate work was not available, they were given paid pandemic leave.

We have produced a playbook to guide our transition into new COVIDSafe ways of working. This document is updated regularly and guides safe ways of working for people who decide to work some days in the office as well as our essential teams who are unable to work from home (retail and field staff). This playbook has been shared with Telstra subsidiaries, associated companies and enterprise partners.

In response to the continuing risks associated with COVID-19, we have provided a centrally managed flu vaccination program for all Telstra employees. In April 2021 we launched the program to Australian and New Zealand based employees to prepare for the flu season in the southern hemisphere. The program will be expanded later in the year to support our international teams ahead of their respective flu seasons.

Licences, accreditations and compliance

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

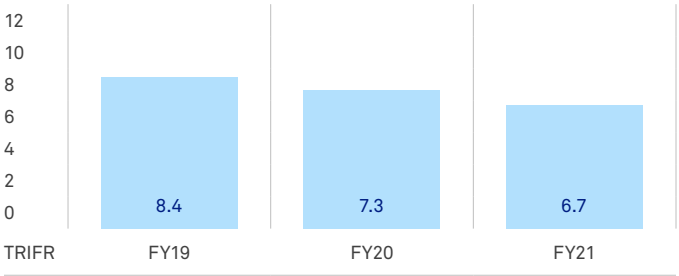
Claims management and rehabilitation

We continue to see steady and consistent improvement in outcomes across both claims and rehabilitation performance. Notably, the sustained improvements include an overall reduction of claim duration and cost and improved return to work outcomes. Our rehabilitation model has also expanded to include support for non-work-related injury or illness, with return to work support also provided as part of our disability and inclusion framework.

Key health and safety performance indicators

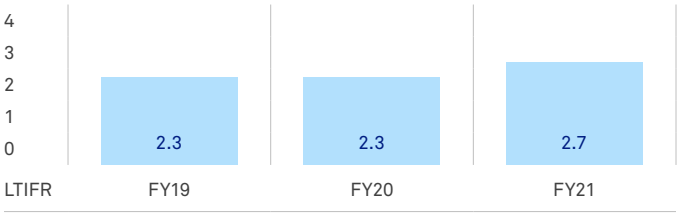
TRIFR

We recorded a nine per cent reduction in Total Recordable Injury Frequency Rate (TRIFR) this year. This was due to a reduction in the amount of higher-risk, field-based work undertaken in FY21 due to COVID-19.



LTIFR

Our Lost Time Injury Frequency Rate (LTIFR) increased by 16 per cent in FY21 due to a higher number of reports of psychological injury, in response to us encouraging employees to report them in our Donesafe health and safety system to access help at no cost to themselves.





Digital inclusion

Approach



Even before COVID-19 turned the world upside down, connected digital technologies were rapidly changing the way we live and work. Forced isolation and social distancing during the pandemic further accelerated the shift to telehealth, online learning, working from home and e-commerce, and these enablers will be very much part of the new normal. While the digital economy is generating social, cultural and economic benefits for many Australians, we know these benefits are not equally shared.

The Australian Digital Inclusion Index (ADII) shows that Australians with lower levels of income, employment, and education have significantly lower levels of digital inclusion and are therefore not able to take full advantage of the digital economy.

Digital inclusion is based on the premise that everyone should be able to make full use of digital technologies and the benefits they bring.

At Telstra, digital inclusion is core to our business.

We are focused on supporting those on low-incomes, people living with disability, older Australians, those living in regional and remote communities, First Nations Peoples, and people who are experiencing unemployment, homelessness or family violence. We partner with government and community organisations so that those in vulnerable circumstances can not only participate, but also benefit from the digital economy. This means enhancing digital capability within our communities, ensuring our products, services and information are accessible and easy to use, and keeping people connected, especially when they are doing it tough.

The Digital inclusion pillar of our Responsible Business Strategy reflects our commitment to take a leadership role in promoting digital inclusion through programs, products, and services to enhance Access, Affordability and Digital Ability. It also reflects our commitment to enable social change through technology – using digital innovation to increase wellbeing and climate action within our communities.

Telstra ranks number one in digital inclusion

In FY21, we were recognised as a leader in digital inclusion in the first-ever World Benchmarking Alliance Digital Inclusion Benchmark. Our approach was assessed against the performance of the top 100 most influential technology companies. We came out on top in the benchmark, which looked at company progress in improving access to technology, enhancing digital skills, fostering trustworthy use, and innovating openly and ethically. Read more about the Benchmark here.

The Australian Digital Inclusion Index

The Australian Digital Inclusion Index (ADII) provides a comprehensive picture of Australia's online participation by measuring three key dimensions of digital inclusion: Access, Affordability and Digital Ability. The ADII 2020 showed improvement in some areas, in particular, more people are engaging in a range of basic and advanced internet activities, using a diverse range of communication technologies, purchasing larger data allowances, and taking up high-speed NBN services. However, it also shows that the overall rate of improvement has slowed. The digital divide continues to follow clear economic, social and geographic contours: Australians with low levels of income, education, employment and those living in some regional areas have lower levels of digital inclusion.

We undertake this research each year, in partnership with RMIT University and Swinburne University's Centre for Social Impact, to gain the insights required to drive informed, effective action to help to bridge the digital divide, and improve digital inclusion outcomes for those most at risk of exclusion. For more information, see the ADII website.

Access

Our critical network and technology capabilities keep millions of consumers and businesses connected every day. We have a long history of investing in the next generation of mobile and fixed network services, expanding coverage and improving resilience, digitising our systems and processes, and making major improvements to our customers' experience. This has enabled us to be a world leader in telecommunications technology and respond to heightened customer reliance on our networks.

Our mobile footprint stretches across more than 2.5 million square kilometres, vastly more than any other mobile network in Australia, and reaches 99.5 per cent of the Australian population.

There are some parts of **rural and regional Australia** where access to our networks remains challenging. Telstra has a longstanding commitment to planning and investing in a digital future that champions the needs of regional and remote communities. Over the past five years to June 2021, we have invested $3 billion of our own funds in our regional mobile network, including through our contribution to jointly funded programs such as the Commonwealth Government's Mobile Black Spot Program.

We will continue to strengthen our regional and remote network coverage in FY22, in part through a $24 million co-investment as part of the Regional Connectivity Program. More information about our commitment to provide access to telecommunications can be found in the Building connected communities section of this report.

We know there are times when our network experiences interruptions and we recognise the impact these can have on our customers – big and small. To limit this frustration, we continue to enhance and deliver on our **network resiliency** programs, ensuring our customers can use their products and services the way they want, when they want. We take a customer-centric risk-based approach to prioritising our network improvement programs. Our targeted investment, borne out of this approach, has delivered significant risk reduction, leading to improved network resiliency and recovery. We also understand that staying connected is critical in times of **natural disaster** and we provide a range of emergency connectivity options and assistance packages to customers in disaster-affected areas.





Affordability

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

As part of our Responsible Business Strategy, we aim to deliver a cross-company approach to supporting **customers in vulnerable circumstances** and make our commitment clear and transparent to our customers, employees and communities.

More information about our programs and commitments can be found in the Caring for customers in vulnerable circumstances section of this report.

Digital ability

Building **digital confidence** to safely and securely use the internet is important for enhancing digital inclusion. Although more Australians are engaging in a range of basic and more advanced internet activities, there remain significant skills based, and attitudinal barriers to effective internet participation. While the COVID-19 restrictions may have made the benefits of digital technologies more obvious, it is important to address the anxieties or scepticism that many Australians have about using digital technologies.

People aged over 65 are the least digitally included age group in Australia. For this reason, much of our work in increasing digital ability is focused on improving the skills of older Australians. We support Australian seniors through our digital literacy programs, giving older people, particularly those in regional areas, the opportunity to develop the skills and confidence to embrace digital technology.

We also know **First Nations Peoples** are less digitally included than other Australians, whether they live in urban or rural areas. We provide programs to establish local digital mentors, improve digital literacy, support connectivity solutions, provide technical advice and develop appropriate and relevant learning tools for First Nations Australians.

More information can be found in the Developing digital ability section of this report.

Innovation

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

Our key mechanisms for delivering social and environmental innovation are the **Telstra Foundation,** which philanthropically supports digital inclusion and community action on climate change, and **Telstra Labs,** which tests and develops innovative technical solutions to real-world problems. More information about these programs can be found in the Tech for good section of this report.

Progress



FY21 progress against targets

Strategic focus area	Headline targets	SDG priorities alignment	Progress	More info
Our customers	Help to close the digital inclusion gap by assisting one million customers in vulnerable circumstances to stay connected each year through our affordability, accessibility and digital ability programs	Goal 9	● In FY21, we assisted one million customers stay connected through delivery of specialised programs, products and services[1]	Page 47
Our communities	Enhance digital access in regional communities by delivering over 200 Mobile Black Spot Program sites in FY21-22	Goal 9	◖ In FY21, we built 73 Mobile Black Spot Program sites	Page 50
	Deliver 77 Satellite Small Cells in FY21 to improve connectivity in regional and remote communities	Goal 9	○ In FY21 we delivered 69 Satellite Small Cells to improve connectivity	Page 50
Tech for good	Commit at least $15.9 million over three years (FY21-FY23) to the Telstra Foundation	Goal 8 Goal 9	● We committed $5.3 million to the Telstra Foundation in FY21	Page 55

● Achieved
◖ In progress
○ Not achieved

1 Calculated based on the number of instances in which we provided specialised programs, products and services to support customers in vulnerable circumstances, and may include instances where a customer has accessed multiple mechanisms.

Our customers

Caring for customers in vulnerable circumstances

In FY21, we continued to offer a range of products, services and programs to improve digital inclusion outcomes for our customers and communities, addressing each of the key barriers to inclusion: Access, Affordability and Digital Ability. These activities are varied, including the provision of lower-cost services for people on a low income, support during times of financial hardship, access to safe and secure communications for victim-survivors of domestic and family violence, ensuring our products and services are accessible for people with disability, and assisting seniors to get online. Through these activities, we have assisted one million customers in vulnerable circumstances to stay connected this year[1].

For information on how we've assisted our customers in vulnerable circumstances throughout COVID-19 please see the Delivering the right customer experience section of this report. For an overview of our Customers in Vulnerable Circumstances principles and mandatory training see the Delivering the right customer experience section of this report.

Improving affordability

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

In FY21, our Access for Everyone programs provided 13,432 people that are homeless with a free $40 pre-paid mobile recharge or Telstra Phonecard; 594,621 pensioners with a discount on their Telstra services; and 9,861 low-income families with emergency bill assistance. These concessional benefits totalled $43 million, a reduction of seven per cent compared to FY20 ($46 million). The decrease in value reflects the further movement by pensioners to newer plans that have higher calling inclusions as standard as well as the impact of COVID-19. This year, 21,000 customers also took up our $30 per month affordable mobile plan, available to low-income customers holding a Health Care Card, and we gave almost 45,000 of our voice-only NBN customers access to free internet as part of their existing plan.

Recognising that there was more that we could do to assist customers who are doing it tough, we also set up a dedicated number – 1800 531 951 – for customers in financial hardship to speak directly to a specialised customer care team this year and updated our website to provide more information and guidance on our financial hardship measures.

To ensure the cost of calling is not a barrier to seeking help from services such as Lifeline, State Emergency Services (SES), Family Drug Support, Mensline Australia, beyondblue and Suicide Call Back Service, we provide free access to national crisis lines. In FY21, over 945,000 Telstra-originated calls were made to these crisis lines from fixed, mobile and payphones, up 13 per cent on last financial year. In addition, we provide unmetered data access for those on the Telstra mobile network to the Ask Izzy mobile website, which connects people in need with housing, a meal, financial assistance, family violence support and much more. In FY21, this service saw over 2.3 million searches for help, of which around 50 per cent came unmetered from Telstra's networks.



Big hART's NEO Learning program supported by Telstra Foundation

In FY21 we provided **$127.3 million of value through our social and community investment programs.** This was a reduction on last financial year, as in FY20 large contributions were made in response to the 2019-20 Australian bushfires and COVID-19.

To see how our community contributions were allocated see our 2021 Bigger Picture 2021 Sustainability Report Data Pack.

1 Calculated based on the number of instances in which we provided specialised programs, products and services to support customers in vulnerable circumstances, and may include instances where a customer has accessed multiple mechanisms.

Making payphones free

In August 2021, we announced that all national calls from Telstra Payphones would be free. We know that our payphones can be a lifeline for people who are in vulnerable circumstances, and this enables them to get in touch with services, friends and family at any time and at no cost.

Making it easier for community organisations that support our customers is a critical part of how we do business responsibly. In FY21, we committed $250,000 to develop the One Stop One Story Hub in collaboration with the Thriving Communities Partnership. The One Stop One Story Hub is designed to better enable people in vulnerable circumstances to participate in affordability programs. The Australia-first digital platform connects people to a range of essential services in a single place, instead of needing to individually contact and navigate various systems, including those offered by Telstra. A pilot of the platform will launch in FY22 with financial counsellors and our Telstra Specialised Assistance Team.

For a detailed breakdown of our community investments for FY21, see the Bigger Picture 2021 Sustainability Report Data Pack.

Accessibility

Our aspiration for accessibility at Telstra is to enable all Australians to enjoy a more connected and accessible future.

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

In October 2020, we launched our FY21 Accessibility Action Plan (the Plan), which prioritises how we will make accessibility ubiquitous and business-as-usual across our operations to the benefit of our customers, candidates, and colleagues. This year, the structure of the Plan was refreshed to reflect our new, more agile ways of working.

As a result of extensive stakeholder engagement, the focus of this year's plan is on improving digital and product accessibility, building digital accessibility expertise within our teams, and continuously evolving our recruitment and application processes to be more inclusive.

Across the Plan, there are 27 actions, of which 25 are complete or actively in progress. Those actions still in progress are expected to be completed by the end of calendar year 2021, while a further two actions have been paused due to shifts in our priorities.

In FY21, we introduced our first user testing program for people with disability; onboarded a new automation testing tool that identifies defects relating to accessibility requirements across web-based assets; and created a new e-form solution that complies with the Web Content Accessibility Guidelines (WCAG) 2.1 Level AA requirements. We also built international accessibility standards into the foundational building blocks of our core digital assets. This includes the My Telstra app, which currently complies with the Web WCAG 2.1 Level AA requirements, and is being tested by a third party for external certification.

Telstra maintained its commitment to the Disability Enquiry Hotline, Disability Equipment Program and Directory Assistance Helpline. During FY21, we provided 2,342 pieces of equipment, including 79 TTYs (Tele-Typewriters) for customers who are deaf or have speech impairment.

We acknowledge that although we have delivered some key initiatives this year, there is still much more to achieve, and we don't always get it right. In FY21, we received eight complaints of disability discrimination from the Australian Human Rights Commission and other state based anti-discrimination bodies. Of the eight, five were associated with temporary processes established due to business impacts caused by COVID-19 and have been resolved and closed. The rest remain open and we are taking action to remediate underlying issues identified, including by improving the availability of closed captions in the Telstra TV Box Office.

Safe connections

Telstra Safe Connections assists victim-survivors of domestic and family violence by providing access to safe and secure communications – a smart phone, $30 pre-paid starter kit and information to help them stay safely connected. Delivered in partnership with the Women's Services Network (WESNET), Telstra Safe Connections has distributed close to 28,300 phones to women since its inception in 2016, including 5,682 in FY21. 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.

Our communities



Building connected communities

Networks

Having access to a reliable telecommunications network underpins economic growth and social interaction, and is a critical foundation of digital inclusion. This year, as Australians have adapted to learning, working and spending more time at home, our customers have become more reliant than ever before on the breadth, speed and reliability of our network.

Over the past five years to June 2021, we have invested $8 billion in our mobile network nationally, with $3 billion of that invested in regional areas. In FY21, our main areas of focus were increasing our 5G coverage and expanding our 4G footprint, so that more Australians can access the benefits of a faster network.

Our 5G footprint now covers 75 per cent of the population, and there are now more than 3,800 Telstra 5G sites on-air across the country, providing coverage in more than 200 cities and towns and over 3,200 suburbs. Our customers are increasingly accessing this technology, with the number of 5G devices accessing our network growing each week.

During FY21, we progressed the expansion of our 4G footprint, building upon a program that began in FY20. This activity is being undertaken to establish 4G coverage, equivalent to current 3G coverage, ahead of 3G network closure in June 2024. This year, we added 4G to over 70 sites that were previously 3G only, with more and more customers transitioning from 3G to 4G. Importantly, this transition will free up a portion of low-band (850MHz) spectrum for 5G.

The use of this low-band spectrum can extend 5G further and deeper into buildings and facilitate 5G expansion sooner in regional areas.

Between now and June 2024 we will be working to support our customers with the 3G to 4G transition. For the vast majority of our customers, the closure of our 3G network won't require any action on their part to retain coverage and service. Most modern phones are already 4G capable, meaning they will continue to work on the upgraded network as before. Furthermore, many device manufacturers, including those that supply businesses, have started to progressively upgrade their products to be 4G–compatible. We are engaging with communities and stakeholders about this transition and can provide assistance with any customer concerns around the 3G closure. For more information visit our Telstra website and regional coverage FAQ page on Telstra Exchange.

Delivering a digital future for school kids

We know that digital inclusion, particularly for students, leads to future employment opportunities. In FY21, we launched new partnerships with public schools across New South Wales, South Australia and Western Australia to boost internet speeds and connect remote students to high-speed fibre optic cable. These partnerships have enabled thousands of students and teachers across each state's school network to access modern learning opportunities through things like video conferencing and augmented or virtual reality. For more information click here.

We know there are times when our network experiences interruptions. We recognise the impact network interruptions can have on our customers – big and small. While we continue to communicate the risks associated with sole reliance on the mobile network, particularly in disaster-prone areas, we recognise the importance of network resiliency for our customers.

In June 2021, we suffered significant impacts to our network following severe weather and power outages across Victoria. Around 60 communities across the state were isolated and may have been unable to call 000 after storm damage caused widespread power outages which impacted both fixed line and mobile services. Telstra crews worked in tough conditions, alongside emergency services and SES crews, to bring in temporary power to restore services to selected sites. Due to the scale of the damage, we prioritised restoration efforts to bring some connectivity back to isolated communities, then ensured we maintained our larger network sites and looked after medical priority customers. For further information on mobile resiliency and the work we do to prepare for natural disasters, see the Disaster preparedness and response section of this report.

As part of our ongoing commitment to regional areas we have also continued to participate in numerous co-investment programs. At the completion of the fifth round (including supplement round 5a) of the Commonwealth Government's Mobile Black Spot Program we will have invested up to $300 million, three times more than all other carrier's contribution combined. Under the program, we have built 766 new sites to improve coverage in regional areas, including 73 this year. There have been 1,296 sites co-funded by the government since the program commenced in 2015, and more than two thirds of these have been awarded to Telstra.

As of 30 June 2021, we have also delivered 130 satellite small cells, 69 of which were delivered this financial year. This falls short of our FY21 target by eight cells due to delays in third party approvals. Satellite Small cells improve connectivity in regional and remote communities and are used where it is not feasible to construct a full mobile base station.

We continue to invest in connectivity for remote First Nations communities. In FY21 through the Remote Telecommunications Co-Investment Program, a partnership between Telstra and the Northern Territory (NT) Government, we upgraded telecommunication and transmission infrastructure on the Tiwi Islands. Mobile and fixed line Internet connectivity is also being delivered to the communities of Wutunugurra (Epenarra), Canteen Creek, Nyirripi, Yuelamu, Laramba and Willowra. We expect these sites to be operational in July 2022.

Maintaining connectivity for vulnerable communities during COVID-19

Telstra worked with the Northern Territory, Queensland and Western Australian Governments to develop a COVID-19 Vulnerable Communities Policy and a COVID-19 Biosecurity plan for Telstra technicians to be able to support our customers and provide continuity of service during the pandemic. The plans outlined how Telstra world work safely in remote communities, with utmost importance placed on keeping these communities and our people safe from COVID-19. We trained our employees and contractors, provided support for intrastate travel and the adherence to the border and remote communities controls of each State and Territory to keep vulnerable and remote communities safe and connected.

We also delivered mobile and fixed line Internet connectivity to Belyuen through the Infrastructure Sustainability Co-Contribution Agreement (ISCA) Project in FY21. Another partnership between Telstra and the NT Government, this Project will also see Bulla received new mobile connectivity in early FY22.

This year, we announced we would contribute $24 million of our own funds in a co-investment with the Federal Government and third-party contributors, including state governments, to deliver 72 projects under the Regional Connectivity Program. These projects will begin to be rolled out in FY22.

We have also confirmed that we will be investing $150 million in FY22 to improve regional networks, and announced an additional $200 million co-investment fund for additional regional coverage improvement programs over the next four years.

Following the sale of 49 per cent of our InfraCo Towers business, we announced that $75 million of the proceeds would be invested to further build and deepen connectivity in regional Australia. Telstra will be guided by the recommend-ations of the Regional Telecommunications Independent Review Committee (RTIRC) in directing this investment.



Rural and regional engagement

We maintained our focus on connecting with regional and remote communities across the country to understand the impact of COVID-19 and to continue supporting their evolving connectivity needs.

A key focus for this year has been to maintain engagement with our regional, rural and remote communities and partners, and in turn help them to connect virtually. We continued to support and run Regional Advisory Councils (RAC) in Queensland, Victoria, Western Australia and New South Wales through virtual meetings. As restrictions ease these meetings are beginning to occur in-person, as was seen with our Queensland RAC's involvement with the triennial Beef Australia 2021 event held in Rockhampton.

We worked within COVID-19 restrictions to expand the number of CEO engagements with regional communities through virtual meetings. This included meetings with the Country Women's Association (CWA), the Isolated Children's Parents' Association (ICPA), and Telstra Foundation non-profit partner organisations, as well as facilitating open discussions with representative bodies from across Australia. At the start of 2021, CEO Andy Penn resumed to travelling to regional communities as travel restrictions eased, completing visits to regional Victoria, the Northern Territory and Queensland.

In February 2021 Telstra supported the launch of the National Farmers' Federation's (NFF) 'Regionalisation Agenda'. The Regionalisation Agenda outlines the benefits of regionalisation, explores the barriers to action, and contains practical recommendations to further regionalisation.

We supported the NFF's Toward 2030 Regional Forums, working with NFF and state farming groups to host meetings across each state and the NT to bring together industry and community leaders. Telstra was involved in each forum to outline what we are doing to bring technology and connectivity solutions to support this regional sector.

We also continued our active involvement with the Regional Australia Institute's (RAI) RAC 2031 committee and supported the launch of their Move to More campaign in March 2021.



Disaster preparedness and response

We know how important access to network connectivity is for communities, especially in times of crisis. We work extensively to prepare for disaster seasons, and in FY21 our priorities continued to be ensuring the safety of our people, protecting and maintaining our infrastructure, and keeping our customers (including emergency service organisations) connected.

This year, our assistance packages for customers affected by natural disasters included both short and long-term measures, including free use of Telstra public payphones and Telstra Air ® in affected areas, free call diversions, and additional data.

For those customers who suffered severe damage to or loss of their premises, Telstra also offered a one-off $500 credit to a customer's fixed phone account to help cover the costs of a Telstra fixed phone service connection at a temporary residence or re-connection at the customer's original permanent residence.

In FY21, we activated disaster relief and assistance packages in WA in response to the Perth Hills area bushfires and Cyclone Seroja, as well as in parts of New South Wales and Victoria in response to an extreme weather event that led to severe flooding. These packages assisted more than 3,600 customers to the approximate value of $1.1 million.

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

While we continue to communicate the risks associated with sole reliance on the mobile network, particularly in disaster-prone areas, we recognise the importance of network resiliency for our customers. That is why we have participated in the government's Strengthening Telecommunications Against Natural Disasters (STAND) program, where we are upgrading the auxiliary back up power for 341 Mobile Black Spot Program base stations, with over 200 sites completed as of 30 June 2021. A number of our Regional Connectivity Program projects will also specifically boost redundancy and capacity across areas including the Alpine region in eastern Victoria and King Island in Tasmania.

In addition, we have an ongoing program to improve battery life at our mobile network sites. This program focuses on battery replacement, power resilience and reliability and uses natural disaster risk to prioritise battery replacement. Since November 2020 we have replaced batteries at 280 sites, with a target of replacing up to 700 sites by the end of FY22.

Improving the Triple Zero Emergency Call Service

In FY21, Telstra collaborated with the Australian Government, state and territory emergency services organisations, and our industry peers, to develop Advanced Mobile Location (AML) – a technology that allows capable smartphones to send their location to emergency service organisations to help operators to work out where they're calling from. Read more about AML here.



Photo taken prior to the introduction of physical distancing requirements.

Developing digital ability

Older Australians

We know that older Australians are some of the most digitally excluded in the country. This year we continued to support Australian seniors through our digital literacy programs, giving those in regional areas, in particular, the opportunity to develop the skills and confidence to embrace digital technology.

We partner with state governments to deliver our Tech Savvy Seniors program and in FY21 provided 9,247 face-to-face and virtual digital literacy training places for older Australians. This is a decrease from previous years due to the impacts of COVID-19 on delivering face-to-face training, especially for older Australians.

An evaluation of the NSW Tech Savvy Seniors program by the Australian Continuous Improvement Group found the program is expected to generate a social return on investment of $6.64 for each $1 invested. This includes estimated benefits that are expected to accrue for three years beyond the program period.

Helping Seniors to connect through tech

We partner with the University of the Third Age (U3A), Public Libraries Victoria and the Department of Families, Fairness and Housing (DFFH) to deliver Social Seniors. Social Seniors is a series of workshops that have a 'learn by doing' approach to technology through digital storytelling. The program builds digital confidence and capability in older Australians, encouraging them to use technology to connect with family, friends and groups of interest. In response to COVID-19 and associated restrictions, the program design was refreshed this year to enable virtual delivery to become a part of the program's standard offering. In FY21, Social Seniors was run over 25 virtual sessions to 176 participants.



The Telstra Team visiting the Engawala community in the Northern Territory.

First Nations communities

As a major Australian telecommunications infrastructure provider, we play a key role in supporting First Nations Peoples to connect and thrive in the digital world. Digital inclusion is about using technology as a channel to improve skills, enhance quality of life, drive educational outcomes, and promote wellbeing across all elements of society. At Telstra, we believe that the benefits of the digital economy cannot be said to be shared equally when First Nations communities are still facing real barriers to online participation.

In FY21, we continued to offer programs within First Nations communities with the aim of improving digital inclusion by addressing barriers to digital ability. These programs include:

- inDigiMOB, a pioneering digital inclusion project established by First Nations Media Australia and Telstra. This year, inDigiMOB's digital mentoring and literacy programs reached 1,079 people across 24 remote locations in the NT. You can read more about inDigiMOB here.
- Deadly Digital Communities, a community-based digital literacy and technology training program in Aboriginal and Torres Strait Islander communities in Queensland. This year, the program was delivered in four communities with more than 600 people gaining new digital skills. This is a decrease from last year due to the impact of COVID-19 and access to community.
- Mobile My Way, an educational resource for remote First Nations communities focused on how to get the most out of their mobile service. We distributed almost 3,000 copies of this resource to community organisations that work directly with remote communities.

In FY21, we also committed to investing an additional $5 million over the next few years to extend the reach and impact of our digital inclusion programs for First Nations communities. For more information click here.

Tech for good

Telstra Foundation

Telstra Foundation is Telstra's registered, philanthropic charity in Australia with a vision for all Australians to be empowered through technology. Through the Foundation we focus on improving digital inclusion and enabling community action on climate change, in particular within diverse, vulnerable, and disadvantaged communities.

This year we partnered with 16 charity and social enterprise partners, committing $5.3 million through the Telstra Foundation to support community programs and partnerships. The Foundation also facilitated over $1.2 million in charitable donations from Telstra shareholders.

This year, the Telstra Foundation partnered with Expression Australia to launch Auslan Anywhere - a new interactive platform that provides instant access and demonstration of Australian Sign Language (AUSLAN). Created and operated by the Deaf community, the platform invites all Australians to learn the basics of the Deaf language and culture through easy and fun conversations. AUSLAN ANYWHERE is the culmination of three years' development, support and funding by the Telstra Foundation as part of the Tech4Good Challenge.



Telstra Foundation supported platform Auslan Anywhere connects Auslan learners to creators fluent in the language.



CEO Andy Penn judging the Young Change Agents Pitch Fest at Beef Australia 2021

Telstra Foundation and Australian Red Cross co-launch Humanitech Summit

Telstra Foundation and the Australian Red Cross co-launched the Humanitech Summit and workshop in May 2021. The virtual summit featured global thought leaders at the forefront of machine learning, human rights and frontier technologies discussing how technology can serve humanity and address our most pressing challenges. Keynote speaker Angie Abdilla, Founder and CEO of Old Ways, New, discussed the benefits of Indigenous Knowledge Systems and Country Centred Design to create a fair and hopeful future for everyone. Visit the Humanitech website for more information.

Through the Telstra Foundation, we also support projects that equip remote and disadvantaged communities to leverage digital technology to remedy and adapt to the effects of climate change. This year, the foundation funded a new partnership with Earthwatch, to help them engage more individuals, schools and organisations in its citizen science community education program. The program will encourage Australians to assist climate scientists by observing nature and using their mobile phones to upload photos of animals and plants via the ClimateWatch app.

In addition to funding, we bring people together through Telstra Foundation events and in online communities to share ideas about social and environmental changemaking. This movement also includes Telstra employees, who bring our Telstra values to life in communities across Australia through workplace giving.

This year, Telstra's data and analytics community, Helix, partnered with the Telstra Foundation to fuel new ways for non-profits to use data to innovate. Helix focuses on knowledge sharing, problem solving and skill development done through informal learning events and insights from industry experts. Through innovative virtual data-thons, employees helped Foundation partners Alannah and Madeline Foundation, Good Friday Appeal, and ReachOut solve various data challenges. In May 2021, we also hosted a special event to support our Moonhack initiative, tapping into the coding skills of our Data4good community to create new Code Club Australia lessons for kids around Australia. Visit the Code Club Australia website for more information.

Social and environmental innovation

This year has been one of the biggest in technology and digitisation for Australian companies and non-profits, Telstra included. In FY21, we updated our company-wide Innovation Strategy to reflect our current ambitions to help drive innovation-fostering external partnerships.

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

The possible applications of these technologies are vast, from making roads and airspace safer, to improving rural water management and hospital systems.

In FY21, we have collaborated across industry, private companies and Australian Governments to explore some of this potential.

To support safer roads, we partnered with the Queensland Department of Transport and Mains Road this year to deliver the Ipswich Connected Vehicle Pilot program, which will see 500 vehicles being retrofitted with V2X technology. This technology will allow the vehicles to communicate with road network infrastructure systems to alert the driver to potentially hazardous situations. We also partnered with Toyota Motor Corporation Australia (TMCA) and Japanese telecommunications operator KDDI Australia, to bring industry-leading connected-car capabilities to Australia. The partnership will enable 4G mobile network connectivity for selected TMCA vehicles, with an aim to make driving safer, easier and more economical through technology.

Telstra Heads up Helmet Project

While we have been working to connect Australia's roads to cars for some time, we have also begun exploring how we can use V2X to keep bike riders safe too. In partnership with Australian cycling start-up Arenberg, this year we created a connected bike helmet prototype that is 5G-enabled for our most vulnerable road users. For more information click here.

Emerging technologies are also helping make our skies safer. In partnership with the Greater City of Geelong, Thales and AUAV, Telstra Labs continued Low Altitude Airspace Management (LAAM) program trials over the first six months of FY21. The prototype air traffic management system is designed to make it easier to operate drones in smart city environments, demonstrating that a safe, secure and equitable airspace is possible. The innovative solution, which uses Telstra's 4G, 5G and IoT networks, awarded Telstra and our partners a finalist position in the Australian Association for Unmanned Systems (AAUS) Industry Champion Innovation Award 2021.

Telstra's Data Hub platform allows companies to securely share, view and exchange data that can deliver real benefits to their productivity. Some of the ways we have utilised this platform in FY21 include optimising rural water management with the Queensland government, developing digital farming solutions with Charles Sturt University, and collaborating on a data sharing and analytics ecosystem focused on understanding sudden cardiac death in young people for the Victor Chang Cardiac Research Institute.





Through Telstra Health, we aim to improve lives through digitally-enabled healthcare. In FY21, Telstra Health launched Kyra – a digital hospital platform developed specifically for the Australian health system – which supports clinical teams to deliver safe, high quality care and positive patient experiences. Kyra connects existing hospital systems into the health ecosystem, giving clinicians access to patient information in the right place, at the right time on their mobile devices. Over 100 hospitals use our Kyra 'Flow' solution for improving patient experiences and hospital safety and productivity, and over 5,000 health organisations are connected to the Kyra 'Connect' solution, which provides secure messaging between GPs, specialists, hospitals and other organisations that have permission to share patient information.

muru-D, our vehicle for engagement with the start-up community underwent some changes this year as part of our Innovation Strategy. Initially a start-up incubator, muru-D is now Telstra's avenue for partnering with start-up accelerators, universities, and other participants in the Australian start-up ecosystem. It will provide start-ups with access to our core technologies and work selectively with more mature start-ups on partnerships, as either a supplier to Telstra or as a go-to-market partner.

Strengthening our partnership with Microsoft

In FY21, we extended our partnership with Microsoft with a combined goal to deliver more innovative products for Australians to improve customer experience and engagement, solve business challenges, and drive a new level of technology leadership. For more information click here.

Enabling real-time water management

This year, we also announced a 15 year partnership with Yarra Valley Water in Victoria to provide one million industrial IoT services on our IoT network, which will enable real-time data collection and improvements in water management. For more information, click here.



Environmental action

Approach



Our environment strategy

As Australia's leading telecommunications and technology company, and a large user of energy, Telstra has an important role to play in addressing climate change and the many environmental challenges we face. We recognise that climate change and environmental sustainability are the defining challenges of the decade and we have a responsibility to act. We are committed to leading by example and using our scale and voice to help drive better environmental outcomes.

Our latest Environment Strategy is aimed at accelerating our ambition to tackle climate change by reducing our emissions in our day-to-day operations, purchasing carbon offsets to counteract emissions, and creating a more sustainable future by using resources more sustainably and efficiently.

We are also driven by the opportunity to make a difference beyond our business by encouraging and enabling our customers, suppliers and communities to do the same.

Our Strategy is underpinned by a strong foundation of reporting and disclosure, and environmental risk and compliance framework. This includes maintaining our CDP (formerly Carbon Disclosure Project) leadership and reporting on climate-related impacts to our business in alignment with the UN-backed Taskforce on Climate-related Financial Disclosures (TCFD).

Our strategic approach

Principles	Lead by example	Reduce our impact	Drive change from the inside out	Enable our customers & economy	Ensure resilience of our services

Pillars

Goals

Activities

Climate change and energy use

- Carbon neutral in our operations from 2020
- Enable 100% renewable energy generation equivalent to our consumption by 2025
- Reduce our absolute emissions by at least 50% by 2030

Activities: Decarbonise Telstra; Decarbonise Grid; Decarbonise Economy; Adapt to Climate Impacts

Resource efficiency

- Reuse or recycle 500,000 mobile phones, modems and other devices each year to 2025
- Ensure 100 per cent of Telstra branded packaging is made of renewable or recycled material and is fully recyclable by 2022
- Increase our network waste recycling rate to 85% by 2025

Activities: Create more sustainable products; Create more sustainable packaging; Recover network technology; Improve waste & recycling

Foundations

Reporting & disclosure
Managing environmental risks & compliance

Climate change and energy use

We believe we have a responsibility to act, lead by example and use our voice to help address climate change. We believe it's the right thing to do and we've set three climate change goals that reflect our overall ambition:

Our climate change and energy use goals:

Carbon neutral in our operations from 2020, which we achieved in July 2020 through one of Australia's largest ever carbon offset purchasing programs

100% renewable energy generation equivalent to our consumption by 2025

Reduce our absolute emissions by at least 50% by 2030



The Telstra organisation achieved carbon neutral certification in July 2020 under the Commonwealth Government's Climate Active program and will maintain our certification each year going forward. We are committed to maintaining carbon neutrality in our operations, and are also focused on improving the energy efficiency of our network sites, exchanges and data centres to reduce our overall energy use and help contribute to our other climate ambitions.

Our emissions reduction target is based on our commitment to achieve net zero GHG emissions by 2050 in alignment with the Paris Agreement. We plan to achieve at least a 50 per cent reduction in absolute emissions by 2030 through a range of initiatives, including increasing investment in our energy efficiency program and new technologies, and, building climate change considerations into long-term business planning. We will also benefit from the progressive decarbonisation of the electricity grid as the uptake of renewables grows.

In an interconnected energy grid, new renewable generation has the effect of decarbonising the grid for everyone. To support this, by 2025 Telstra will own or contract renewable energy generation in Australia for output equivalent to 100 per cent of the energy we consume in Australia, including across our network, buildings and data centres.

This commitment builds on our work to date in underwriting Australian renewable energy generation via Power Purchase Agreements.

To achieve our climate change and energy use goals we will focus on:

Decarbonising Telstra by becoming more energy efficient, reducing our consumption, and investing in renewable energy

Decarbonising the grid by investing in renewable energy and helping our customers access renewables for their energy needs

Decarbonising our economy by improving the efficiency of our products and investing in technology that helps to address our most significant environmental challenges

Adapting to climate impacts by using the best available science to understand these impacts so we can build resilience into our decision making, products and infrastructure.

Resource efficiency

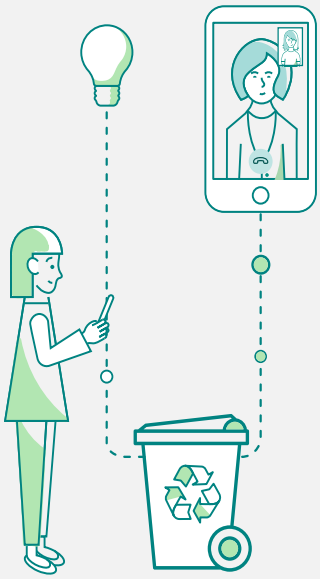
As a leading provider and large-scale user of telecommunications hardware, we are committed to optimising the resources we use, reducing consumption and waste across our business, and investing in 'circular solutions' that are designed to be sustainable across their lifecycle. To do this, we have set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

Our resource efficiency goals:

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

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

Increase our network waste recycling rate to 85% by 2025



To achieve these goals we will focus on:

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

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

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

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

Governance

The Board is responsible for overseeing Telstra's approach to sustainability (including environment) and monitoring its performance, including overseeing the way in which Telstra gives appropriate consideration to the interests of stakeholders, and approving Telstra's key external environmental targets and disclosures under the TCFD framework. During FY21, the Board received progress updates on the implementation of our Strategy and assessment of our resilience to climate change impacts. The Board also approved our new resource efficiency targets and Telstra entering the energy retail market. The Audit & Risk Committee (ARC) reviews reports from management on Telstra's climate related risks and the risk management plans that management has put in place to deal with those risks, and makes recommendations to the Board on Telstra's key external environmental targets and disclosures under the TCFD framework.

The CEO, together with the senior management team (collectively the CEO Leadership Team, or CEOLT), is responsible for the development and implementation of our Environment Strategy. The Environment Executives Group provides leadership on Telstra's environmental ambition, determines key priorities, and executes management decisions on environment-related matters. This includes making recommendations to the CEOLT.

Risk management

Telstra's risk management framework provides the foundations and key processes for identifying, assessing and managing environment risks, including climate change. We continue to monitor and assess both current and emerging environmental risks and opportunities and incorporate risk mitigations into our business planning. Climate change is a material topic for Telstra and we are working to mitigate and adapt to its impacts through our Environment Strategy.

For more information on our risk management framework and how we manage risk, see the FY21 Corporate Governance Statement.

Compliance

Protecting the environment remains a key priority and we have set minimum performance standards for managing current and emerging environmental issues. These are defined within our Global Health, Safety, Wellbeing and Environment (HSWE) Management System, which is certified to the International Standard ISO14001:2015. This applies across Telstra's operations globally including our contractors, suppliers and wholly-owned subsidiaries. We continue to review and improve our environmental management system in response to current and emerging environmental requirements, changing legislation and increasing shareholder, customer and community expectations.

As a minimum standard, Telstra seeks to comply with all operationally relevant and applicable environmental laws. We have not been prosecuted for, or convicted of, any significant breaches of environmental regulation during FY21.

Industry associations and the valuable role they play

We are a member of a number of industry associations that provide value to our business, industry, the economy and community more broadly. These associations provide access to the latest industry insights around key societal issues, including the environment. They have an important role to play in developing effective policy, regulation and industry standards.

We conducted a review of our alignment with our key industry associations' positions in relation to climate change for the period 1 November 2019 to 30 June 2021. The review found there was broad alignment between Telstra's position and that of our industry associations. We continue to work with our key industry associations on environmental matters, and remain aligned on material climate change issues. We will continue to monitor our memberships to ensure we remain aligned on climate change and energy policy.

Our commitment to transparency

We have aligned our reporting with the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD) and will continue to enhance our climate-related disclosures to reflect our response in managing the impacts of climate change. For more information see our TCFD reference table and TCFD appendix.

For a detailed breakdown of our environmental performance data, see the 2021 Sustainability Report Data Pack.

We have engaged Ernst & Young (EY) to provide limited assurance over a selection of our FY21 environmental performance data. For an overview of the metrics included in the assurance, see EY's Assurance Statement.

Progress



FY21 progress against targets

Strategic focus area	Headline targets	SDG priorities alignment	Progress	More info
Climate change and energy use	Carbon neutral in our operations from 2020 and maintain ongoing certification	Goal 13	● Maintained certification as a carbon neutral organisation for 2021	Page 65
	Enable renewable energy generation equivalent to 100 per cent of our consumption by 2025	Goal 13	◖ Announced our third power purchase agreement, adding to existing agreements with Murra Warra Wind Farm and Emerald Solar Farm	Page 68
	Reduce our absolute emissions by at least 50 per cent by 2030	Goal 13	◖ Reduced our GHG emissions by 11 per cent from FY19 baseline	Page 67
Resource efficiency	Reuse or recycle 500,000 mobile phones, modems and other devices each year to 2025*	Goal 12	◖ Reused or recycled 392,229 customer mobile phones, modems and other devices	Page 71
	Ensure 100 per cent of Telstra branded packaging is made of renewable or recycled material and is fully recyclable by 2022	Goal 12	◖ Launched new branded packaging that includes recycled cardboard material	Page 72
	Increase our network waste recycling rate to 85 per cent by 2025	Goal 12	◖ Increased our network waste recycling rate to 65 per cent including recycling of nearly 4,000 tonnes of waste	Page 73

● Achieved
◖ In progress
○ Not achieved

* Note that the target was announced in May 2021. In FY21 we have reused or recycled 392,229 devices via the MobileMuster program, Telstra's Repurpose & Returns program and the PonyUp program. Our progress towards achieving this target is not limited to these programs. We will continue to include and report other programs that contribute towards achieving this target.

Climate change and energy use



This year we have improved the energy efficiency of our network to reduce emissions, purchased carbon credits to counteract our remaining emissions, and invested in renewable energy power purchase agreement (PPAs) to decarbonise the electricity grid. We've also developed products and services to enable emissions reductions for our customers and implemented climate adaptation plans to ensure the resilience of our network to extreme weather events.

To support our climate change commitments, and challenge our peers to join us in taking more direct action on climate change, we have also joined the United Nations Global Compact's Business Ambition for 1.5°C this year, and pledged that we will help to limit global temperature rise to 1.5°C above pre-industrial levels.

Decarbonise Telstra

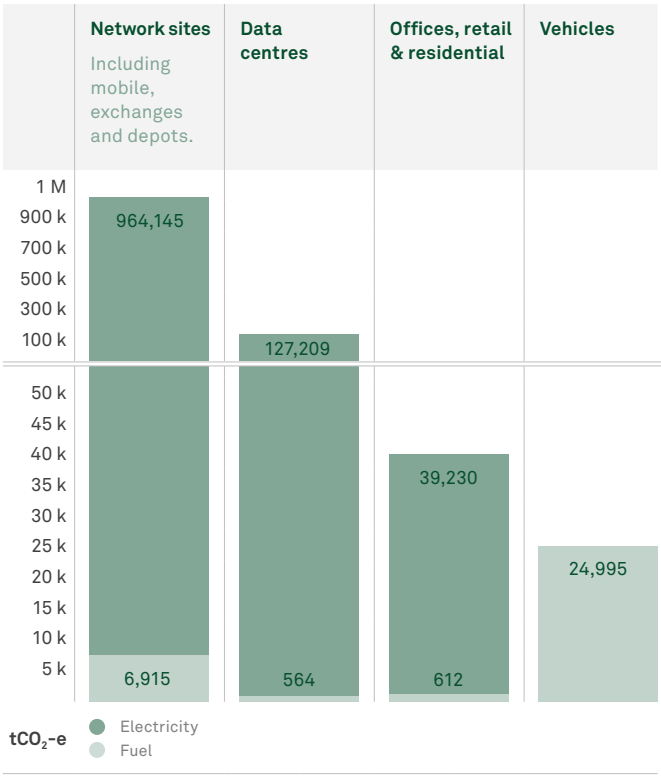
In FY21, we achieved a seven per cent reduction in our scope 1 and 2 GHG emissions compared to the previous year and have achieved a cumulative 11 per cent reduction against our baseline year of FY19. This has been achieved through improving our network energy efficiency, accelerating decommissioning of legacy technology and reducing emissions intensity of the electricity grid as the use of renewable energy increases.

Greenhouse gas emissions (Scope 1 and 2)

	FY19	FY20	FY21
Greenhouse gas emissions[1] (tCO_2-e)	**1,306,495**	**1,247,050**	**1,163,669**
Australia	1,237,452	1,180,531	1,110,879
International	69,044	66,519	52,790

1 GHG emissions are calculated using the latest emission factors at the time of reporting. Scope 1 and 2 emissions include Telstra's Australian and International emissions activity.

FY21 greenhouse gas emissions (Scope 1 and 2) by category

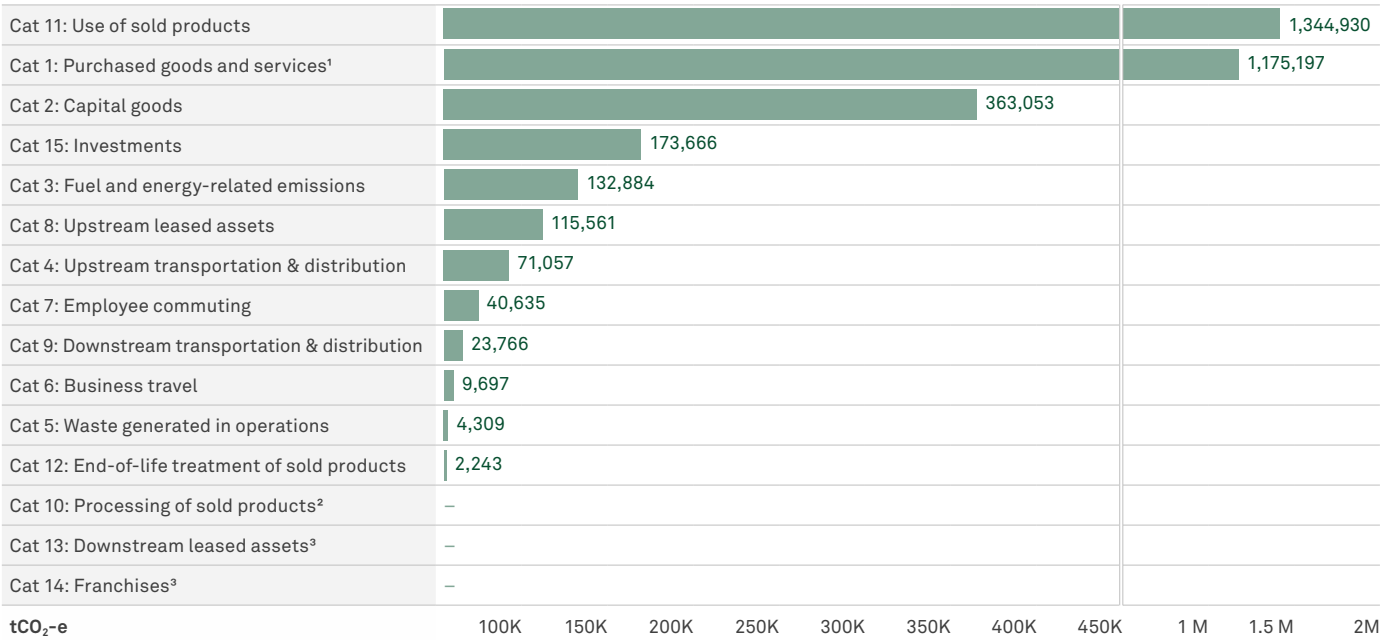


Given that the majority of the expanded scope 3 data is based on spend in our supply chain, there is a lag in reporting as it takes time to extract, manipulate and verify this data. We continue to partner with our suppliers to improve the data quality of our supply chain emissions to better manage and reduce our overall scope 3 emissions footprint.

In alignment with our carbon neutral goal we continued to purchase carbon offset credits to counteract our emissions and in FY21 we maintained certification as a carbon neutral organisation under the Commonwealth Government's Climate Active program.

In FY21 we purchased a further 855,000 carbon credits with 75,000 coming from projects within Australia. Over the last two years we have purchased over 3.4 million credits, which included a six-fold increase in the number of Australian carbon credit units from FY20 to FY21.

FY20* scope 3 greenhouse gas emissions by category



* Given that the majority of the expanded scope 3 data is based on spend in our supply chain, there is a lag in reporting as it takes time to extract, manipulate and verify this data.



Photo taken prior to the introduction of physical distancing requirements.

Our Australian partnerships included First Nations savanna burning projects such the Southern Aurukun Savanna Burning Project and Batavia Savanna Burning Project in Queensland and the Wunambal Gaambera Uunguu Fire Project in Western Australia. These projects combine traditional knowledge in how to read country and knowing when to burn with high-tech hardware to perform targeted patchwork burning early in the dry season when vegetation still contains some moisture. This reduces greenhouse gas emissions from high intensity, uncontrolled fires later in the season when the country is drier.

For more information on the emissions we are offsetting and the carbon offset projects we are investing in, see Telstra's Climate Active Public Disclosure Statement.

Electricity consumption from our network, offices and other buildings accounts for around 97.2 per cent of our total FY21 GHG emissions (scope 1 and 2). We strive to reduce energy consumption across every aspect of our business through a careful program of planning, equipment monitoring and energy productivity optimisation.

Our network sites, including exchanges and data centres, are our largest consumers of electricity. This year we invested $8.6 million in energy reduction projects that delivered a collective saving of 18,537 tCO_2-e and more than 19,335 MWh of electricity per annum. In addition to our energy reduction projects we saved a further 22,138 tCO_2-e and 23,965 mwh through decommissioning network equipment.

For a detailed breakdown of our GHG emissions and energy consumption, please refer to our 2021 Sustainability Report Data Pack.

FY21 energy reduction initiatives

Where possible we're transitioning our Telstra fleet vehicles to hybrid models to reduce our fleet emissions. In FY21 we introduced 256 hybrid vehicles to our fleet to replace large legacy station wagons, which has contributed to a 33 per cent fuel reduction for our operational vehicle fleet.

Initiative	Description	Annual savings (MWh)
HVAC optimisation	We conduct physical inspections of our network sites to identify faults affecting power consumption and review equipment performance to identify optimisation opportunities.	2,500
Building services energy efficiency upgrades	Our capital works program includes the installation of fresh air cooling systems, high efficiency chillers, electronically commutated fans and lighting upgrades.	15,761
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.	1,074
Total		**19,335**



Managing our scope 3 emissions

We recognise that we have a responsibility to contribute to reducing the GHG emissions produced by our partners, suppliers and customers using our products – our scope 3 emissions. Scope 3 represents Telstra's largest emissions source, making up 73 per cent of our total footprint.

Understanding where our scope 3 emissions are coming from is the first step towards reducing them. To better gauge our scope 3 emissions and our holistic environmental impact we've partnered with CDP through their Supply Chain Program to engage our suppliers to better account for and address their climate change impacts. Since June 2020, 89 per cent of our top 100 suppliers have disclosed their environmental impacts to Telstra via CDP. For more information click here.

Through the insights we have gained from the CDP supply chain program and engaging with our suppliers, we have identified a number of priority categories, suppliers and products crucial to reducing our scope 3 footprint. For example, two categories represent approximately 73 per cent of Telstra's scope 3 emissions; category 1 – purchased goods and services and category 11 – use of sold products.

Within these categories, we have identified that a few key suppliers and products contribute the majority of emissions. We are working with these suppliers to explore emissions reduction targets and transitioning to renewable energy for the services they provide to Telstra. We are also working with suppliers to undertake life cycle assessments (LCAs) of our key products (e.g. modems) to understand the GHG emissions from product manufacture, use and disposal and identify further opportunities to reduce the emissions of our products over time. For more information regarding how we work with our suppliers to reduce their carbon footprint, please see the Supply chain section of this report.



Decarbonise the grid

Telstra is focused on decarbonising the grid through greater investment in renewable energy, thereby displacing non-renewable energy in the grid.

This year we completed our third Power Purchase Agreement (PPA), adding to our existing PPAs in respect of the Murra Warra Wind Farm and Emerald Solar Park.

The long-term PPA with Global Power Generation (GPG) to build Crookwell Stage III in New South Wales, announced in June 2021, will start pumping on average 58 MW of wind-powered renewable energy into the grid in 2023. Under this long-term agreement, Telstra will pay a fixed price for the majority of the energy produced over the term of the agreement. Combined, the renewable energy purchased by Telstra from the Murra Warra Wind Farm, Emerald Solar Farm and the Crookwell Wind Farm is the equivalent of displacing the electricity used by more than 150,000 homes each year.

Decarbonise the economy

The energy used by Telstra devices, including modems, comprises approximately 39 per cent of our scope 3 emissions. Part of our role in decarbonising the economy is therefore to ensure we actively identify opportunities to reduce the energy consumption of our devices. In FY21 we initiated a program to engage our modem manufacturers to incorporate greater energy efficiency requirements into future modem designs with the end result aimed at reducing our customers' emissions and energy use.

We also worked with partner organisations this year to support action on climate change. We teamed up with Deloitte to help the St Vincent de Paul Society, Victoria, on their journey to become certified carbon neutral. We know from our own experience that going carbon neutral requires a detailed understanding of your operations, a strong knowledge of how to source ethical and high-quality offsets, and proper governance and due diligence. We provided Vinnies Victoria some guidance on what we learned through our own certification process and look forward to working with more organisations who are committed to going carbon neutral.

Adapting to climate impacts

The physical impacts of climate change can be acute (such as changes in the severity and frequency of weather events) or chronic (where the focus is on longer-term shifts in climatic patterns, such as rising sea levels). Climate change has the potential to damage our physical assets, affect our supply chain and disrupt services to our customers.

In FY21 we completed an initial scenario analysis to better understand the potential impacts of climate change on our business across these three key areas – infrastructure and assets, supply chain, and customers. We developed three climate-driven scenarios out to 2050 and used these scenarios to test the resilience of our physical infrastructure across a variety of time horizons, ranging from short (up to three years), to medium (three to ten years) and longer term (greater than ten years).



Key framework and parameters for scenario analysis

Telstra scenarios	Scenario 1 Accelerated action Less than 2°C	Scenario 2 Divided world 2-3°C	Scenario 3 Changed climate Greater than 4°C
Telstra climate scenario narrative	Global co-operation to decarbonise driving low emissions, innovation and technological solutions	Fragmented decarbonisation and low economic growth with trade barriers and regional conflict	Limited decarbonisation most challenging to adapt, economic and social development continue to heavily rely on fossil fuel resources
Representative concentration pathway[1]	RCP 2.6	RCP 4.5	RCP 8.5
SSP – Shared socio-economic pathways	SSP1 Sustainability (Taking the Green Road)	SSP3 Regional Rivalry (A Rocky Road)	SSP5 Fossil-fuelled Development
Global temperature range (2100)	1.5°C to 2° C	2°C to 3°C	More than 4°C

We are working towards refining our assessment of the potential long-term financial impacts of climate change on our business, and embedding climate change considerations in our planning.

1 Representative concentration pathways from the Intergovernmental Panel on Climate Change 5th Assessment Report

Infrastructure and assets

Planning and preparing for future climate hazards will not only require greater investment to safeguard the resilience of our nnetwork, it's also likely to incur increased operating and maintenance costs for our assets. This is because more frequent and or severe climate hazards may result in service disruptions for our customers, higher costs for repair or replacement of assets, and delays in our ability to respond and recover quickly from disruptions.

Based on our initial analysis of our key infrastructure assets, approximately 35 per cent of those assets analysed are currently exposed to at least one climate hazard. Under the Changed Climate scenario, this is expected to increase to 55 per cent by 2050. In addition, five per cent of assets are currently exposed to more than one hazard, and this is forecast to increase to 15 per cent under the Changed Climate scenario.

To adapt to climate hazards, we have taken steps to update and revise our standards across the business. This includes updating our climate exposure threshold criteria to determine the natural disaster risk exposure for network sites, revising our building standards for new mobile huts, and reviewing our battery lifecycle replacement program to better consider disaster prone locations.

Supply chain

Most of our strategic critical suppliers' own supply chains are in Asia, where our physical climate risks (such as cyclones, flooding, heat stress and water stress) are concentrated. Our supply chain has been assessed as currently resilient because of business continuity plans, alternative suppliers, a high stock on-hand threshold for devices and network equipment, and in-sourcing of critical work. In addition, our strategic critical suppliers have their own risk mitigations in place such as alternative production regions, alternative logistics solutions and mobility of service workers.

For suppliers that provide critical goods or services to Telstra, we consider their geographical location and engage with them to mitigate risks and enhance their ability to adapt to climate change. Where appropriate, we may also consider supplier diversification. We use the climate scenario outputs to understand supplier resilience and preparedness and to inform decision making when engaging new suppliers.

For more information on our scenario analysis and climate risks and opportunities with regard to supply chain, see the TCFD Appendix.

Transition impacts – customer impacts

Our initial analysis indicates that our business remains resilient in all three climate scenarios. However, expectations regarding our sustainability program will continue to increase as climate impacts become more evident. Our Environment Strategy commitments to reduce our emissions footprint, adapt to climate impacts and move towards more circular solutions position us well to navigate climate transition impacts.

We also continue to support customers as they transition to a changed climate. For example, we have partnered with the Queensland Department of Agriculture and Fisheries, Pessl Instruments and the Bureau of Meteorology on a pilot project to help agribusinesses better understand and forecast hyper-local weather using our Internet of Things (IoT) mobile network, which covers four million square kilometres of Australia.

For more information on our scenario analysis and climate risks and opportunities, see the TCFD Appendix.



Resource efficiency

This year we have trialled an expansion of our device recycling services to enable our customers to conveniently recycle their unwanted devices (including modems) and we have updated our Telstra branded packaging with recycled and renewable material to increase recyclability. We also identified new opportunities to recover equipment from our network for further use or for recycling – so those materials can re-enter the circular economy.

Sustainable products

Australians are storing an estimated 38 million[1] electronic devices in their homes. We want to make it easier for this technology to re-enter the economy for reuse or recycling. We are designing more circular solutions for our products so that we can keep materials in circulation for as long as possible. We do this by recovering materials for recycling then using the recycled material in the manufacture of new products. As part of this ambition we are aiming to reuse or recycle 500,000 mobile phones, modems and other devices each year to 2025. We are committed to doing our part by helping our people and customers to responsibly dispose of devices they no longer need. This is all part of creating a more circular economy for materials - including the precious metals in phones, tablets and other electronic devices that our customers rely on to access our network.

We are helping our customers reduce the number of unwanted devices in their homes and businesses by providing more convenient reuse and recycling options. In May 2021, we kicked off a three-month trial to enable our customers and community members to ensure certain devices they no longer need are reused or recycled responsibly. This is an extension of our 22-year partnership with MobileMuster, Australia's only voluntary, government-accredited mobile recycling scheme, which now sees us able to collect landline phones, modems, routers, tablets, Telstra TV streaming boxes, smart home technology, wearables, gaming devices and IoT devices as well as smartphones at participating Telstra stores across the country[2].

We also want to make it easier for our customers to recycle their tech when engaging with our field customer technicians (CTs) so in May 2021 we launched a CTMuster trial program, enabling our technicians to collect and recycle customer devices and field equipment through a simplified recycling program. We are also partnering with Moorup to recover 3G devices and other technology that people no longer want. These devices are cleared and either resold in markets where 3G remains operational, or responsibly recycled through MobileMuster.

This year we collected more than 392,229 devices from customers to be repurposed, reused or responsibly recycled. Examples include:

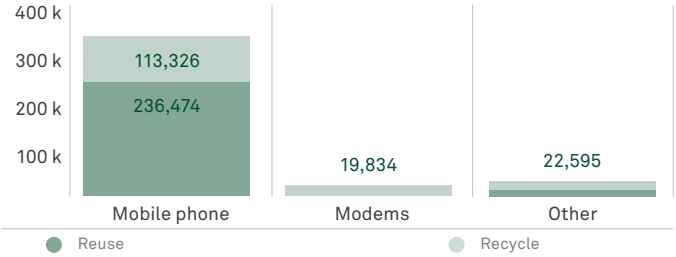
- We repurposed more than 251,443 customer devices that had reached end of life, were used and or obsolete
- We worked with Original Equipment Manufacturer (OEMs) to collect 10,581 of returned devices for refurbishment. We can utilise this stock as customer replacement devices in instances of warranty returns
- In partnership with Kingfisher Mobile Australia, we empowered customers to trade in old and out-of-contract devices for credit on their Telstra service
- We recycled 114,178 devices[3] through MobileMuster

Noting that this target was announced in May 2021, we have reused or recycled 392,229 mobile phones, modems and other devices this year via the MobileMuster program, Telstra's Repurpose and Returns program and the PonyUp program. Our progress towards achieving this target is not limited to the above programs. We will continue to include and report other programs that contribute towards achieving this target.

Recovering equipment from our enterprise customers

We partner with social enterprise PonyUp for Good to recover Telstra rental phone handsets for reuse or recycling. PonyUp then donates 50 per cent of profits to SecondBite, Australia's largest fresh food charity. Our PonyUp partnership kept 7,465 devices of old technology out of landfill this year. Fifty-seven per cent of this old technology was reused or resold, resulting in 39,840 fresh meals being donated through SecondBite.

Number of devices reused / recycled



1 Estimated number of electronic products stored in Australian homes sourced from MobileMuster.
2 Find out more about MobileMuster's Electronic waste recycling trial here - Electronic waste recycling trial - MobileMuster
3 For the MobileMuster program, a mobile phone and the battery contained within the device is considered a single unit as do stand-alone device battery units.

Sustainable packaging

Every year, we use 1.4 million kilograms of packaging to deliver our products to customers. We know some of this ends up in landfill and this is something we continue to address and improve.

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

Our progress in this area was recognised at the 2020 Transform Awards with Gold for the Best Use of Packaging and at the 2020 Australian Graphic Design Awards with a Distinction in the Design for Good / Environmental Responsibility category. Since 2020, we have been optimising our use of materials across three of our biggest product categories (fixed broadband, mobile phones and SIM/phone kits), reducing material weight and packaging and avoiding unnecessary waste to landfill.

Our New Smart Modem 2 Packaging

The Telstra Smart Modem 2 has had its packaging optimised for sustainability, reducing the paper packaging used from two sheets to one half sheet. The packaging design team have transformed how the packaging folds around the modem, minimising waste, while also ensuring the product is protected. The design has transformed the unboxing experience, guiding customers through each step of activating the modem in simple, easy to understand steps. These changes have driven a 75 per cent reduction in packaging materials – which will save approximately 258 tonnes of packaging across the 1.1 million Telstra Smart Modems shipped annually. This also enables an additional 33 per cent of product to be packed on to shipping pallets, making transport more efficient. Read more on Telstra Exchange.



Improving waste and recycling

To increase our network waste recycling rate to 85 per cent by 2025, we are working with industry partners and customers to recover technology for reuse and recycling. This includes optimising the bin profiles at our sites, 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.

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. We also ran 'Clean Up Exchange Days' at 172 network sites to recover outdated and obsolete technology and other waste from our network for reuse, recycling or disposal.

Waste reported includes operational, construction and demolition, hazardous and e-waste.

Waste from network sites (tonnes) and recycling (per cent)

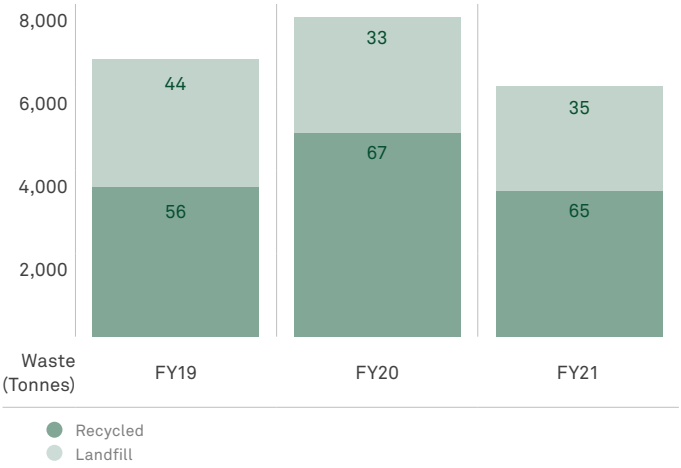




Photo taken prior to the introduction of physical distancing requirements

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 where we can feed these materials back into our operations or the circular economy.

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

For further enquiries, email us at sustainability@team.telstra.com