Telstra's Environment Strategy

Harnessing technology to accelerate action on climate change and improve environmental sustainability.

Our Environment Strategy is about accelerating our collective ambition to tackle climate change and create a more sustainable future by using resources more efficiently.

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 urgent environmental challenges we face.

We are also driven by the opportunity to make a difference beyond our business by harnessing our innovation and technology to encourage and enable our customers, suppliers and communities to become more environmentally sustainable.

"Climate change is the defining challenge of the 2020s. The science is clear. Climate change, driven by greenhouse gas emissions, is creating risks that impact our economy, our environment, our communities and each of us individually."

Andy Penn – Telstra Chief Executive Officer

An ambitious program to address climate change

We know that because of our scale and the impact we can have, Telstra has a responsibility to act, to lead by example and to use our voice to help address climate change. We believe it's the right thing to do.

Our climate change and energy use goals:
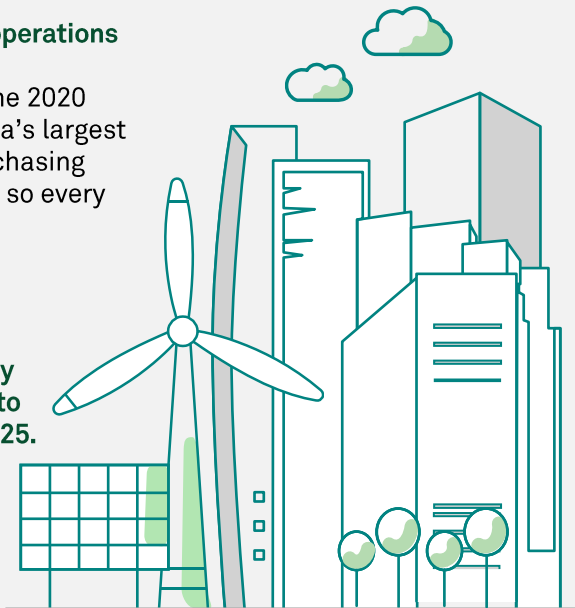
Carbon neutral in our operations from 2020.
We achieved this in June 2020 through one of Australia's largest ever carbon offset purchasing programs – and will do so every year moving forward.

100% renewable energy generation equivalent to our consumption by 2025.

Reduce our absolute emissions by at least 50% by 2030.

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.

Using resources more sustainably and efficiently to create a circular economy

As a leading provider of telecommunications hardware - to customers and across our network - we have a role to play in maximising the value of the resources we use, reducing consumption and waste across our business, and investing in 'circular solutions' that are designed to be sustainable across their lifecycle.
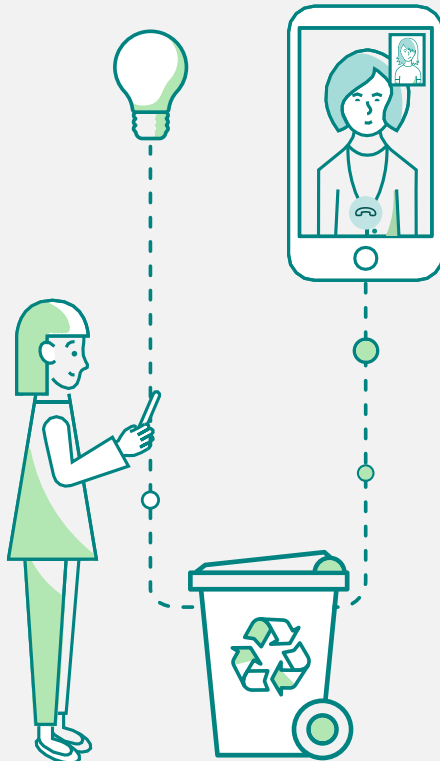
Our **resource efficiency goals**:

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

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

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

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

Creating more sustainable products
By implementing sustainable and circular design principles and providing our customers with convenient reuse and recycling options for their devices.

Using more sustainable packaging
By increasing recycled content, eliminating plastic and ensuring our customers can 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 industry to recover more waste materials to re-use.

How we will achieve our ambitious goals

Climate change and energy use goals

Decarbonising Telstra

- Purchase carbon offsets to counteract our emissions
- Increase energy efficiency of our network, increase renewable energy use and accelerate the decommissioning of old equipment
- Partner with suppliers and empower employees to support their decarbonisation journey

Decarbonising the grid

- Invest in large-scale renewable energy projects (e.g. via Power Purchasing Agreements)
- Increase the generation of renewable energy on our infrastructure
- Report and disclose our activity against our 100% renewable target

Decarbonising our economy

- Invest in products that reduce energy use and emissions
- Educate our customers and the community on the decarbonising impact of our products and services
- Advocate for greater community action on climate change

Adapting to climate impacts

- Enhance the resilience of our assets to reduce the impacts of climate change
- Prepare our supply chain to minimise disruption related to climate change
- Pursue opportunities related to climate adaptation

Resource efficiency – Key Actions

Creating more sustainable products

- Expand reuse and recycling options for our customers to conveniently and securely dispose of unwanted Telstra products
- Implement a circular and sustainable design guide for Telstra-branded products to increase the use of recycled materials and make them easier to recycle
- Share the sustainability credentials of our products with our customers

Using more sustainable packaging

- Implement sustainable packaging principles for all Telstra-branded products
- Optimise Telstra-branded packaging design, reduce packaging materials, eliminate unnecessary plastic use and increase the proportion of recycled material in our packaging to more than 90%
- Develop supplier packaging requirements and form partnerships to create closed loop packaging systems

Recovering e-waste and network technology

- Recover e-waste as we upgrade our network and identify reuse opportunities for legacy technology
- Work with suppliers to extend the lifetime of our network technology
- Explore opportunities to recycle industry specific equipment

Improving waste and recycling

- Use technology to understand and map waste types and flows to reduce waste sent to landfill
- Partner with industry to recover more waste materials for reuse and work to resolve problem waste streams
- Rationalise and standardise waste management services across Telstra's network

Delivering on our ambition

To deliver against the six goals of our Environment Strategy, we are focusing on **five key areas** where we can make the biggest difference:

1

Leading by example
Holding ourselves accountable in terms of our own targets and providing support to others. We will contribute to the broader conversation and advocate on environmental topics important to Telstra and our stakeholders.

2

Reducing our impact
Accelerating action to reduce our environmental impact and emissions on an absolute basis through integrating environmental considerations into our business processes.

3

Driving change through our employees and suppliers
Empowering, encouraging and supporting our employees and suppliers to take action to reduce environmental impacts and address climate change.

4

### Enabling our customers and communities to improve their sustainability
Providing more sustainable products, services and packaging, that can help our stakeholders reduce their own environmental impact and emissions.

5

Ensuring the resilience of our services
Preparing our business for the impact of climate change to ensure our network continues to operate.

Our Environment Strategy is also underpinned by a strong foundation of reporting and disclosure, and environmental risk and compliance management. 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).
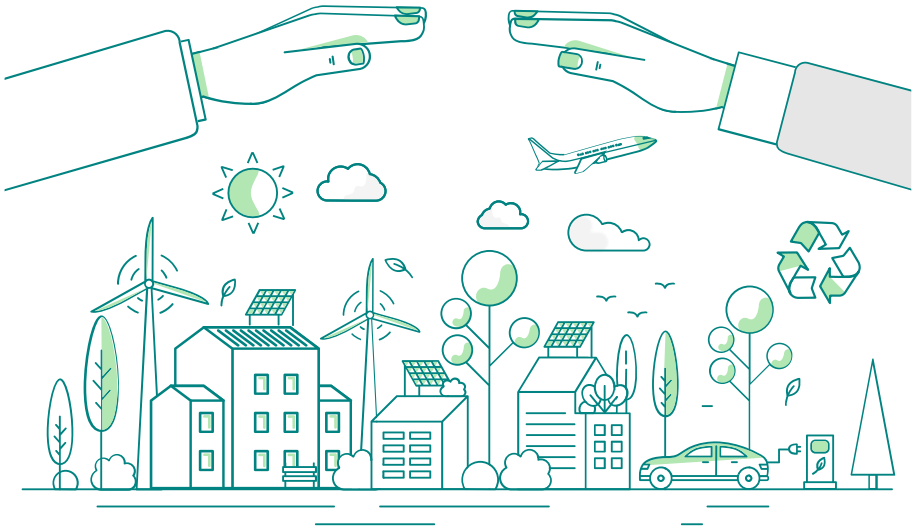
Looking ahead

We recognise that to be a sustainable business Telstra must both reduce our emissions to help tackle climate change and use resources more efficiently, while also helping our customers, suppliers and the community to do the same.

We do not have all the answers, but our intent is clear, our ambition is set and we are committed to action.

Everyone has a role to play in tackling climate change and improving our collective sustainability. It doesn't matter who you are, actions you take can make a difference.

To find out more about Telstra's new Environment Strategy, and how you can reduce your impact on the environment, go to www.telstra.com.au/sustainability.