Our Approach to Nature Action

2026

Acknowledgement of Country

We recognise and acknowledge the existing, original and ancient connection Aboriginal and Torres Strait Islander peoples have to the lands, waterways and sky country across the Australian continent. We pay our respects to their Elders and Ancestors.

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

About the artwork 'Connection'

Created by Bobbi Lockyer, a passionate Aboriginal artist hailing from Kariyarra Country in Port Hedland. This artwork represents Telstra's commitment to its customers, community, and the power of connection. The artwork combines the hand painting storytelling and symbols of the oldest continuous culture in the world with the modern digital graphic design of the satellite sky.

Terms used

Throughout Our Approach to Nature Action, the terms Aboriginal and Torres Strait Islander and First Nations are used interchangeably to reference Australia's First Peoples. The term Indigenous is used where it relates to a program name or is a preferred term.

Contents

Forward-looking disclaimer

This document includes forward-looking statements which are provided as a general guide only. They reflect expectations which involve risks, uncertainties and other factors which may be beyond Telstra's control. Telstra disclaims all responsibility for the currency, accuracy, reliability and completeness of the forward-looking statements to the maximum extent permitted by law. Readers should not place undue reliance on these statements, and Telstra gives no representation, warranty or other assurance in connection with them.

Responsible use of artificial intelligence

Some of this content was created with the support of artificial intelligence (AI). We used human judgement and our established governance and assurance processes to verify and confirm the content.

Overview

- Nature is a material economic asset. Biodiversity loss and ecosystem degradation are rising risks to over half of global gross domestic product (GDP) which relies on nature.
- At Telstra, we interact with nature through our network footprint (land, freshwater, ocean and atmosphere) and across our value chain.[1] We also depend on nature, including water for cooling, raw materials in technology and products, and for a stable climate.[2] Our reliance on nature is intertwined with our work to provide reliable, resilient communications to our customers and deliver our Connected Future 30 strategy.
- This paper focuses on Telstra's nature-related dependencies, impacts, risks and opportunities (DIROs). Our approach is guided by our commitment as an Early Adopter of the Taskforce on Nature-related Financial Disclosures (TNFD).
- At the foundation of our approach to nature is our priority focus on avoiding or minimising harm – and taking action to restore and learn from issues when they arise. Our ambition then reflects our unique opportunity to help others to monitor, protect or restore nature, including through the technology and connectivity solutions we provide to customers. We can also leverage our infrastructure (including towers in remote places), our connections in community and our stakeholder networks to drive greater collective action on nature.
- Our key operational risk exposures are the construction and maintenance of network assets in environmentally sensitive areas, and the dependency we have on water for cooling our exchanges and data centre facilities.
  - **Construction in environmentally sensitive areas:** Around five per cent of our almost 24,000 above ground assets in Australia (1,119 assets) sit within protected areas under the Collaborative Australian Protected Areas Database (CAPAD). Around 38 per cent of this subset of assets (427) are in national parks and 20 per cent (227) are in Indigenous Protected Areas. Our operation in these areas provides critical connectivity coverage – such as towers located on hilltops to maximise coverage. We manage heightened environmental and cultural heritage risk in these areas. Our overall enterprise risk exposure is Medium.
  - **Water risk:** Our water dependency risks are heightened in regions experiencing water scarcity (now or likely to materialise in periods of drought). While about 30 per cent of our water-consuming sites are in regions with High or Very High inherent water risk exposure, only one per cent of sites have a High overall inherent risk exposure (considering operational factors such as consumption). These sites are in metropolitan areas with established water networks. Given this, our residual risk at these sites is lower. Our overall enterprise risk exposure is Medium.
- We also have nature risk in our supply chain, linked to our dependency on raw materials for manufacturing devices and network technology (including semiconductors) and our customers' use and disposal of electronic waste. Our overall enterprise risk exposure is Medium.

1. A value chain encompasses the interactions, resources and relationships a business uses and depends on to create its products and services from conception to delivery, consumption and end-of-life, including those in supply and distribution channels, material and service sourcing and the sale and delivery of products and services.
2. Climate regulation is an ecosystem service under the TNFD framework. This recognises that natural habitats actively stabilise local and global weather patterns, moisture levels, and atmospheric gases.

Introduction

Nature is the backbone of the global economy. Over 50 per cent of global GDP relies on nature and the ecosystem services it provides, yet natural environments are deteriorating rapidly. Biodiversity loss and ecosystem collapse are among the top five global threats over the next decade.[3] Loss of biodiversity and ecosystem health directly threatens both nature and people, driving food insecurity, water scarcity, economic instability and changing livelihoods.

At Telstra, we interact with nature every day through the operation and maintenance of our network and the technology solutions we provide to customers. Our infrastructure and supply chain span a wide range of ecosystems, from ecologically sensitive regions to urban centres. The resilience of our business, and the critical connectivity services we provide, depends on the health of our natural systems and the wellbeing of the communities we serve. We rely on natural resources such as water and raw materials, as well as a stable climate, to support our people and operations. We also depend on clean air, freshwater and nutrition for the wellbeing of our people and customers. We aim to minimise our impact on nature, take action on climate change, and leverage data and connectivity solutions to monitor and address biodiversity impacts.

This document outlines our priority areas for nature action and is guided by the TNFD framework. It considers both how changes in nature can affect our business and how our operations and value chain impact the environment. We also identify opportunities to better protect, conserve and restore nature, directly or through our value chain. We capture these factors in our assessment of nature-related DIROs, which help us focus our efforts and deploy our resources to help address biodiversity loss.

3. Source: World Economic Forum's 2020 Global Risks Report

Prioritising action on nature – our approach

Our ambition for nature action reflects both Telstra's risk exposure and our opportunity to drive positive outcomes through our partnerships, connectivity and technology offerings and infrastructure. Our first and most fundamental priority is to avoid or minimise harm.

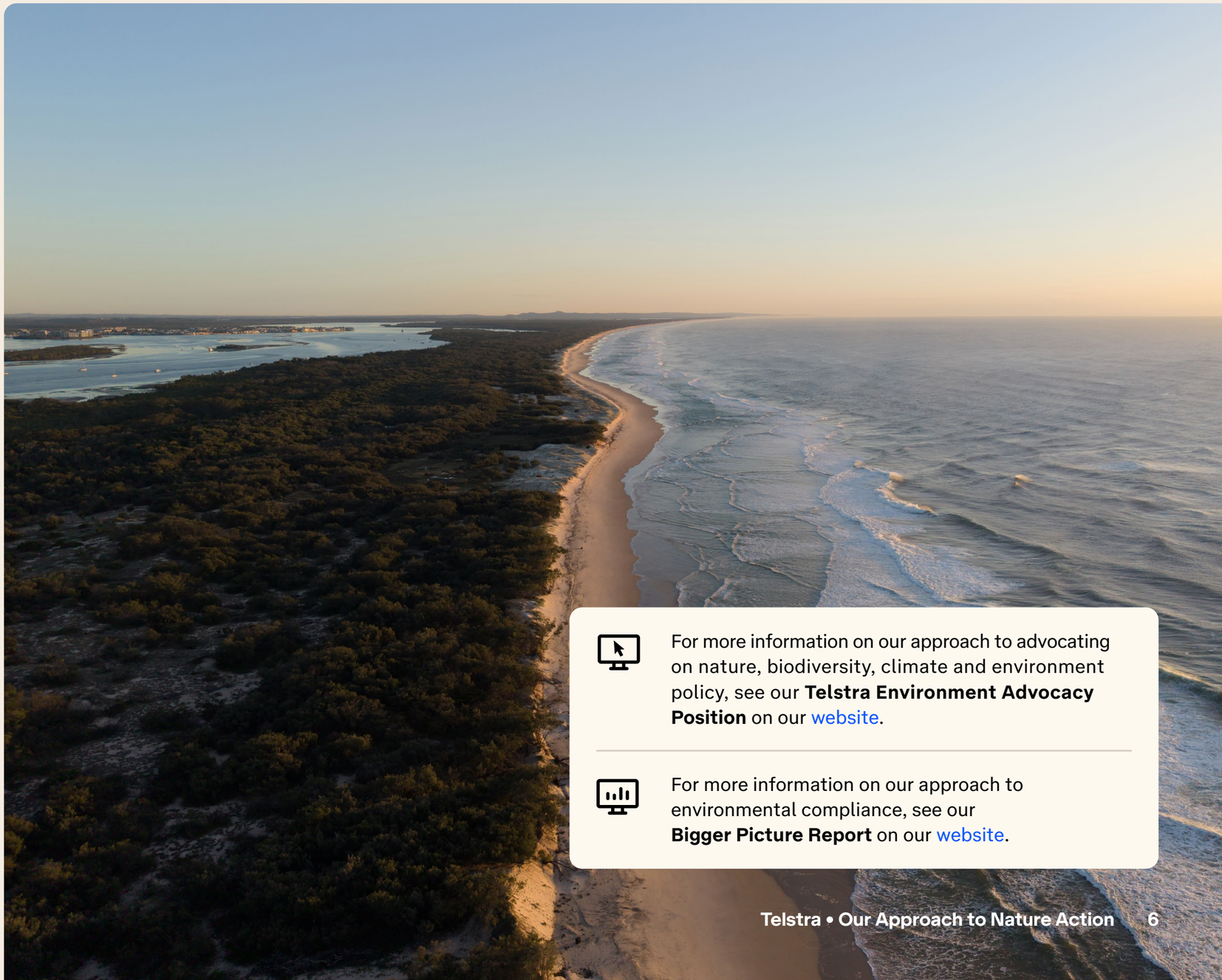
In practice, this means we take reasonable measures to:

1. Minimise environmental impacts from our operations and supply chain
2. Assess location-specific risks and opportunities across the organisation
3. Work with delivery partners and suppliers to confirm that our actions in the community reflect our ambition.

There are times when our activities have unintended impacts on nature or for the communities we operate in. If this occurs, we focus on minimising harm, understanding what happened, learning from it, and taking all reasonable steps to restore and reduce the risk of it happening again.

In addition to our organisational risks and impacts on nature, we consider the goals and targets of the Global Biodiversity Framework when prioritising action. Our assessment informs our Environment Policy, which sets out our approach to addressing environment related matters (including nature).

We engage with external industry groups (such as the GSM Association) to learn from others and to help encourage wider action across our peers and value chain partners. We also advocate on relevant environmental matters where it is important to our business and our customers.



For more information on our approach to advocating on nature, biodiversity, climate and environment policy, see our **Telstra Environment Advocacy Position** on our website.

For more information on our approach to environmental compliance, see our **Bigger Picture Report** on our website.

Our approach to nature

Theme	Partner to protect nature	Enable action through connectivity and technology	Leverage our infrastructure and assets
Priority actions	• Engage industry and other partners through transparent disclosures • Work with delivery partners, strategic partners, customers and suppliers on opportunities to better protect nature • Learn from our engagement with First Nations stakeholders on caring for land and waters	• Provide connectivity and technology offerings that enable customers to monitor and respond to environmental conditions • Engage industry partners on opportunities for connectivity-enabled nature action • Explore innovative solutions for nature	• Manage environmental risks and protect, restore or revitalise land, waters and ecosystems impacted by our activities • Consider opportunities to leverage our network and infrastructure for environmental monitoring • Where appropriate, share learnings from our environmental actions and assessments
Foundation	We work in accordance with our globally certified environmental management system to minimise our impact on nature and biodiversity, and to reduce the risk of harm If issues arise, we take action to limit impacts and take appropriate steps to repair, restore or address any harm caused We regularly review and improve how we work to reduce risks, minimise environmental impact, and reduce the risk of recurrence		

Recognising the intrinsic link between climate and nature

Climate is intrinsically linked with nature. Nature regulates the climate and a changing climate can accelerate nature degradation or loss. Climate-driven interactions in the atmosphere, such as increased heat, can significantly affect the natural resources we depend on, including water. Protecting and conserving nature can also provide nature-based solutions that help develop resilience and adaptability to climate-related nature risks such as bushfires and floods. For example, well-functioning grassland and forest ecosystems can help regulate fuel loads and reduce the spread of bushfires, while healthy riverbank systems can act as natural barriers that reduce the velocity and spread of floodwaters.

We are considering how best to assess and prioritise action on our nature and climate risks, particularly in relation to water availability and natural disaster preparedness. We are doing this by improving how we understand and integrate nature and climate-related data into decision-making by working with industry to explore regional use cases and opportunities.

For our Climate Statements under the Australian Sustainability Reporting Standards, see our **Annual Report** on our website.

Our interface with nature

We operate across Australia's diverse ecosystems – from tropical and subtropical forests, savannas and grasslands to both shallow and deep-water ocean environments. Our activities span all four nature realms – land, ocean, freshwater and atmosphere – and our value chain interacts with, and relies on, nature across a global footprint.

Our interface with sensitive, threatened or protected areas and nature

We operate a complex network that includes underground, above ground and subsea infrastructure across diverse environmental conditions and ecosystems in Australia, and at points of presence at close to 200 countries and territories worldwide. Around five per cent of our almost 24,000 above ground assets in Australia (1,119 assets) sit within protected areas under the CAPAD. Around 38 per cent of this subset of assets (427) are in national parks and 20 per cent (227) are in Indigenous Protected Areas.

Their placement – such as towers located on hilltops to maximise coverage – can heighten environmental risk, requiring additional consideration and localised controls.[4] Even so, their placement and operation are critical to delivering essential network coverage for communities and businesses operating in those regions.

Our assets generally pose a low risk to the environment or to cultural heritage once controls are in place with incidents largely being associated with pollution from spills or leaks. Our construction, maintenance and site access activities can affect surrounding land and ecosystems. We manage these risks by carefully selecting infrastructure locations and access routes. We also reduce operational risk through practical controls like spill containment, monitoring alarms, routine checks and site monitoring. We plan, assess and manage construction and maintenance activities before works commence, during delivery and through remediation once activities are complete.

Supporting nesting birds who call our towers home

We build and operate large network tower infrastructure, which can also provide valuable nesting space for birds. We minimise disturbance to protected birds, particularly during breeding seasons, and have installed dedicated nesting platforms on a number of towers to allow them to nest safely above active equipment. This approach reduces operational interference and minimises safety risks for our people working nearby. In some locations, parabolic grid antennas have been repurposed to create these nesting platforms.

4. We do not disclose specific priority and sensitive locations. Our assets provide a critical service to our customers, and their location is considered sensitive information.

Our interface with nature

Dependencies

Energy input
Renewable and non-renewable inputs (grid and site)

Water availability and supply

- Input to manufacturing
- Cooling network sites
- Waste management and materials recovery

Minerals, metals and forestry products
Inputs into consumer technology, devices and equipment

Land and ocean
Terrestrial and marine environments for infrastructure

Key value chain elements

Upstream
Sourcing of products and services
(e.g., network equipment and consumer devices)

- **Natural resource extraction** (e.g., for device and equipment)
- **Sourcing of energy**
- **Third-party operations** (e.g., satellites)
- **Manufacturing and assembly**
- **Logistics and transport**
- **Product packaging**

Direct operations
Operational activities across construction and maintenance, network operation and service delivery, and decommissioning and removal of end-of-life technology

- **Network technology and infrastructure** (e.g., exchanges, towers, payphones, fibre)
- **Buildings and infrastructure**
- **Energy systems**
- **Field operations – connection and resilience**
- **Customer engagement**

Downstream
Customer use of tech and connectivity solutions

- **Consumer choice for technology disposal** (e.g., keeping tech in use longer)
- **Waste avoidance and processing** (e.g., reuse, refurbishment and recycling)
- **Customer use of technology** (e.g., environmental monitoring)
- **Exchanges, payphones, fibre, towers**

Impacts

Resource use and depletion

Water availability and quality
Water use, erosion, sedimentation and discharge

Land use change
Impact on ecosystems and biodiversity, impact to areas of cultural significance

Disruption to ecosystems
Climate regulation, flood protection, bushfire control

Pollution & contamination Spills, leaks and disposal or reprocessing of waste

Emissions to atmosphere

Our dependency on nature

Our business depends on nature as an input to our operations and our value chain. Three dependencies present a heightened risk for the sustainability of our business:

Dependency[5]	Dependent ecosystem services[6]	Dependency exposure[7]	Management action
Water resources Telecommunications networks operate continuously and generate heat, while also being exposed to solar radiation and ambient temperatures. We use freshwater to cool and maintain humidity controls for equipment in exchanges and data centres. We also use water for fire suppression, dust suppression, direct consumption and sanitation. This input is essential for maintaining reliable connectivity – with over-heating presenting a risk of infrastructure failure and outages.	• Provisioning (fresh water) • Supporting (primary production, water cycling) • Regulating (climate regulation)	**Medium** Local risks may have more significant consequences for business continuity planning[8]	Our location-based assessment of water risk informs the way we consider and address associated issues. See the Our dependency on water at network sites and data centres section of this report for our analysis and planned actions.
Land and ocean We require access to both terrestrial and marine environments to construct, operate and maintain above ground assets, our fibre network and subsea cable systems.	• Provisioning (land use) • Physical disturbance of land and marine ecosystems due to cable installation (sediment re-suspension, habitat loss)	**Medium** Local risks may have significant consequences to nature	We assess these risks and define our approach in our global health, safety, wellbeing and environment (HSWE) management system.
Metals, minerals, energy and forestry products Our upstream value chain uses resources such as precious metals and forestry products to manufacture network equipment, devices, other physical goods and packaging. We also rely on renewable energy to enable returns on our investment in grid decarbonisation through Power Purchase Agreements.	• Provisioning (fresh water, raw materials) • Provisioning (energy)	**Medium** Local risks may have significant consequences to nature. Heightened risks also sit in the supply chain, including semiconductor manufacturing in connectivity devices	Our approach to reducing dependency on raw materials is in the 'Circular economy' section in our **Bigger Picture Report** on our website. We also consider the impact of our natural environment on the availability, reliability and resilience of energy supply in shaping the extent of our response. See the 'Building resilient connectivity' section in our **Bigger Picture Report** on our website.

We anticipate risks associated with these dependencies to increase over time with a changing climate and increasing constraints on the materials economy. These risks may be particularly heightened in parts of our supply chain, which present more material operational issues for consideration and management (see the Nature-related impacts section of this report).

5. Dependencies are aspects of environmental assets and ecosystem services that a person or an organisation relies on to function. A dependency exposure is an assessment of how significantly the organisation relies on these nature dependencies, considering the potential impact if we lose access to it. This is assessed in accordance with the Enterprise Risk Framework.
6. Ecosystem services are the contributions of ecosystems to the benefits that are used in economic and other human activity. Dependent ecosystem services are those linking back to an environmental asset the organisation relies on to function.
7. We assess business risk to Telstra leveraging the Enterprise Risk Framework. We recognise that risk to nature may be more or less significant than the risk to Telstra, particularly when considering the health of the environment, its biodiversity and the complex relationships that impact ecosystem functioning.
8. Where we have identified high water scarcity concerns (now or in the future) and high water consumption (and are unable to change water consumption requirements) there is a potential business continuity concern. To address this risk, we have completed a site-specific analysis and are working at a regional level to navigate site-specific controls.

Our dependency on water at network sites and data centres

Our critical network assets rely on water for cooling, humidification and fire-suppression. Cooling systems at exchanges and data centres drive most of our operational water use. This is because computing and other network equipment generates heat during operation. We need to manage this heat to maintain our network assets at safe and sustainable operating temperatures. If not managed effectively, equipment may fail and potentially risk the reliability of essential telecommunications services. Water demand is higher when we use evaporative or hybrid cooling systems, particularly cooling towers, which are required to manage sustained heat loads and maintain stable operating temperatures for critical equipment.

We are exposed to water-related dependency risks across our distributed assets. While we operate around 24,000 above ground assets, only nine per cent (1,790 sites) consume significant volumes of water. Around 30 per cent of those water-consuming sites (537 sites) are located in regions with High or Very High inherent regional exposure risk. When considering external exposure risk against operational factors (such as consumption data), two per cent of the resultant water consuming sites (10 sites) were identified to have elevated overall risk. This means we could experience risks to our operations or have impact on communities or the environment from our consumption when regional constraints are heightened (such as during periods of drought).

Our water consumption has decreased by almost 18 per cent from FY19–FY26. Network traffic has increased by over 120 per cent in that time. This indicates that consumption isn't directly correlated with increased network demand. It also reflects our investment in water efficiency measures, including optimisation of passive cooling systems for heat control, installation of more efficient water chillers and air-based cooling systems and changed operating standards for temperature and infrastructure maintenance. We are also exploring emerging technologies such as immersion cooling technologies for heat-intensive assets.

Cooling tower-dependent sites represent only two per cent of our total water consuming sites (36 sites). However, they account for 52 per cent of total operational water use. Currently, 27 per cent of these cooling tower sites are located in regions with High or Very High water risk (10 sites). Under projected climate conditions,[9] water will become scarcer in more locations. Given this, we anticipate this proportion could increase to 45 per cent by 2050 (16 sites). All sites of elevated overall risk are located in metropolitan areas with mature water infrastructure. Given this, we are assessing their inherent risk exposure against operational controls to define our residual risk. We are considering how to prioritise higher risk sites in the planning, design and operational decisions that influence our water use now and into the future. We are integrating these findings into business decision making, including options to manage local risks to our operations and the community (such as infrastructure siting, technology selection or design of cooling systems).

Looking forward, we anticipate demand for water across the technology and telecommunications sectors to increase.[10] The widescale adoption of AI and the growth of cloud services is driving increased demand for data centres and the underpinning digital infrastructure. The equipment required to meet this demand is particularly heat intensive (compared to the network technology that has enabled historical growth). There are also changed requirements for cooling and humidity control, increasing demand for water. While we don't operate the hyperscale data centres[11] that are associated with significant demand on water resources, we do operate two smaller data centres and host co-located data centre facilities at a number of our network sites. The equipment required to meet this demand is particularly heat intensive compared to traditional telecommunications network technology and we expect some associated increase to water consumption at some of these locations. We are monitoring this projected growth and exploring technical solutions to manage the associated impact.

Water risks in our supply chain

Demand for semiconductors, data centres and hardware is accelerating globally. The semiconductor and hardware industries are expected to grow by six to eight per cent annually, and data centre demand is expected to rise by 19–22 per cent annually through to 2030, driven by AI, cloud computing and digital transformation.[12] We recognise this comes with an increase in nature impacts and dependencies – including for our business. For example, we rely on semiconductors for microchips and integrated circuits in our network technology and consumer devices. Their production requires significant volumes of water, with an average single chip fabrication facility using around 38 million litres of ultrapure water per day.[13] Where operations are located in water stressed regions, this dependency creates exposure to physical risks (water scarcity, declining water quality and operational disruption)[14] and can have localised impacts on people and nature.

We are working to understand these potential considerations for business continuity, and impacts to people and nature, through our engagement with industry bodies and organisations in the sector. We expect our suppliers to minimise the adverse environmental impacts of their operations, products and services. This is required by our Supplier Code of Conduct.

9. Source: WWF Water Risk Filter
10. Source: Draft sector guidance – Technology and communications – TNFD
11. A hyperscale data centre is a large data centre facility designed to efficiently scale up (or down) in response to the massive and variable demands of cloud computing, big data and AI. They are designed to accommodate rapid growth in data and computing resources and typically host over 100,000 operational servers.
12. Source: AI data centre growth: Meeting the demand | McKinsey
13. Source: Semiconductor manufacturing and big tech's water challenge | World Economic Forum
14. Water scarcity is a physical shortage where demand exceeds available supply (e.g., as a result of climatic drought factors or human-driven overconsumption). Water stress is a broader, more inclusive concept than scarcity, representing the difficulty in meeting human and ecological demands. It considers water availability alongside water quality (pollution) and accessibility (infrastructure/affordability). Water risk is the probability of experiencing water-related challenges (e.g., shortages, pollution, floods) that threaten business viability.

Nature-related impacts

Understanding how our operational footprint impacts and relies on biodiversity and ecosystem services strengthens our approach to business resilience. While water is the most significant of our identified dependencies on nature, we have also identified risks and opportunities associated with our interface with other environmental assets and ecosystem services.

The table below shows the impacts that are rated a Medium risk to Telstra.[15]

Our assessment did not identify any nature impacts rated High or Critical.

There are times when our activities have unintended impacts on nature or for the communities we operate in. If this occurs, we focus on minimising harm, understanding what happened, learning from it and taking reasonable steps to prevent recurrence. We also periodically review and improve how our systems and processes support the work to reduce risks and minimise environmental impact. More information on this can be found in our **Bigger Picture Report** on our website.

Our risk assessment focuses on risks to the Telstra Group. At an operational level, we also consider the risk of potentially harmful localised impact on nature, particularly in areas of environment or cultural heritage significance, and apply appropriate controls to manage these risks.

Business activity	Impact driver	Impact on nature	Assets affected	Management action
Direct operations				
Network infrastructure – construction, maintenance and decommissioning	Disruption to ecosystems	Physical disturbance to freshwater or marine ecosystems from terrestrial or subsea network installation, including sediment resuspension and habitat loss	• Freshwater and marine ecosystems (contamination, erosion, sedimentation, habitat loss) • Land use change leading to biodiversity decline	We assess and manage risk to land access and environmental management through our global HSWE management system.
	Land clearance or disturbance	Damage to ecosystems or areas of cultural significance resulting from land clearance or disturbance to land, waterways or oceans (including direct damage or indirect harm from erosion and sedimentation or changed soil structures)	• Land use change/disruption leading to habitat loss or biodiversity decline • Potential harm to items, artefacts or areas of cultural significance • Freshwater or marine ecosystems harmed (contamination, erosion, sedimentation, habitat loss) • Disruption to ecosystem services (climate regulation, flood protection, bushfire control)	
	Pollution and contamination	Network maintenance and operations can damage ecosystems, natural structures or habitats when spills or other contaminants pollute the environment	• Environmental harm (pollution or contamination)	
Properties and operations – data centres, exchanges and buildings	Change in atmosphere	Operational activities such as running generators and sourcing electricity to power the network, data centres and exchanges contribute to atmospheric pollution	• Emissions to atmosphere • Change to climate conditions • Impacts to radio and satellite communications from changed atmospheric conditions	Our approach to emissions reduction is in our **Bigger Picture Report** on our website.
	Resource use and water withdrawal/ consumption	Freshwater withdrawal for operational water use (data centre cooling technology) leading to changes in water availability (scarcity risk in water-stressed regions)	• Impacts water availability, stressing water-scarce ecosystems	Our assessment of water risk and approach to addressing these risks is in the Our dependency on water at network sites and data centres section of this report.
	Pollution from wastewater or chemical discharge	Operational activities could contaminate or damage ecosystem quality or structure if wastewater is discharged into freshwater ecosystems, fuel tanks leak or cooling systems release thermal or chemical effluents	• Impacts environmental assets including freshwater and marine ecosystems (contamination of soil and groundwater)	

15. We assess business risk to Telstra leveraging the Enterprise Risk Framework. We recognise that risk to nature may be more or less significant than the risk to Telstra, particularly when considering the health of the environment, its biodiversity and the complex relationships that impact ecosystem function. Recognising these potentially complex, localised impacts that could materialise, we have noted where the significance of risk at a location may vary from a broader assessment of risk to the organisation. It is these localised risks (to Telstra, the community and to ecosystem health) that we consider when developing site-based action plans.

Business activity	Impact driver	Impact on nature	Assets affected	Management action
Upstream operations				
Procurement of raw materials/ manufacturing of devices and equipment	Resource use (metals and minerals) and water withdrawal	Value chain operations – including resource extraction of metals used in manufacturing, supply and logistics and product use – depend on finite natural resources and can contribute to ecosystem degradation Water use in semiconductor and other component manufacturing presents a particularly high risk for the sector	• Resource depletion impacting environmental assets (including land, terrestrial ecosystems, mineral and energy resources) • Emissions to atmosphere	We assessed value chain nature risk in 2025. Outcomes are being integrated into our supplier governance framework. A deep dive on water risk in the value chain is in the Water risks in our supply chain section of this report.
Sourcing of energy	Resource use (metals and minerals) and water withdrawal	Energy generation requires use of natural resources, including water and raw materials. Our operations also rely on renewable energy to support grid decarbonisation and emissions reduction objectives	• Impacts environmental assets including land, terrestrial ecosystems, mineral and energy resources • Resource depletion • Emissions to atmosphere	
Satellite operations	Resource use, emissions and burn up in atmosphere	The usual lifecycle of low earth orbit satellites is five to seven years. At the end of life, they deorbit and burn apart. Metals remain in the stratosphere. Emissions are largely generated at manufacturing and launch	• Resource use (metals and minerals, including rare and precious metals) • Emissions to atmosphere • Pollution of the stratosphere • Light pollution from satellite streaks	An overview of our growth into space (including satellite technology) is outlined in our **Bigger Picture Report** on our website.
Downstream operations				
Connectivity and device offerings	Pollution from equipment or device disposal and/or reprocessing	When technology and connectivity devices are stockpiled or incorrectly disposed of – by us or customers – valuable natural materials are locked out of the economy and there is potential for leachate risk. Risks are heightened for specific waste streams (battery and electronic waste)	• Impacted environmental assets (land, terrestrial and freshwater ecosystems) through improper release of waste[16] • Decline in natural resources	Our approach is in the 'Circular Economy' section in our **Bigger Picture Report** on our website. It reflects our commitment to extended producer responsibility.

16. This risk is significant globally and growing. By 2030, global electronic waste (e-waste) is expected to reach 82 billion kilograms, a 30 per cent increase from 2024. Today, only around 22 per cent of e-waste is formally collected and processed for reuse or recycling. As a significant supplier and procurer of electronic equipment in Australia, we have a responsibility – and an opportunity – to support the recovery of e-waste and create more circular solutions for materials in the economy.

Nature-related risks

We have rated all nature-related risks identified to date as Low or Medium exposure at a Telstra Group level. However, we recognise that localised risks can be more significant.

Risks rated Medium at a Telstra Group level include:

Risk category[17]	Sub-category[18]	Risk description	Risk exposure
Physical	Acute	**Incidents or activities that cause or threaten environmental harm.** This includes contamination or pollution, unauthorised land disturbance or clearance, wildlife strikes, spread of contaminants, invasive species or disease, damage or disrespectful handling of places or items of cultural heritage or significance	**Medium** Local risks may have significant consequences to nature
	Acute	**Inadequate land access practices or stewardship** may result in blocked environmental approvals, restricted site access, compliance breaches or reputational damage	**Medium**
	Acute	**Degradation of surrounding ecosystems or ecosystem services** can increase vulnerability of Telstra infrastructure to damage during natural disasters	**Medium**
	Chronic	**Resource scarcity** – such as water for cooling or access to materials for Telstra products or packaging – may constrain operations or increase production and operating requirements over time	**Medium**
	Chronic	**Declining natural assets** may increasingly constrain suppliers, disrupting access to critical inputs they need to deliver products and services	**Medium**
Transition	Policy and legal	**Increased regulatory expectations, requirements or scrutiny** related to environment or cultural heritage matters may increase cost or cause delays to network construction. This could risk timely delivery of essential connectivity services, especially in under-served or remote communities	**Medium** Local risks may have significant consequences to nature
	Technology	**Resource scarcity** may drive higher costs or regulatory constraints associated with provisioning critical inputs, such as water for cooling, or materials used in Telstra products or packaging	**Medium**

While our assessment of nature-related risk focuses on Telstra's Australian-based operations, they also present, and require active management, at our international locations and subsea infrastructure.

17. Physical risks and transition risks are defined by the TNFD (2023) as threats to an organisation stemming from its dependencies and impacts on nature. These risks arise from the degradation of ecosystem services, biodiversity loss and climate-related physical changes, causing disruption to operations and resource availability. Transition risks are potential threats to an organisation resulting from shifts in policy, regulation, technology, markets and reputation as society moves toward a nature-positive and sustainable economy.
18. Acute risks are those relating to sudden events (such as bushfires, floods and other natural disasters). Chronic risks relate to longer-term pressures (such as resource scarcity or water availability).

Constructing in environmentally and culturally sensitive areas

When working in sensitive areas, our priority is to avoid or reduce negative impacts on nature, restore and regenerate ecosystems where impacts occur, and continuously improve our environmental controls. Construction activities in environmentally or culturally sensitive areas are a particular focus. When undertaking construction or major network updates, we consider:

1

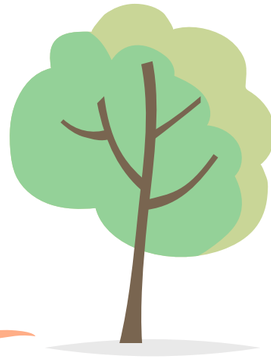
Planning design & due diligence

- Assess site suitability and potential impacts
- Design to minimise environmental disturbance
- Assess national, state/territory and local legislative requirements
- Undertake environmental and heritage assessments where required
- Engage with stakeholders, Traditional Owners and land holders

2

Materials selection

to suit project needs and minimise impact on the environment



3

Assess risks to flora, fauna and cultural heritage

Environment & cultural heritage assessments help us identify areas or species of significance so impacts can be avoided or minimised. This may include:

- scheduling works around breeding or blooming seasons
- employing monitors to observe and protect or preserve identified sites during construction

4

Construction method selection

to minimise disturbance. This may include utilising existing infrastructure or under-boring

5

Quality control and testing

informs our approach to continual improvement

Our nature-related opportunities

We play a valuable role in helping businesses, industry partners and customers take action on nature. This includes enabling technology solutions that also create value and opportunity for Telstra, aligned to the goals of our Connected Future 30 strategy. Our identified nature-related opportunities are:

TNFD opportunity category	TNFD sub-category	Opportunity description	Examples
Business performance	**Resource efficiency**	**Circular economy solutions** reduce our reliance on the extraction of raw materials for products and operations, increasing resiliency and creating pathways for value creation (water use, copper and other network technology, products in market)	For our approach to circular economy (including the sale of refurbished devices and how we are making modems from old modems) see our **Bigger Picture Report** on our website. Our technology, data and connectivity solutions are in the connecting the technology for scaled nature action section in this report.
	Products and services	**Technology, data and connectivity solutions** for nature action create opportunities to strengthen customer offerings, relationships and partnerships. For example, internet-of-things (IoT), smart sensing and other environmental monitoring solutions can be bundled with network connectivity offerings to help meet their nature-related commitments	
	Brand and reputation	**Practical, credible environmental solutions** that meaningfully engage customers can strengthen trust, attract and retain customers and build community support for the deployment of network infrastructure	
Sustainability performance	**Ecosystem protection, restoration and regeneration**	**Connectivity offerings** enable safer, or more effective nature protection, conservation or repair efforts (such as through technology-enabled environmental monitoring, communications to de-risk activities or technology-enabled education)	See examples in the Deloitte Access Economics' Enabling Positive Climate Action Report. We offer co-location for network assets at over 8,000 Amplitel sites in Australia. This enables network assets to be deployed with lower environmental impact. For more information see the Amplitel website.
		Remote access tracks maintained to operate infrastructure can also support land and bushfire management	
		Co-location of network assets (from Telstra or other network operators) on our Amplitel tower assets reduces the need for additional environmental disturbance, minimising the potential for harm	
	Sustainable use of natural resources	Our technology and connectivity solutions **support customers' transition to a lower-carbon economy,** helping reduce emissions to the atmosphere and associated pressures on natural systems	

Enabling smart science for koala conservation

Urban development and transportation pose a significant risk to koala populations, with 3,500 koalas killed on New South Wales roads alone between 1980 and 2018.[19] Telstra is supporting Griffith University's koala conservation research and initiatives by providing connectivity solutions that enable remote, digital monitoring of koalas moving near roads and transport corridors.

The solution uses AI-powered observation networks to analyse data from interconnected cameras that track the location and movement of native wildlife. Rail and road authorities, conservation groups and local councils use these insights to identify high-risk interaction points and inform operational and policy decisions that reduce the risk of injury or fatality.

19. Source: Koala vehicle strike fact sheet 1: Wildlife vehicle strike and contributing factors

Connecting the technology for scaled nature action

We believe technology can play a critical role in accelerating action to protect, conserve and restore nature. A key focus is enabling solutions that allow others to scale the effectiveness of their action on nature. Our network enables meters, sensors, trackers and telematic capabilities that support environmental monitoring and action. For example, our narrowband IoT network provides low-latency network coverage for connected sensors and devices across sectors such as utilities, agriculture, environment and national infrastructure.

Opportunities for technology and connectivity to enable nature action[20]

Technologies:	Use cases:
AI and machine learning	Reporting & disclosure
Networked sensors and IoT devices	Supply chain transparency
Spatial data analysis/modelling software	Supply chain transformation
Bioacoustics & eco-acoustics	Corporate target setting & monitoring
Satellite remote sensing	Project development & management
Camera traps	Biodiversity and carbon offset management
Remotely piloted aerial vehicles and drones	Smart regenerative agriculture/smart sustainable forestry
Environmental DNA	Wildlife conservation
Blockchain	Illegal activity detection & prevention
Mobile applications & digital platforms	Hazard identification & response
	Land management
	Education & awareness

For more information on our IoT network, visit our website.

20. Source: GSM Association – The Nature Tech Nexus: Bridging biodiversity and business | Mobile for Development

Connecting digital water metering solutions to address water security risk in Longreach

Telstra has partnered with Taggle to deploy digital water metering in Longreach, improving water security and supporting livelihoods in a community facing ongoing water scarcity. Located in a drought-prone region in Central Queensland, Longreach relies heavily on the Thomson River as its single source of water. The community has experienced prolonged water restrictions as increasingly unpredictable climatic cycles reduce supply.

In response, Longreach Regional Council implemented the Telstra Taggle end-to-end smart water metering ecosystem, including low-power IoT digital meters, leak alerts and live data analytics. Within the first weeks of installation, the system identified 233 potential leaks. This enabled Longreach Regional Council to target maintenance more effectively, reduce water losses and monitor long-term progress – directly strengthening the town's long-term water security.

For more information, visit Digital Water Meters - Longreach Regional Council.

Our collaboration with industry

muru-D is Telstra's innovation hub for incubating ideas, products, and technologies. Through muru-D, we invest in companies using smart technologies to address some of the most pressing environmental challenges facing the agriculture and land management sectors. Telstra's support goes beyond financial investment – we also provide the connectivity that underpins these solutions.

	FARMBOT MONITORING SOLUTIONS	zetifi	regrow	FloodMapp
Product overview	Water monitoring software for agricultural businesses to remotely track and manage water flows (from dams and watering points)	Connectivity enhancement in remote areas with solutions for extending wireless broadband coverage – including to enable regional conservation work	Farm-based emissions measurement, reporting and verification to promote regenerative agriculture	Advanced flood forecasting and real-time intelligence to enhance public safety through emergency preparedness, response and recovery
Value for nature and business	• Real-time monitoring and management of water assets enables early leak detection, optimised water use, and prevention of over-abstraction, conserving freshwater resources and protecting aquatic ecosystems • Improved oversight and management of business continuity risks linked to water dependencies can help business and reduce risks of over-consumption and long-term water depletion	• Enhanced coverage supports worker safety (duress alerts, check-ins), compliance monitoring for grazing management and emergency response times • Improved connectivity coverage, enabling conservation, environmental monitoring solutions and safer remote operations (more informed conservation outcomes helping protect important habitats)	• More accurate emissions tracking supports land valuation and improves the credibility and speed of emissions reduction efforts • Improved decision-making and accountability for emissions reduction initiatives based on digital monitoring, reporting and verification	• AI and machine learning enhanced hydrology and hydraulic modelling provides integrated real-time data, mapping, and sensor technologies for accurate flood impact intelligence. This enables climate-informed planning and risk management • Data-informed flood planning and response can improve public safety, enable asset protection and reduce harm to nature (e.g., from chemical leaks, erosion, loss of livestock or exacerbated damage to nature)

For more information on our approach to Technology for Good, see our **Bigger Picture Report** on our website.

Engaging with First Nations people on nature action

We recognise the deep and continuing relationship First Nations people have with Country, and the shared responsibility of caring for lands, waters and skies. This connection is central to culture, identity, community wellbeing and future generations.

When we engage with First Nations people on nature-related issues, we do so in line with our First Nations Strategy, our processes for engaging Traditional Owners during network construction or maintenance works and our commitment to reconciliation set out in our **FY26-28 Reconciliation Action Plan**.

We are committed to respecting the rights, voices and aspirations of First Nations people in the way we work, make decisions and build long-term partnerships with communities. This includes in respect to nature. We are also exploring ways to partner with First Nations communities so that their knowledge, perspectives and stewardship are embedded in our approach to nature.

Where relevant, we endeavour to apply the principles of Free, Prior and Informed Consent when engaging with stakeholders, including First Nations and community representatives. These are articulated in the United Nations Declaration on the Rights of Indigenous Peoples and the OECD Guidelines for Multinational Enterprises.

For more information on our approach to engaging First Nations people on nature action, including our governance of related matters, see our **FY26-28 Reconciliation Action Plan** on our website.

Walking Country with Traditional Owners for First Nations-led protection of culturally significant sites

In designing and constructing our network, we engage extensively with the community and other relevant stakeholders, including Traditional Owners, to understand and respect areas of cultural significance. With guidance from Traditional Owners, we seek to plan and deliver works in culturally appropriate ways, including walking the land, applying location-specific protections and avoiding disturbance to culturally significant sites. Where cultural items are identified, we work with local First Nations people to enable associated protection, management or registration appropriately, supporting their ongoing care by those with cultural custodianship.

There are times where we – or those working on our behalf – don't get it right. If issues arise, we work closely with relevant internal and external stakeholders to investigate the incident, minimise or seek to repair harm (where possible) and incorporate insights and learnings to reduce the risk of recurrence. More information on this can be found in our **Bigger Picture Report** on our website.

Engaging First Nations businesses for culturally informed land management

Telstra partners with First Nations communities, recognising their longstanding knowledge of Country and nature-based solutions. Since 2013, through the Indigenous Workforce Program, we have engaged First Nations businesses and contractors to manage grounds maintenance at more than 2,500 remote sites across Queensland, the Northern Territory and Western Australia. Their expertise supports culturally informed vegetation management, bushfire risk reduction, pest and weed control and land rehabilitation.

Environment as a human right

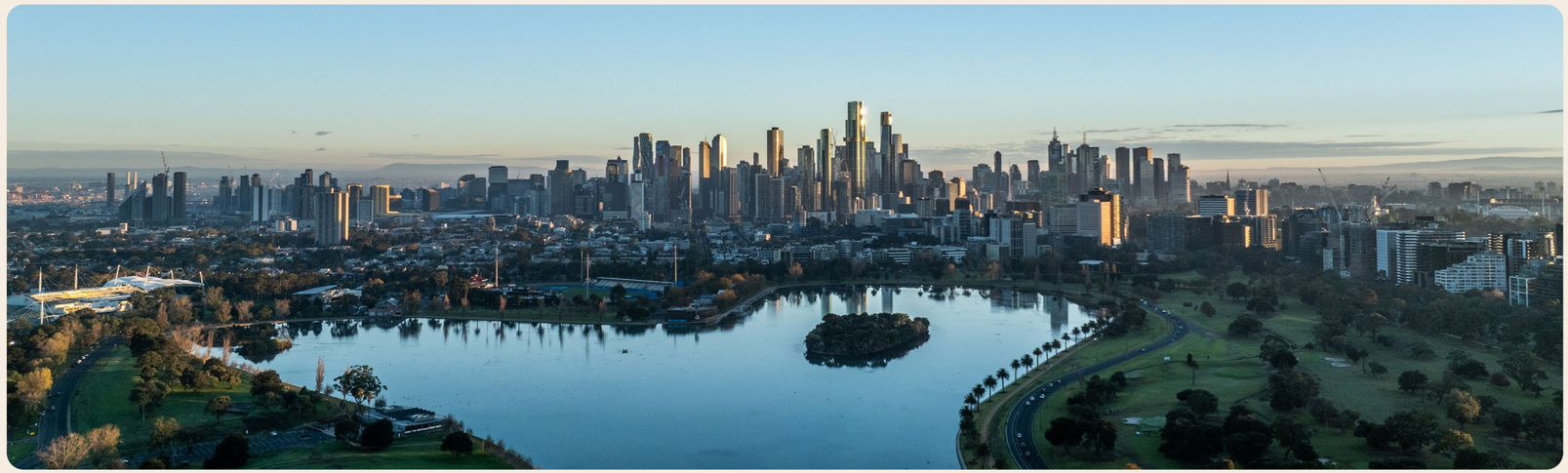
‘Environment’ is one of our salient human rights risks. We recognise the intrinsic link between the health of the environment and the health of communities. Competing demands for resources (such as for clean water or raw materials) can impact our people, the workers in our supply chain and the broader community. We acknowledge that our activities and business relationships could cause, contribute to or be directly linked to adverse human rights outcomes, including negative environmental outcomes. We also recognise that actions taken to manage environmental impacts could, if not well designed or implemented, create unintended consequences for other human rights.

For more information on our approach to human rights and the way we engage with stakeholders, see our **Bigger Picture Report** on our website.

Engaging with local communities

We support local employment and skills development through our infrastructure delivery, operations and maintenance activities, particularly in regional and remote areas. Where practicable, we create opportunities for local participation in construction and network operations, contributing to local economic activity and capability building. Our approach to regional engagement is typically communicated to Management and the Board biannually.

For more information on our approach to regional and community engagement, see our **Bigger Picture Report** on our website.



Our nature metrics

We track nature-related metrics at both the Telstra Group level and the project level where relevant. This includes:

Dependency	Impact	Risk	Compliance
• Water withdrawal (impact on freshwater ecosystems) • Water consumption (dependency on water)	• Waste generation and recycling metrics (impact on land use) • Devices collected for donation, reuse, repair or recycling (use of raw materials, impact on land use)	• Significant regulatory interactions or breaches of environmental regulation • Outcomes of Telstra's annual re-certification to the International Standard ISO14001:2015 • Operations in environmentally sensitive areas • Supplier risks identified during the supplier due diligence and onboarding process • Community sentiment and feedback	• Environmental incidents and interactions, such as spills, maintenance, contamination and pests • Environmental audit outcomes and any corrective actions • Land access, environment and cultural heritage engagements
Data pack	**Data pack**	**Bigger Picture Report**	Tracked internally. Material issues are noted, where relevant, in the **Bigger Picture Report**

Our approach to assessing and managing our dependencies, impacts, risks and opportunities

We are guided by the TNFD framework for our approach to addressing nature-related DIROs:

- Our governance over nature-related matters is integrated with our climate and broader environmental governance. See our **Annual Report** on our website.
- Our approach to nature action is a part of our broader Sustainability enabler of our Connected Future 30 corporate strategy. For more information on our Connected Future 30 strategy, see our **Annual Report** on our website.
- Our approach to impact materiality review (including our double materiality approach) is detailed in our **Bigger Picture Report** on our website.
- Our approach to risk identification, assessment and management is in our **Annual Report** on our website. This framework guides how we assess and manage risk, and how we consider relative significance across the organisation.[21]
- We engage across our value chain (directly and indirectly through industry groups and customer representatives) to understand and mature our assessment of indirect nature-related DIROs. See our **Bigger Picture Report** on our website.

We believe our approach to mapping nature-related risks and impacts across the business has identified the most material items. However, we will continue to refine and mature our approach in an ongoing, iterative process.

21. Nature-related risks are inherently location-specific. We assess some risks (such as water risk) at a site level, aggregating findings across asset portfolios and up to an enterprise-wide view. Our ISO14001 certified environmental management system guides how we consider and address localised operational risks to nature.