TELSTRA CORPORATION LIMITED

AUSTRALIAN PACKAGING COVENANT

ACTION PLAN
2013 - 2015
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Foreword

Our commitment to packaging stewardship commenced in 2001 when Telstra became a signatory to the National Packaging Covenant (NPC). We reaffirmed this commitment as a signatory to the Australian Packaging Covenant (APC) in 2010. This APC Action Plan was first published in 2010 and covers the period until June 2015. It has been updated to incorporate feedback from APC following our last submitted report.

We recognise the vital role packaging plays in ensuring that products are protected, waste is minimised and quality, health and safety are assured.

Our APC Action Plan outlines our programs and targets for reducing the environmental impacts of packaging. A key aspect of this Action Plan is working with our supply chain to minimise the adverse impacts of packaging.

In keeping with Telstra’s longer term aim of environmental leadership, we will build on past achievements with the goal of reaching new levels of environmental excellence in the area of packaging.


David Thodey
Chief Executive Officer
Telstra Corporation Ltd
1. Overview

1.1 About Telstra

Telstra is Australia’s leading telecommunications and information services company, with one of the best known brands in the country. We provide 15.8 million mobile services, 7.7 million fixed voice services and 2.8 million retail fixed broadband services, and compete in telecommunications markets throughout Australia.

Our main activities include the provision of:

- basic access telecommunications services to homes and businesses in Australia
- local and long distance telephone calls in Australia and international calls to and from Australia
- mobile telecommunications services on the Telstra Mobile Network
- broadband access and content on our Next IP™ network
- a comprehensive range of data and Internet services
- management of business customers’ IT and/or telecommunications services
- wholesale services to other carriers, carriage service providers and Internet Service Providers
- retail sales through our network of Telstra stores, Australia wide
- cable distribution services for FOXTEL®

Telstra owns 50% of FOXTEL and 30% of Sensis. Telstra’s International Group includes:
- Telstra Global – networks and managed services
- Telstra China – China based search and advertising businesses

Under APC specifications, Telstra is a “retailer” or “brand owner” in the packaging supply chain.

1.2 Scope of this Action Plan

This APC Action Plan covers all Telstra-branded retail consumer packaging. The plan does not cover Telstra international businesses or subsidiaries, including FOXTEL or Sensis.

1.3 Contact details

For further information contact:
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Melbourne VIC 3000
Email: susannah.kenny@team.telstra.com
2. Telstra Packaging

Telstra’s Retail and Procurement business units share responsibility for consumer packaging related to:

- Fixed line phones and accessories
- Mobile products
- T-Box® set top boxes
- T-Hub® home phones
- Fixed broadband products
- SIM card kits
- Printed marketing material – brochures, letters, catalogues

Groups within these business units have responsibility for the packaging of Telstra-branded products and accessories that are produced by manufacturers. This involves:

- The initial decision to supply products sold through Telstra’s stores, dealers and channels
- Sourcing of products (i.e. establishing contracts for the purchase and delivery of products from the supplier or manufacturer)
- Packaging and distribution
- Marketing of consumer products ahead of sale to the customer

They also have responsibility for ‘repackaged’ or ‘bundled’ supplier or manufacturer branded products.

2.1 Product decision-making and strategy

Before final contracts are put in place with suppliers or changes finalised within existing supplier contracts for new products, a product strategy is determined by Telstra Products. At this stage, a decision is made regarding product requirements and specifications.

2.2 Sourcing of products

Sourcing of products is undertaken by both Telstra Procurement and Telstra Products.

Telstra Procurement establishes commercial arrangements and contracts for most products, including mobile and fixed broadband products. Specific groups within the Telstra Products can also establish and manage contracts for products to be sold through Telstra stores and Telstra licensed stores. Vendor managers have responsibility for ongoing management of these contracts.

2.3 Packaging and distribution

Telstra's third party logistics/sourcing provider, Brightstar, currently manages the operation of Telstra's retail product supply chain. The majority of products are sent to Brightstar's retail fulfilment warehouses from the suppliers. From here, products are dispatched directly to customers, or to retail outlets including Telstra shops, Telstra licensees or independent dealers. Bundled products are assembled and packaged on-site at the retail fulfilment warehouse.

2.4 Marketing of consumer products

Marketing and design teams within Telstra have responsibility for the packaging and associated marketing material that accompanies ‘bundled’ products. This includes the design of ‘sleeves’, SIM kits, CDs, stickers, user guides and other collateral and the shrink wrapping of ‘Telstra-branded’ bundled products. The Telstra Products group is responsible for printed material such as product catalogues, offer brochures, letters and user guides. This material is distributed either directly to the customer through the mail or made available indirectly via retailers.
3. PERFORMANCE GOALS & ACTIONS

3.1 Design Performance Goal

Goal 1\textsuperscript{1} - Optimising packaging to achieve resource efficiency and reduced environmental impact without compromising product quality and safety

<table>
<thead>
<tr>
<th>KPI</th>
<th>Action</th>
<th>Responsibility</th>
<th>Time Frame</th>
<th>Target</th>
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<tbody>
<tr>
<td>Integration of the Sustainable Packaging Guidelines (SPG) in design and procurement systems</td>
<td>Review all new and existing packaging against the Sustainable Packaging Guidelines</td>
<td>Procurement, Products (formerly Telstra Innovation Products &amp; Marketing)</td>
<td>30 June, 2014</td>
<td>Complete list of all existing packaging types and formats</td>
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<td></td>
<td></td>
<td></td>
<td>Annual</td>
<td>25% of existing packaging reviewed annually</td>
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<td></td>
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<td></td>
<td>30 June, 2015</td>
<td>100% of existing packaging reviews completed by 2015</td>
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\textsuperscript{1} Goal referenced from Australian Packaging Covenants Action Plan Development Resources (Better Practice Actions and Targets - Suggested Actions and Goals for Signatories, 2013 p. 3).
### 3.2 Recycling Performance Goal

**Goal 2** – The efficient collection and recycling of packaging

<table>
<thead>
<tr>
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<th>Time Frame</th>
<th>Target</th>
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<tbody>
<tr>
<td>3 Percentage of signatories with on-site recovery systems for recycling of used packaging</td>
<td>Continue to improve and expand existing systems for recycling of used packaging on-site at Telstra’s retail fulfilment operations</td>
<td>Products</td>
<td>30 June, 2014</td>
<td>10% increase in tonnes of recycling waste and 10% of landfill waste transitioned to recyclable materials&lt;br&gt;2010-2011 Baseline: Total tonnes of Recycling Waste = 746 (78%) Total tonnes of Waste to Landfill = 207 (21%)</td>
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<tr>
<td></td>
<td>Expand Telstra’s existing management systems to improve processes and environmental outcomes in business units responsible for consumer products</td>
<td>Chief Sustainability Office</td>
<td>30 June, 2015</td>
<td>Review and update existing waste management procedures within Telstra Group HSE Management System</td>
</tr>
<tr>
<td>4 Percentage of signatories with a policy to buy products made from recycled packaging</td>
<td>Review Telstra’s Purchasing Environment Policy</td>
<td>Procurement</td>
<td>31 December, 2013</td>
<td>Procurement policies and procedures updated to include APC KPI’s</td>
</tr>
<tr>
<td></td>
<td>Review Telstra’s purchasing terms to include a preference for the supply of products with recycled content and an ability to be recycled</td>
<td>Procurement</td>
<td>30 June, 2014</td>
<td>Updated purchasing terms</td>
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### 3.3 Product Stewardship Performance Goal

**Goal 3** - A demonstrated commitment to product stewardship by the supply chain and other signatories

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<th>Target</th>
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<tbody>
<tr>
<td>6 Formal process for working with others to improve design and recycling of packaging</td>
<td>Review policies and processes to enable Telstra to work with and influence others in the supply chain to minimise the adverse impacts of their packaging. Work with product suppliers to source and trial alternative packaging solutions.</td>
<td>Procurement, Products</td>
<td>30 June, 2014</td>
<td>Priority suppliers identified and engaged</td>
</tr>
<tr>
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<td>30 June, 2015</td>
<td>10% of priority suppliers demonstrate a commitment to minimising the adverse impacts of their packaging</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>30 June, 2014</td>
<td>Report on alternative packaging solutions</td>
</tr>
<tr>
<td>7 Proportion of signatories demonstrating other product stewardship outcomes</td>
<td>Raise awareness and initiate activities which support MobileMuster and help Telstra achieve or exceed its annual target. Enhance awareness within Business Units such as Procurement, Telstra Ops and Telstra Property of product stewardship responsibilities, risks and opportunities.</td>
<td>Chief Sustainability Office</td>
<td>Annual</td>
<td>Set annual target and publicly report on tonnage of mobile phones and accessories recycled via MobileMuster</td>
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<td></td>
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<td></td>
<td>30 June, 2015</td>
<td>Ongoing identification and implementation of product stewardship initiatives</td>
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<td>8 Reducing the number of packaging items in the litter stream</td>
<td>Include environmental logos and / or statements on marketing materials and packaging to inform customers about the packaging and appropriate disposal methods. Investigate feasibility of implementing management practices that ensure site based operations are kept litter free.</td>
<td>Products, Chief Sustainability Office</td>
<td>28 February, 2013, 28 February, 2014</td>
<td>Report percentage of marketing collateral and packaging that include environmental logos Housekeeping and litter management forms part of site based checklist</td>
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