

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.

I have much pleasure in endorsing Telstra's APC Action Plan for 2013 – 2015.



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

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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 1¹ - Optimising packaging to achieve resource efficiency and reduced environmental impact without compromising product quality and safety

KPI	Action	Responsibility	Time Frame	Target
1 Integration of the Sustainable Packaging Guidelines (SPG) in design and procurement systems	Review all new and existing packaging against the Sustainable Packaging Guidelines	Procurement, Products (formerly Telstra Innovation Products & Marketing)	30 June, 2014	Complete list of all existing packaging types and formats
			Annual	25% of existing packaging reviewed annually
			30 June, 2015	100% of existing packaging reviews completed by 2015

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 2² – The efficient collection and recycling of packaging

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

² Goal referenced from Australian Packaging Covenants Action Plan Development Resources (Better Practice Actions and Targets - Suggested Actions and Goals for Signatories, 2013 p. 4).

3.3 Product Stewardship Performance Goal

Goal 3³ - A demonstrated commitment to product stewardship by the supply chain and other signatories

KPI	Action	Responsibility	Time Frame	Target
6 Formal process for working with others to improve design and recycling of packaging	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	Procurement, Products	30 June, 2014 30 June, 2015	Priority suppliers identified and engaged 10% of priority suppliers demonstrate a commitment to minimising the adverse impacts of their packaging
	Work with product suppliers to source and trial alternative packaging solutions	Procurement, Products	30 June, 2014	Report on alternative packaging solutions
	7 Proportion of signatories demonstrating other product stewardship outcomes	Raise awareness and initiate activities which support MobileMuster and help Telstra achieve or exceed its annual target	Chief Sustainability Office	Annual
Enhance awareness within Business Units such as Procurement, Telstra Ops and Telstra Property of product stewardship responsibilities, risks and opportunities		Chief Sustainability Office	30 June, 2015	Ongoing identification and implementation of product stewardship initiatives

³ Goal referenced from Australian Packaging Covenants Action Plan Development Resources (Better Practice Actions and Targets - Suggested Actions and Goals for Signatories, 2013 p. 10).

KPI	Action	Responsibility	Time Frame	Target
8 Reduction in the number of packaging items in the litter stream	Include environmental logos and / or statements on marketing materials and packaging to inform customers about the packaging and appropriate disposal methods	Products	28 February, 2013	Report percentage of marketing collateral and packaging that include environmental logos
	Investigate feasibility of implementing management practices that ensure site based operations are kept litter free	Chief Sustainability Office	28 February, 2014	Housekeeping and litter management forms part of site based checklist