



TELSTRA ENVIRONMENT STRATEGY

2014-2016

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COMMUNICATIONS TECH
INDUSTRY HAS GREAT C
ENABLE AN ENVIRONME
SUSTAINABLE SOCIETY,
UNLOCK FINANCIAL AND
ENVIRONMENTAL BENEF



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OUR ENVIRONMENT STRATEGY

**At Telstra, our aspiration
is to become an Australian
environmental leader.**

Our new Environment
Strategy signals an important
development in our approach
to environmental management.

It outlines a clear framework,
through which to build on and
extend our existing program,
to minimise and manage the
environmental impacts across
our value chain.

At Telstra, our purpose is to
create a brilliant connected
future for everyone. The
success of our business relies
on it, and our Environment
Strategy will help to achieve it.



WHY WE ARE DOING THIS

Our Environment Strategy will enable us to minimise our impacts on the environment and the community, influence our suppliers to manage their impacts, and deliver products and services that help our customers to reduce their own environmental footprint.

An integrated strategy for environmental management across our business will enable us to meet customer expectations, differentiate our offering, embrace opportunities and minimise business risks associated with environmental issues.



MINIMISE OUR ENVIRONMENTAL IMPACTS:

Our work to minimise our environmental impacts is not new. Indeed, Telstra's environmental journey spans over 30 years. We are now in a position to move to the next phase of our environmental commitment.



STRENGTHEN OUR ENVIRONMENTAL CUSTOMER VALUE PROPOSITION:

Information and Communications Technology (ICT) is integral to a low carbon future. Our customers are already making requests of us to use our tools and expertise to help them reduce their environmental impacts.



REDUCE OPERATING COSTS ENHANCING PRODUCTIVITY:

Operating simpler, smarter and more efficiently benefits our business, not only environmentally, but also through reduced operating costs.

“BECAUSE WE CARE ABOUT THE ENVIRONMENT, THE SOCIETY WE LIVE AND WORK IN, AND AS A MARKET LEADER, WE HAVE A RESPONSIBILITY TO SHOW WE CARE ABOUT OUR OWN ENVIRONMENTAL PERFORMANCE AND THE ENVIRONMENTAL ISSUES THAT MATTER MOST TO OUR CUSTOMERS, SUPPLIERS AND THE WIDER COMMUNITY.”

DAVID THODEY

CEO

TELSTRA CORPORATION LIMITED



INFLUENCE & ENGAGE OUR SUPPLY CHAIN:

Telstra spends around \$6.5 billion annually on goods and services from close to 4,800 suppliers. The sheer number of suppliers and size of the spend puts us in a strong position to influence and help them to improve their environmental and social performance over time.



UNLOCK NEW MARKETS & DRIVE INNOVATION:

The increase of next-generation technologies provides Telstra with the opportunity to develop innovative ICT solutions with measurable environmental benefits that respond to market opportunities and customer expectations.

OUR FOCUS AREAS

Three focus areas form the basis of Telstra's Environment Strategy. Our actions across each area will help us to save on energy costs, manage environmental risks across the supply chain, and support our growth into new and emerging markets.

Actions in these three focus areas will be supported by partnerships, stakeholder engagement and thought leadership.

1. ENVIRONMENTAL CUSTOMER VALUE PROPOSITION (ECVP):

Embedding environmental considerations into the development of products and services, and leveraging our environmental credentials to differentiate Telstra. We are seeking to do this by:

- Offering Green ICT professional services;
- Minimising the environmental impacts of our products; and
- Marketing the environmental benefits of our products and services.

2. SUSTAINABLE SUPPLY CHAIN MANAGEMENT:

Working with and influencing our suppliers to manage and reduce the environmental and social impacts of their operations and of the products and services they provide to Telstra.

3. OPERATIONAL EXCELLENCE:

Actively identifying and minimising material environmental impacts and operating costs. Working across the business, we will address:

- Greenhouse gas emissions and energy;
- Electronic waste (e-waste); and
- Environmental compliance and risk management.



**AN ESTIMATED
27.5 MILLION
TONNES OF CARBON EMISSIONS &
\$8.1 BILLION**
COULD BE SAVED EACH YEAR THROUGH
AUSTRALIAN INVESTMENT IN ICT*



LAST YEAR TELSTRA SPENT
\$6.5 BILLION
ON GOODS AND SERVICES FROM AROUND
4800 SUPPLIERS
PUTTING US IN A STRONG POSITION TO
POSITIVELY INFLUENCE THEIR ENVIRONMENTAL,
SOCIAL AND ETHICAL STANDARDS



OVER THREE YEARS
WE AIM TO IMPROVE
CARBON EMISSIONS INTENSITY BY
55% FROM 2014
LEVELS

ENGAGEMENT

Engagement is critical to the success of our more strategic environmental approach. We will participate in industry forums committed to researching and measuring the environmental risks and opportunities of ICT products and services, and encourage our people to share information and ideas.

THOUGHT LEADERSHIP

Telstra has long participated in public discourse on the environmental impacts and benefits of ICT. In March 2014 we released '*Connecting with a Low-Carbon Future*', a report highlighting the central role that ICT can play in a low-carbon economy. We will continue to work with industry groups, government, research institutions and customers to develop positions on:

- The role of ICT in facilitating a low-carbon economy;
- New products and services that reduce customers' environmental impacts and costs; and
- Minimising the environmental impacts and costs of Telstra's operations.

* Telstra Corporation Limited, 2014, *Connecting with a Low-Carbon Future*.

THREE YEAR ACTION PLAN

Each focus area comprises a three year action plan of activities with clear tasks, accountabilities and key performance indicators.

ENVIRONMENTAL CUSTOMER VALUE PROPOSITION:

Our ECVP is focused on helping our customers transition to a lower carbon future.

We are leveraging our products and services to enable our customers to reduce their own environmental impacts, particularly in relation to energy use and carbon emissions. Activity in this focus area includes:

- **Communicating the environmental benefits of ICT:** Quantifying the environmental benefits of the products and services we sell.

- **Green ICT strategies:** Working with our largest customers to develop strategies for reducing their energy and carbon emissions through the use of ICT.
- **Environmental innovation for new products and services:** Developing new products and services with environmental benefits.
- **Green product design and development:** Embedding environmental considerations into existing product design and development processes.

"WE PROVIDE GREEN ICT CONSULTING SERVICES
TO ENTERPRISE &
GOVERNMENT CUSTOMERS"

SUSTAINABLE SUPPLY CHAIN:

We are committed to working with and influencing our suppliers to minimise the environmental and social impacts of the products and services they deliver.

Telstra's approach to sustainable procurement has been developed to encompass both social and environmental considerations, embracing the following key principles:

- **Responsible sourcing:** Ensuring products and services are sourced and produced under acceptable environmental, social and ethical standards.
- **Maximising resource efficiency:** Maximising use of materials with reused and recycled content, minimising packaging and designing products that can be either reused or recycled.
- **Minimising embodied carbon and operational energy use:** Maximising resource and energy efficiency in the manufacturing and supply process in order to minimise environmental impacts.
- **Pollution prevention:** Ensuring appropriate materials are used, and manufacturing and processing take place in a way that protects human health and the environment.

"OUR NEW SUPPLIER CODE OF CONDUCT
REFLECTS UN GLOBAL
COMPACT PRINCIPLES"

OPERATIONAL EXCELLENCE:

Our focus on operational excellence is primarily aimed at addressing the material environmental risks and opportunities of Telstra's operations. A number of long-standing initiatives are in place to reduce Telstra's energy usage and associated greenhouse gas emissions. To consolidate these efforts, further opportunities have been identified in four key areas:

- **Energy efficiency:** Improve the energy efficiency of our network buildings, data centres, office buildings, network architecture, and ICT equipment.
- **Renewable energy:** Investigate opportunities for using renewable energy to further reduce emissions.
- **Environmental risks and compliance:** Develop environment specific management and performance standards, guidance and tools.
- **Electronic waste (e-waste):** Minimise e-waste and ensure we maximise opportunities to reuse and recycle, while ensuring responsible disposal practices.

“OUR CARBON EMISSIONS
INTENSITY REDUCED
BY 30% IN FY14”

FIND OUT MORE

Visit www.telstra.com/sustainability

FEEDBACK

We welcome your feedback on our strategy, approach and performance.

Please email Pauline Gregg, General Manager-Environment, at sustainability@team.telstra.com

STAY IN TOUCH

 twitter.com/telstra

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 Our monthly sustainability newsletter: www.telstra.com/sustainability/subscribe

“OUR CUSTOMERS ARE INCREASINGLY EXPECTING US TO MINIMISE OUR ENVIRONMENTAL IMPACTS AND WORK WITH THEM TO REDUCE THEIRS.

OUR ENVIRONMENT STRATEGY IS AN IMPORTANT PART OF RESPONDING TO THAT CHALLENGE.”

PAULINE GREGG

GENERAL MANAGER - ENVIRONMENT
TELSTRA CORPORATION LIMITED



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