

Supplier Governance Statement



Policies and processes

Telstra's Group Policies support our commitment to managing risk in our supply chain. We govern risk in our supply chain through two policies:

- Dealing with Suppliers and Other Third Parties Policy, which sets out the principles that apply when engaging with suppliers or third-party agents and includes avenues to make reports about concerns or breaches.
- Supplier Code of Conduct, which sets out the minimum standards we expect from our suppliers and their supply chain, aligned with the principles of the UN Global Compact, industry guidelines, International Labour Organisation Standards and legislation.

These two policies are operationalised through our Supplier Governance Framework which sets out the minimum risk management activities that must be performed using a risk based approach.

Under the Supplier Governance Framework, the following requirements apply:

Before engaging a supplier:

- **Risk Assessment:** A risk assessment is completed to identify the inherent risks associated with a supplier engagement based on the Supplier Risk Categories: Operational, Commercial, Resilience, Privacy, Information Security, Health and Safety, Anti Bribery & Anti Corruption, Fraud, Labour Practices, Environmental Practices, Export Controls, Trade Sanctions.
- **Know Your Supplier (KYS):** Suppliers are required to complete our supplier due diligence questionnaire via our KYS process, including uploading and maintaining information on their risk management systems and providing evidence of their accreditations. We periodically revise the questions to respond to supplier feedback, regulatory change and emerging issues.
- **External Screening:** In addition to KYS, we also screen our suppliers for sanctions and adverse media alerts.
- **Contractual Obligations:** We use our standard Telstra Supply Agreement with most suppliers, which requires suppliers to comply with our Supplier Code of Conduct, implement policies and procedures to manage supply chains, and provide evidence of their compliance on request.

Through the life of the relationship with the supplier:

- **Ongoing Management:** Our contract owners are required to monitor and manage our suppliers' as well as Telstra's performance and compliance against contract requirements.
- **Ongoing Adverse Media Monitoring:** We monitor media alerts relating to our contracted suppliers. High risk alerts are escalated to relevant business owners and risk teams for review and remediation.
- **Sustainability Audits:** We run a sustainability audit program where we identify suppliers for worker voice surveys or site audits. Where there are findings from the surveys and audits, we work with the supplier to develop and implement remediation plans.

Training

We have mandatory training courses in place so our people can help us manage risks in our supply chains.

- Supplier Governance Framework Training (mandatory for all staff who are contract owners, supplier relationship managers, procurement team and risk team) raises awareness of our supplier management requirements and explains staff responsibilities and the resources available to manage suppliers across the Supplier Risk Categories.
- Procurement Principles Training (mandatory for all procurement specialists) helps procurement specialists understand their responsibilities when undertaking procurement activities to manage risks and support our social commitments and guides them how to comply with our Dealing with Suppliers and Other Third Parties Policy.

Grievance mechanisms

It is important to us that anyone can report concerns about illegal, unethical or improper conduct. Telstra's confidential and anonymous whistleblowing service can be accessed at www.telstra.ethicspoint.com.