

# Human Rights and Modern Slavery Act Statement 2023



We recognise and acknowledge the existing, original, and ancient connection Aboriginal and Torres Strait Islander peoples have to the lands and waterways across the Australian continent. We pay our respects to their Elders past and present. At Telstra, we are enriched by Aboriginal and Torres Strait Islander peoples' contribution to our organisation, and we commit to building a prosperous and inclusive Australia.



## Reporting entities and disclosure notes

This statement has been prepared by the Telstra Group to meet the requirements of the Modern Slavery Act (Cth) 2018 (Australian MSA) and Modern Slavery Act (UK) 2015 (UK MSA).

This statement is a joint statement covering the reporting entities set out in Appendix 1. Full details of the reporting entities in the Telstra Group are also set out in this appendix.

Other than these entities, no Telstra Group controlled entity meets the reporting entity criteria under the Australian MSA or the UK MSA<sup>1</sup>.

The activities described in this statement generally apply across the Telstra Group as a whole. The businesses of the reporting entities Telstra Health and Digicel Pacific, and certain owned or controlled entities in the Telstra Group, such as Media Innovations Holdings Pty Ltd and its subsidiaries (Fetch TV), are not fully integrated into Telstra operations. The activities of these entities in response to modern slavery risk differ in some instances to that of the remainder of the Telstra Group. Where we have identified material differences, these are set out in this statement.

A reference to 'the Telstra Group', 'Telstra', 'we', 'our', or 'us' is to Telstra Group Limited and its owned or controlled entities, including the reporting entities set out in Appendix 1, unless otherwise specified. Any reference to 'Telstra Group Limited' or 'TGL' is a reference to that entity only.

A reference to 'the year', 'this year' and 'reporting year' is to FY23 (1 July 2022–30 June 2023). A reference to 'modern slavery' means 'modern slavery' as defined in the Australian MSA and 'slavery and human trafficking' as defined in section 54 of the UK MSA.

<sup>1</sup> This statement does not cover Telstra Super Pty Ltd (Telstra Super), which is preparing its own Modern Slavery Statement and does not carry on any business within the UK. Telstra Super is a trustee for the Telstra Superannuation Scheme. We do not consider Telstra Super to be a controlled entity as we do not meet the criteria for consolidation under financial reporting standards.



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# CEO statement



Modern slavery is abhorrent, and it is a heartbreaking reality that nearly 50 million people are living in conditions of modern slavery around the world today<sup>2</sup>. This includes people experiencing debt bondage, deceptive recruitment for labour or services, forced labour, forced marriage, servitude, slavery, people trafficking or child labour.

No country or supply chain is immune to this, and so we have to be vigilant in identifying and addressing these inhumane practices. There is absolutely no place for them anywhere in our operations or supply chain.

As a large organisation within Australia and with an international footprint, we have an obligation to respect human rights, and to influence others in our value chain to do the same. Doing business responsibly is one of the key pillars in our T25 strategy. For Telstra, it means doing the right things by our customers, our people and the communities we operate in.

We have established policies aligned to the United Nations Guiding Principles on Business and Human Rights, and processes, to help us prevent, identify and address instances of modern slavery in our business or supply chain. We continue to build greater awareness of this issue within our own organisation and supply chain, through training, engaging with suppliers, collaboration and fostering a culture where speaking up is encouraged if something doesn't seem right.

Despite these efforts, the prevalence of modern slavery means it remains a risk, both for Telstra and other organisations. We are committed to continuously reviewing and improving our processes. This year we have focused on maturing and improving these policies and processes and seeking ways to more deeply embed them in how we operate. We also strongly believe in collaboration to bring about meaningful change, and we continue to collaborate with industry groups on best practices to prevent modern slavery in our supply chains.

Modern slavery of any kind goes against the values of Telstra. It will not be tolerated anywhere in our business or supply chain, and we will continue to be transparent about our efforts to find and address this abuse of human rights.

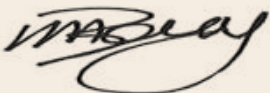
FY23 Highlights	Read on to learn more	Page
Developed a Supplier Governance Playbook to guide teams to undertake consistent and effective supplier governance activities, including risk assessments of suppliers	Supplier Governance Framework	25
Matured our Know Your Supplier (KYS) processes to drive better governance of supplier risk and increase the number of suppliers onboarded via KYS	Supplier onboarding, due diligence and ongoing monitoring	26
Incorporated the worker voice initiative trialled last year into our sustainability audit program	Worker voice surveys	28
Continued efforts to drive a consistent, best practice response within our corporate group	Consultation across the Telstra Group	42

# Annual statement of disclosure

In FY23, we did not identify any instances of modern slavery in our operations or supply chain.

We did, however, identify some labour practices and behaviours that gave us cause for concern and which we have taken action to remediate.<sup>3</sup> Finding these issues demonstrates that our processes have been effective in identifying situations that could escalate into modern slavery. It also alerts us to areas where we may need to review and reinforce our risk management approach. As part of our commitment to transparency, we have chosen to report them and our responses to them in this statement.

This statement is made pursuant to section 14 of the Australian MSA and section 54(1) of the UK MSA, where relevant. It constitutes the statement of each of the reporting entities set out in the 'Reporting entities covered by the statement' section for the year ended 30 June 2023, has been prepared in consultation with those reporting entities, and has been approved on behalf of the Telstra Group by the Board of Telstra Group Limited under section 14(2)(d)(ii) of the Australian MSA on 16 August 2023 and on behalf of Telstra UK Limited by the Board of Telstra UK Limited under section 54(6)(a) of the UK MSA on 29 August 2023. The statement in its entirety is signed below.



**Vicki Brady**

Chief Executive Officer and Managing Director of Telstra Group Limited



**James Lester**

Director of Telstra UK Limited and Executive – International Finance

September 2023



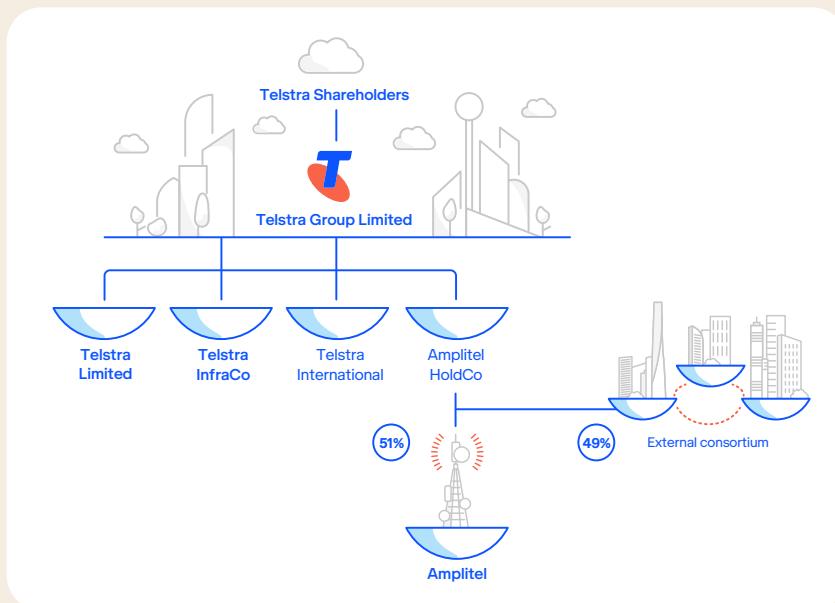
<sup>3</sup> See the 'Acting on our due diligence findings' section on page 32, as well as the 'Working with our ICT sector suppliers - tier 1 and beyond' case study on page 33.

# Our structure

## Our structure

The ultimate parent entity in the Telstra Group is Telstra Group Limited. Telstra Group Limited is a 'for profit' company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

During the financial year 2023, we completed a corporate restructure of the Telstra Group (Restructure). The Restructure included, among other transfers and arrangements, the establishment of Telstra Group Limited as the new parent entity of the Telstra Group with effect from 31 October 2022 (Telstra Corporation Limited was the parent entity of the Telstra Group prior to this date). Following completion of the Restructure, the business of the Telstra Group sits within four main subsidiaries: Telstra Limited, Telstra InfraCo, Telstra TowerCo No. 2 Pty Ltd (Amplitel Hold Co) (which holds our 51% interest in Amplitel Pty Ltd (Amplitel)) and Telstra International.



The restructure was an internal legal reorganisation and did not, by itself, result in any immediate change to the underlying assets, business activities or modern slavery risk of the Telstra Group.

The four key subsidiaries under Telstra Group Limited undertake the following business activities:

Telstra Limited	Telstra InfraCo	Amplitel	Telstra International
Telstra's business including Telstra's retail, wholesale, Health, Energy and Purple businesses, but excluding the businesses of Telstra InfraCo, Telstra International and Amplitel. Telstra Limited also owns and operates the active parts of the Telstra Group's infrastructure network.	The passive infrastructure asset business.	The separate business of providing access to passive tower assets owned or operated by Amplitel.	Telstra's business of providing international services using the international assets, which includes the Digicel Pacific group.

During FY23, the Telstra Group completed the acquisition of 100 per cent of the shares in Digicel Pacific and acquired a 51.4 per cent controlling interest in Fetch TV. Information on Digicel Pacific and Fetch TV is set out in the 'Consultation across the Telstra Group' section on page 42 and in the '2023 Group structure' section of our Annual Report available on our [annual results page](#). Further information on Digicel Pacific is set out in Appendix 1.

As of 30 June 2023, the Telstra Group has a direct or indirect interest in over 210 controlled entities, with our international presence spanning over 30 countries. We have controlled entities in Australia, Asia, the South Pacific, New Zealand, Europe, the Middle East and the United States of America.

For a complete list of the controlled entities in the Telstra Group as of 30 June 2023 (including ownership percentages and detail regarding each subsidiary's immediate and ultimate parent), please see the '2023 Group structure' section of our Annual Report available on our [annual results page](#).

# Our operations, workforce and supply chain



## Our operations

Telstra is Australia's leading telecommunications and technology company, offering a full range of communications services and competing in all telecommunications markets. We believe it's people that give purpose to our technology. Our purpose is to build a connected future so everyone can thrive.



Our world-leading mobile networks reach **99.6 per cent of the Australian population**



In Australia we provide around **22.5 million retail mobile services** and **3.4 million retail bundle and data services**



We offer a broad suite of **media, content and connectivity options** in Australia, as well as connectivity and enterprise services globally



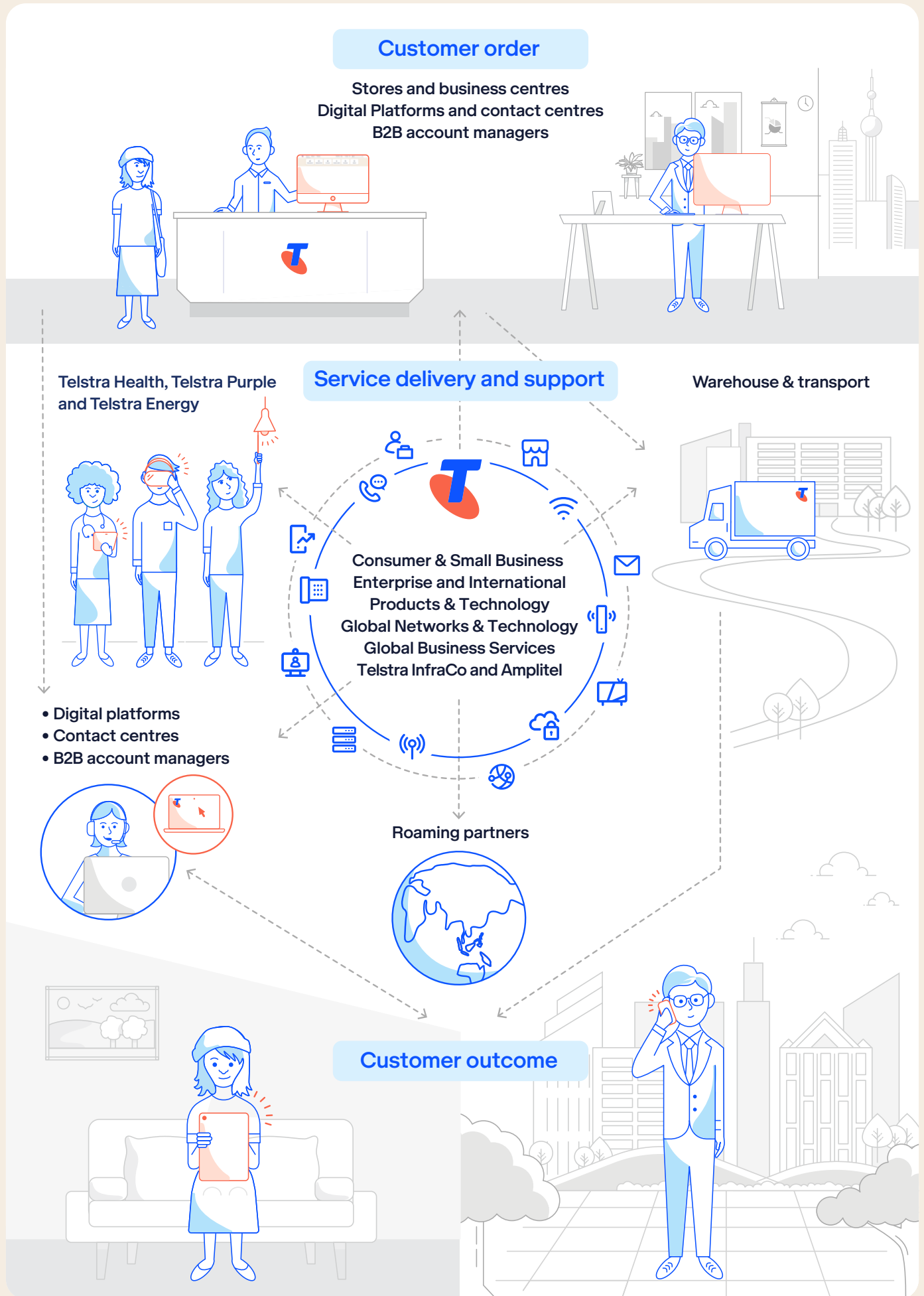
We facilitate over **2,000 network points of presence** in more than **200 countries and territories** around the world

We have a diverse range of customers including consumers, small businesses, large enterprises and government organisations. We source and supply communications infrastructure, devices, digital solutions (including digital health solutions) and connectivity services to meet a range of customer needs.

Page 8 shows a simplified diagram of our operations, explaining what we do and how our suppliers and people help us to meet our customers' needs.

For more information about our business and business strategy, please see our 2023 Annual Report available on our [annual results page](#).

# Telstra's Operations





# Our workforce<sup>4</sup>

## Our direct workforce

**30,779** Telstra Group's **global direct workforce**<sup>5</sup>

**4,218** (13.7%) Telstra Group's direct workforce **outside of Australia**

**21**<sup>6</sup> **Countries** where Telstra Group's direct workforce is located outside of Australia

At Telstra, we rely on a highly diverse workforce and engage people with broad and varied skillsets, ranging from salespeople through to technology experts. Our workforce is comprised of Telstra employees and workers engaged through industry partners.

## Our indirect workforce

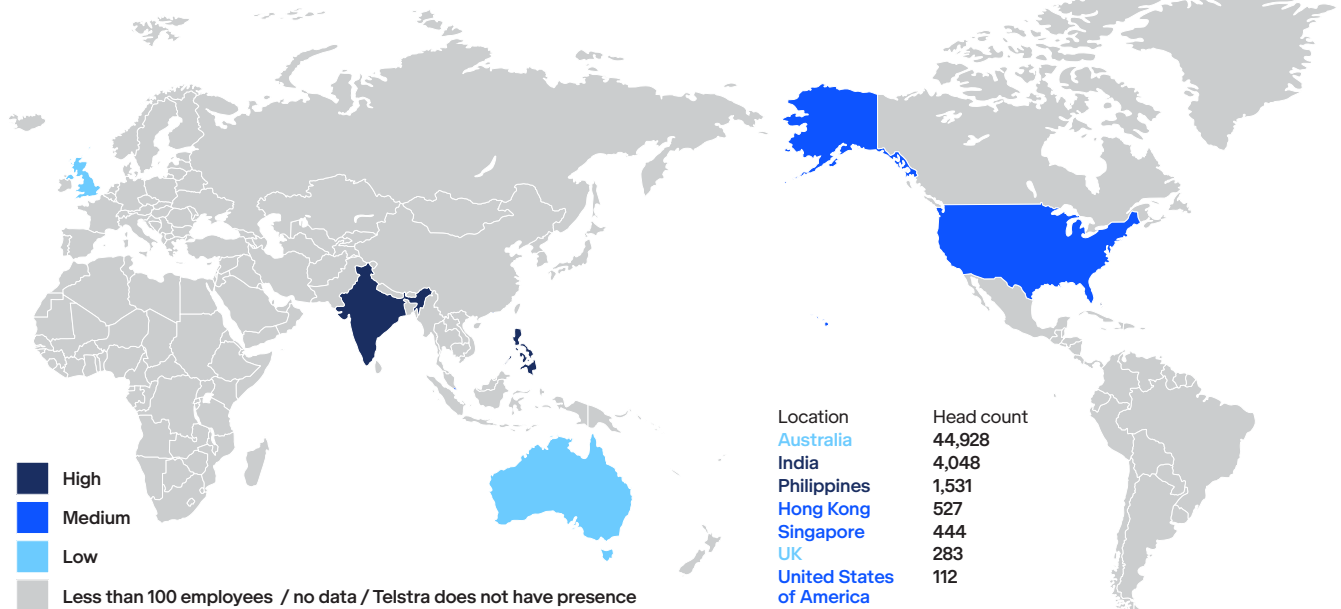
Telstra Group's indirect workforce<sup>7</sup> is 21,347 people in Australia and internationally. Most of these workers support our Consumer & Small Business, Global Business Services, Global Networks & Technology and Products & Technology functions in delivering both customer-facing and back-office processing services.

Our main centres for indirect workers outside Australia are India, Singapore and Hong Kong. A further seven countries have small numbers of indirect workers (fewer than 100).



## Our global labour risk profile

Telstra's direct and indirect workforce exposure to labour risk by location (with more than 100 employees)\*



\* Labour rights risks were calculated based on countries' scores in the Walk Free Global Slavery Index's analysis of countries' vulnerability to modern slavery.

4 All people data in this statement are expressed as headcount, not full-time equivalents (FTE) and are as at 30 June 2023. For the purposes of this statement Telstra Group's workforce data excludes Telstra Super workers. There are several controlled entities that are not captured within our Telstra Group HR System and so are not included in our direct workforce (e.g. Digicel Pacific and Fetch TV).  
 5 Direct workforce includes employees (permanent, fixed term, casual and long-term leave) contract and agency labour and controlled entity labour.  
 6 Digicel Pacific direct workforce is located in an additional six countries. Including these six countries, Telstra Group's direct workforce is located in 27 countries outside Australia.  
 7 Indirect workforce includes labour under the direction of outsourced partners who have access to Telstra systems in order to deliver services (e.g. consultants).

# Our supply chain

In FY23, Telstra Group engaged directly with<sup>8</sup>:



More than **5,800 suppliers**



From **92 countries**



Approx **78%** of the total spend was with **our top 100 suppliers**

Our direct (tier 1) suppliers often have many suppliers of their own, who then also rely on their own suppliers. These indirect suppliers who are also known as tier 2, tier 3 and tier 4 suppliers also contribute significantly to Telstra's large and complex supply chain.

Our largest category of spend is information and communications technology (ICT) (63 per cent).

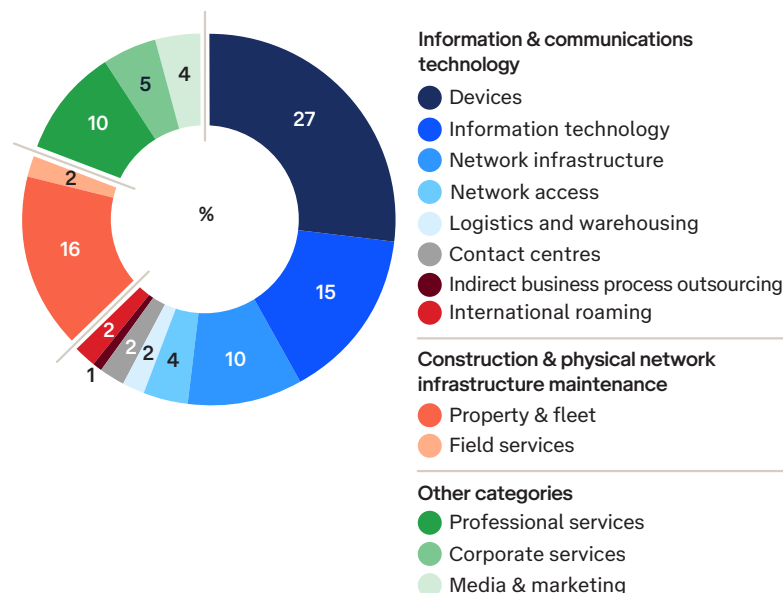
This category includes goods and services provided directly to customers, used to provide and manage our network and data services, or used by Telstra employees. This category also includes services that relate to developing and programming software and providing technology support to our customers and people.

Construction and physical network infrastructure maintenance represents 18 per cent of our total spend. The remaining 19 per cent of procurement spend is on non-core activities, such as professional services, travel and uniforms.

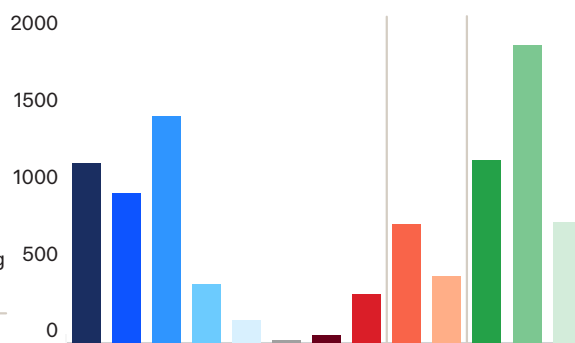
The majority of our spend in the ICT and network infrastructure categories, which includes electronics and network components, is with large multinational companies who supply us with finished products. We do not manufacture our own products. We work with original design manufacturers to produce Telstra-branded devices.

The services we procure are predominantly provided in Australia, India and the Philippines and the goods we procure, while predominantly purchased in Australia, are manufactured across the world. Major manufacturing locations include China, Vietnam and Thailand.

% of Telstra supplier spend by sub-category



Number of Telstra suppliers by sub-category\*



\* A supplier may appear in multiple sub-categories because they can provide goods and services over multiple sub-categories. As a result, the number of suppliers in this chart is higher than the total number of suppliers above.

<sup>8</sup> These figures capture Telstra Group entities who use Telstra's centralised procurement processes. These figures do not include Telstra's owned or controlled entities who do not use Telstra's centralised procurement processes. See the 'Consultation across the Telstra Group' section on page 42 for examples.

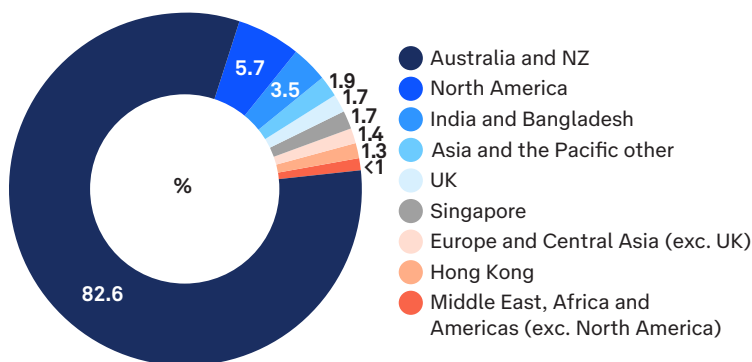


Approximately 86 per cent of what we spend directly is with suppliers based in low risk countries<sup>9</sup>. Many of our suppliers have Australian-based subsidiaries with whom we deal directly. As a result, a high percentage of our direct spend is within Australia. However, we recognise these suppliers may be headquartered or have manufacturing overseas. In addition, geography is only one factor we use in assessing the overall risk of a supplier and when assessing modern slavery risk,

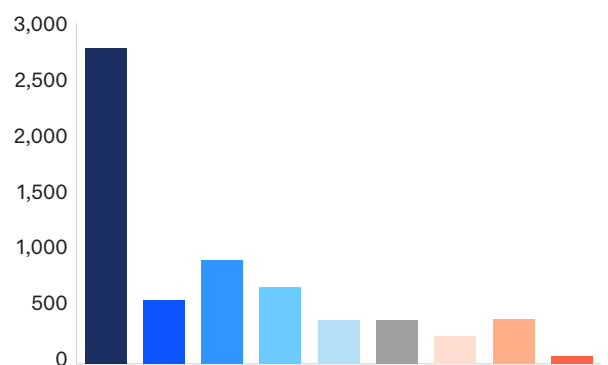
we look not only at the risk posed by that supplier but by their suppliers further down the supply chain and where they are located.

For more detail on our approach to risk assessment, please see the 'Identifying and assessing modern slavery risk' section on page 16 and the 'Addressing modern slavery risk in our supply chain' section on page 23.

**% of Telstra direct supplier spend by country\***



**Number of Telstra direct suppliers by country\*\***



\* Country location is based on the supplier registered address in our vendor management system. We recognise this may not necessarily reflect the country where the product or service is sourced from.  
 \*\* A supplier may be located in multiple countries. As a result, the total number of suppliers in this chart is higher than the total number of suppliers above.

9 Based on countries' scores in the Walk Free Global Slavery Index's analysis of countries' vulnerability to modern slavery.

# Governance of human rights and modern slavery risk

## Our corporate governance framework

We are committed to excellence in corporate governance, transparency and accountability. This is essential for the long-term performance and sustainability of our company and to protect and enhance the interests of our shareholders and other stakeholders.

To learn more about the governance of Telstra Group Limited generally, please see our 2023 Corporate Governance Statement and our *Sustainability at Telstra: In focus paper* available on our [reports page](#).

## Governance of human rights issues, including modern slavery

### Telstra's compliance governance structure

Telstra Group Limited Board

Audit & Risk Committee

Group Compliance

Executives accountable for critical compliance obligation areas which encompass human rights obligations  
(supported by compliance SMEs)

Our Compliance Framework defines how we manage our obligations, compliance and controls, including those relating to modern slavery and other human rights issues.

Compliance obligations relating to modern slavery include the obligations to:

- provide a healthy, safe and sanitary workplace
- prevent the use of child labour, forced or compulsory labour, violence, threats, other forms of physical coercion or harassment in our operations, supply chain or business partners (including licensees)
- comply with applicable laws and regulations relating to wages and benefits
- comply with applicable laws and regulations in relation to work hours.

Applicable legislation and other regulatory instruments are documented as obligations in our Governance, Risk and Compliance Tool, to ensure that they can be understood, and appropriate controls are identified, documented and monitored.

In FY23, we continued our focus on uplifting our compliance environment by improving the quality of documented compliance obligations, uplifting controls and improving our compliance culture and capability. Human rights issues are captured by relevant critical obligation areas of focus.

The obligations that we have documented and manage in accordance with our Compliance Framework apply to our operations and our supply chain. This approach is a cornerstone of managing modern slavery risk and other human rights issues at Telstra.

Telstra's commitment to human rights is evidenced by our Human Rights Policy and supporting Human Rights Guidance Document (detailed below), as well as our Human Rights and Modern Slavery Act Statement reporting and cross-functional supplier governance initiatives. Telstra's compliance program focuses on the management of new and existing risks across our supply chain and controlled entities. We test the key controls in the compliance program to identify the extent to which they are effective in managing the targeted risks, including modern slavery risk and other Human Rights Policy breaches.

Management of human rights issues at Telstra is also supported by a Human Rights Working Group sponsored by the Chief Sustainability Office. The Human Rights Working Group is a cross functional group comprising representatives from the legal, workplace relations, supplier services and compliance and risk teams which meets monthly to consider and address human rights issues and areas of focus and how they are managed across Telstra.



## Our values, Telstra Group Code of Conduct and Group Policy Framework

Telstra’s values and our [Telstra Group Code of Conduct](#) set the behavioural standards for everyone who works for, or on behalf of, Telstra.

## Our purpose and values

Our purpose is to build a connected future so everyone can thrive. Together with our purpose, our values express what we stand for and guide the way we do things. They are core to who we are, and we align everything we do with them.

The value of ‘We care’ requires us to show care in all that we do. Working to ensure no modern slavery exists in our operations and supply chains is a necessary action to ensure we are living this value.

### At Telstra, we have four values:



#### We are changemakers

We think big, set ambitious goals and deliver them – for our customers, shareholders and communities. By speaking up, being curious to learn and valuing different perspectives we challenge the status quo and make change.



#### We are better together

We’re one team and embrace the value each of us bring. Our (super) power lies in working together to deliver for our customers. We’re each accountable for our actions and do what we say we’re going to do.



#### We care

We show care in all that we do. We do the right thing for our customers, our communities, the planet, ourselves and each other – even when no one’s watching.



#### We make it simple

What we do is complex, but we always make things simple for our customers and each other. Simple doesn’t necessarily mean quick. We keep the simple, simple.

## Code of Conduct

Our [Code of Conduct](#) (Code) includes our Telstra values and defines how we do business. It explains what we stand for and informs how we will conduct ourselves as we work together to deliver our strategy. It helps us take a consistent, global approach to important ethical and compliance issues, including respecting human rights and preventing modern slavery.

Our Code applies globally to all directors, employees and contractors in the Telstra Group, including its controlled entities (unless an exemption has been granted). It is communicated to these individuals as part of the onboarding process, it is available on our intranet and website and forms the basis of our annual Code of Conduct training (Business Essentials Training).

Our Code sets out seven principles governing how we do business:

- we do the right thing by acting fairly, with due care, lawfully, in the best interests of the company and shareholders; and by honouring our commitments to customers
- we act with honesty and integrity. We never make or receive improper payments, benefits or gains and always deal ethically
- we use information and property responsibly and we keep it safe and secure
- we maintain a safe and inclusive working environment where we treat each other with respect
- we seek to make positive and sustainable economic, social and environmental contributions wherever we operate
- we communicate responsibly and use technology appropriately
- we are all individually accountable for complying with the Code and we call things out which don't seem right.

It also outlines where to go for further help and how to raise concerns through various channels, including our [whistleblowing service](#).

Each principle within the Code is supported by and references a range of Telstra Group Policies<sup>10</sup> and Standards such as Health, Safety and Wellbeing, Anti-bribery and Anti-corruption, Dealing with Suppliers and Other Third Parties and our Human Rights Group Policies (described in more detail below). Our Code and Group Policies are reviewed periodically, to ensure they remain relevant and clearly define our expected behaviours.

Everyone who works on behalf of the Telstra Group, including employees and contractors is responsible for acting in accordance with the Code. This includes knowing and following Telstra Group Policy requirements. Leaders throughout our organisation are accountable for creating and fostering a work environment that encourages ethical behaviour and compliance.

Alleged Code, policy or standards breaches are investigated and acted upon accordingly. This can include investigations by the Chief Risk Office investigations team or the HR global case management team. Material breaches of the Code are reported to the People and Remuneration Committee of the Board every six months.

<sup>10</sup> Group Policies are those policies with widespread application and significant impact to the Telstra Group and are overseen by the Telstra Group Policy Governance Framework. These include the Telstra Code of Conduct, Human Rights Policy and Whistleblowing Policy.



## Human Rights Policy

Telstra's Human Rights Policy sets out our commitment to respect and support human rights as defined in the Universal Declaration of Human Rights, as well as our commitment to comply with the UN Global Compact. It defines these commitments, which include providing a fair, safe and healthy working environment and not tolerating or supporting the use of child labour, forced or compulsory labour in our operations.

Our Human Rights Policy makes it clear that we expect suppliers, business partners and other third parties to comply with the policy. It also states the obligations of employees, contractors and anyone working on behalf of the Telstra Group to comply with the policy and report any concerns or breaches.

Our Human Rights Policy is reviewed annually to ensure it remains relevant and clearly defines our expected behaviours.

In addition, we have a plain English Human Rights Policy guidance document to help our people understand what the Human Rights Policy means practically for them in their day-to-day work. It focuses on understanding human rights and identifying risk factors by providing illustrations for our people of what relevant human rights breaches might look like and how and where to report concerns. This includes examples relating to modern slavery.

## Policy coverage

Telstra expects all entities in the Telstra Group to adopt or align to the Code, its Group Policies and supporting frameworks such as the Supplier Governance Framework, or else to seek an exemption. These requirements are set out in Telstra's Group Policy Governance Framework, along with the Group Governance Operating Model.

In some circumstances, a group entity will not adopt a Group Policy. An entity can only be exempt from adopting a Group Policy or supporting framework if:

1. the entity has an alternative policy or framework that is substantially aligned and consistent with the Telstra Group Policy
2. the topic, issue, or risk to which the Telstra Group Policy or framework applies is not applicable to the entity or
3. adopting the Telstra Group Policy or framework would breach local laws applicable to the entity.

We aim to strengthen alignment of our many subsidiaries to the Telstra Group Policy Governance Framework in FY24.

# Identifying and assessing modern slavery risk

## Our salient Human Rights Issues

At Telstra, we have determined that our seven most salient human rights issues are:

 <p><b>Labour rights including:</b></p> <ul style="list-style-type: none"><li>• forced or compulsory labour</li><li>• wages and benefits</li><li>• work hours</li><li>• child labour</li></ul>	
 <p><b>Freedom of association</b></p>	 <p><b>Health and safety</b></p>
 <p><b>Privacy and data protection</b></p>	 <p><b>Anti-discrimination</b></p>
 <p><b>Anti-bribery and corruption</b></p>	 <p><b>Access to grievance mechanisms</b></p>

We have determined this by reviewing the human rights issues contained in the UN Declaration of Human Rights and assessed their salience according to the UN Guiding Principles on Business and Human Rights (UNGPs). We have commenced a refreshed assessment of our salient human rights issues, to identify whether these are still current. This assessment will be completed in FY24.

## Identifying our modern slavery risk areas

The UNGPs expect businesses to carry out human rights due diligence to assess both actual and potential human rights impacts. To help us identify those higher risk areas where there is potential for involvement in negative human rights impact in the form of modern slavery practices, we engaged an independent third party in FY20 to review our global operations and supply chain and identify areas of higher risk to focus our attention.

In line with the UNGPs, due diligence on human rights impacts should be ongoing, recognising that human rights risks may change over time as a business' operations and operating context evolves. We therefore continue to assess our modern slavery risks as our business evolves. We use four key modern slavery risk factors: country/region, categories/sectors, business models and vulnerable populations to assess where, in relation to Telstra's business units and procurement categories, there is potential risk of modern slavery practices. Once we identify higher risk areas, we can direct where we undertake further due diligence, engage with specific suppliers and implement additional controls.

In FY23, Amplitel and Telstra InfraCo undertook a modern slavery risk review which identified higher risk categories in their supply chains. While these risk assessments did not uncover any risks different to the broader Telstra Group, targeting specific entities in this way allowed Telstra to better understand the risks specific to these entities, increase awareness of modern slavery risk and confirm these entities' processes to mitigate their risk. This approach allowed Telstra InfraCo and Amplitel to plan and prioritise assessment of higher risk suppliers as part of the Telstra Group's broader supplier assurance program.

Telstra Energy also undertook a modern slavery risk assessment which identified risks specific to this business such as batteries, renewable energy projects and metering devices. Telstra Energy is an operational unit of Telstra, comprising certain wholly owned subsidiaries.

We also regularly review where our areas of highest risk lie through periodic supplier risk assessments, learnings from our supplier due diligence, grievances raised, participation in industry groups focused on human rights and modern slavery, feedback from stakeholders, media attention on instances of exploitation practices and team members' expertise and scanning of emerging issues. We rely on multiple and diverse sources to identify our risk areas to help us ensure we are prioritising and responding to our most salient risks.



# Case study: Telstra Energy



## In FY23, Telstra Energy:

- supplied retail energy as part of a limited number of customer trials. The scaling of our retail energy products has since been paused.
- managed Telstra's energy and power requirements, including the procurement of electricity, carbon offset projects, energy certification schemes, operating power assets, and managing Telstra's participation in the wind and solar market.

This year, Telstra Energy undertook a modern slavery risk assessment, including confirming what steps Telstra Energy is taking to manage energy-specific modern slavery risks and identify opportunities to strengthen its response. We determined that Telstra Energy's modern slavery risks are broadly similar to those of Telstra as a

whole. However, we identified metering devices, renewable energy projects and investment in battery technologies as areas of higher risk. Telstra Energy added these risk findings into Telstra's risk management processes. As an example, Telstra Energy updated its standard documentation requesting indicative proposals for new battery technologies to include a question up-front on how proposed partners manage modern slavery risks in their supply chains.

Similarly, it has introduced targeted questions on modern slavery risk management relating to metering devices when engaging potential metering services. Raising this issue so early in the process sends a clear message to respondents that this is a critical consideration for Telstra when choosing potential partners.

# Case study:

## Pursuing transparency in our solar panel supply chain



In FY22, we reported on how we became aware of the risk of state sponsored forced labour and worker exploitation in the solar panel supply chain. Telstra buys and installs solar panels each year as part of our mobile equipment installations and network upgrades across Australia and the wider region. Our tier 1 suppliers in Australia source their panels overseas.

To respond to these concerns and better understand our exposure, we commenced the sustainability audit process for the three solar panel facilities being used to supply us. These audits include looking at labour conditions of workers on site. However, from the three facilities targeted for these audits, we have only been able to complete one audit to date.

The completed audit was undertaken on a site operated by our tier 2 supplier. We leveraged our relationship with our Australia-based tier 1 supplier to complete this audit. One finding related to working conditions was uncovered in this audit: staff not wearing appropriate personal protective equipment while performing hazardous work. We worked collaboratively with the tier 1 and tier 2 suppliers to verify that corrective action had been implemented. This included evidence that protective equipment and associated training have been provided to workers.

Of the remaining two sites, we continue to work with one to arrange an audit at the site operated by the tier 2 supplier. Finally, in respect of the last site, we encountered continual resistance to an audit. Ongoing attempts by us to secure agreement to the audit were unsuccessful.

Consequently, we have informed our tier 1 supplier that we will not accept supply from that facility until it can undertake an audit and have asked our tier 1 supplier for evidence on how it is managing modern slavery risk in its supply chain in compliance with its contractual obligation.

Our experience highlights the challenges faced in relation to transparency in the solar panel supply chain and the heightened risk in respect of suppliers further down the supply chain. To help mitigate this risk, we have implemented additional internal controls to ensure that our solar panel suppliers adhere to our sustainability standards, including:

- Cross referencing potential solar panel suppliers against a list of suppliers already audited by us or other Joint Alliance for Corporate Social Responsibility (JAC) members and suppliers that have had allegations of worker exploitation raised against them in the past. Where warranted, we will undertake additional due diligence.
- Engaging with tier 1 solar panel suppliers on this issue right from the outset of the procurement process. We will do this by explaining that worker conditions, and difficulties auditing, are a concern to Telstra and asking suppliers how they plan to manage this, prior to committing to the supplier.

# Our risk areas

Telstra's modern slavery risk areas have been identified over time and continue to be reviewed and updated, using the risk identification processes detailed above. Our relationship to the risk has been assessed using the UNGPs' continuum of involvement, which explains how a business may be involved in potential or actual human rights impacts such as modern slavery:

- Businesses may **cause** an adverse human rights impact like modern slavery if their actions directly result in modern slavery (e.g. if a business exploits its employees, including confiscating their passports to prevent them from leaving or reporting the exploitation).
- Businesses may **contribute** to an adverse human rights impact like modern slavery where the impact would have been unlikely to occur without their actions or omissions, including if their actions or omissions incentivise or facilitate modern slavery (e.g. if a business pressures a supplier to significantly reduce costs and lead times to such an extent, it is aware it can likely only be achieved by using forced labour).
- Businesses may also be **directly linked** to an adverse human rights impact such as modern slavery where their operations, products or services are connected to modern slavery through their business relationships, including entities in their value chain (e.g. if a business purchases goods from a supplier which include raw materials extracted by sub-suppliers using forced labour).

In relation to the identified risk areas, our assessment has indicated that Telstra is most likely to be directly linked to modern slavery impacts in these areas through our business relationships rather than causing or contributing to these. However, we recognise there is a potential risk we might cause or contribute to modern slavery if the risk management controls outlined in this statement were not in place.

Risk area	Why it is a risk area
<b>Operations</b>	
 Contingent and indirect workforce outside Australia in the Asia-Pacific region (e.g. employees of our indirect delivery partners)	Higher risk business model with Telstra having limited control and visibility over the working conditions of workers not employed directly and located in high-risk countries.
 Workers at retail partners and partner business centres	Risk that delivery partners may take advantage of vulnerable employees (e.g. migrant workers or visa holders). Telstra has limited visibility and does not have direct control over the conditions of these workers.
<b>Supply Chain</b>	
 ICT Products (e.g. devices, accessories)	Produced by low-skilled and low-wage labour, at times by potentially vulnerable workers in high-risk countries.
 Devices (non-ICT), including medical devices and energy metering devices	May be produced by potentially vulnerable workers in high-risk countries.
 Construction & physical network infrastructure maintenance	Involves low-skilled and low-wage labour at times using potentially vulnerable workforce (e.g. migrant workers or visa holders).
 Products used to build, support and maintain physical network infrastructure.	Produced by low-skilled and low-wage labour, at times by potentially vulnerable workers in high-risk countries. Usually produced by lower tier suppliers where Telstra has limited visibility.
 Branded apparel	Produced by low-skilled and low-wage labour, at times by potentially vulnerable workers in high-risk countries.
 Marketing merchandise	Produced by low-skilled and low-wage labour, at times by potentially vulnerable workers in high-risk countries.
 Cleaning and waste management	Involves low-skilled and low-wage labour, at times using potentially vulnerable workforce (e.g. migrant workers or visa holders).
 Transport/logistics	Involves low-skilled and low-wage labour, at times using potentially vulnerable workforce. In particular, pressure on supply chains caused by COVID-19 and other world events has increased the potential for exploitation of workers in this industry.
 Solar panels and batteries	May be produced by potentially vulnerable workers in high-risk countries.
 Carbon offsets	Projects targeted can be in high risk developing countries and utilise potentially vulnerable workforces in high-risk industries (e.g. solar power project or brick manufacturing improvement project in India).
 Renewable energy projects via Power Purchase Agreements	Higher risk industry subject to modern slavery risks. Products required for renewable energy projects may be produced by potentially vulnerable workforce in high-risk countries. The supply chain pressures caused by the increased demand for renewable energy projects and products heightens modern slavery risk.

# Addressing modern slavery risk in our operations

## Ensuring our direct workforce is treated fairly

We have a global employment framework covering all Telstra Group direct employees that complies with all local laws as a minimum and covers core employment conditions such as minimum wages, hours of work and leave entitlements. This includes our owned or controlled entities which all follow our global employment framework even where they have separate policies and processes (such as different leave entitlements and allowances).

Our direct workforce in Australia generally has working conditions set by enterprise agreements. More than 73 per cent are covered by these collective agreements. We consult with our people before we implement any significant changes to the way we work. Our people have the freedom to form or join a trade union, to bargain collectively and to engage in trade union activities.

Telstra periodically reviews the labour laws that apply in locations where we operate to ensure we meet these requirements. If there are any gaps identified in respect of a particular location, these are promptly remedied.

In many aspects our global employment framework provides conditions and employment processes that go beyond what is required by local law to ensure we are respecting and supporting the human rights of employees and providing a safe and fair working environment.

For more information on how we ensure respect and support for our people, please see the 'People and culture' and 'Safety and security' sections of our 2023 Annual Report available on our [annual results page](#) and the 'Our people' section in our 2023 Sustainability Report available on our [reports page](#).

## Recruitment and labour hire

Telstra Group Limited, Telstra Limited, Amplitel, Telstra InfraCo and Telstra International (which employ the majority of employees in the Telstra Group) (Main Employing Entities) have a recruitment policy to help ensure:

- all recruitment decisions are in line with the Telstra values
- recruitment and selection practices are fair and equitable
- all recruitment process are aligned with our diversity and inclusion policy
- we act in accordance with the principles in our redundancy and redeployment policy.

The Main Employing Entities and Telstra Purple have a formal recruitment process for our permanent and contingent workforces that all recruiters are required to follow. When agencies are engaged, they are required to follow these recruitment processes.

The online recruitment management system has formal approval gates to ensure our policies and procedures are correctly followed. This includes verifying candidates' identity and evidence to confirm their right to work status and that they meet minimum employment age requirements. It also includes generating contracts that comply with Telstra's policies and procedures, including in relation to pay rates, working hours, benefits and relevant enterprise agreements.

As an inclusive employer promoting and valuing diversity within our workforce, we are making sure we respect and support the human rights of our employees and job candidates. To enable our leaders to build a more diverse and inclusive workplace, we have recruitment procedures to support diverse candidates.

For more information, please see the 'Our people' section of our 2023 Sustainability Report available on our [reports page](#).



# Management of higher risk operational activities and locations

We recognise that some of the activities we undertake and some of our service delivery models are higher risk than others as set out in the 'Identifying and assessing modern slavery risk' section above. This includes risks relating to indirect delivery partners, our retail partners and partner business centres. We have additional mitigations in place to manage the risks associated with these activities, as outlined below.

## Specific risk mitigations for our delivery partners outside Australia

We recognise that the indirect delivery partner service model may carry risks for workers who are not directly engaged by Telstra.

Four main functions of Telstra use significant numbers of workers through delivery partners outside Australia: Global Business Services, Consumer & Small Business, Global Networks & Technology and Products & Technology.

- **Global Business Services (GBS)** consolidates shared services and high-volume repeatable activities (such as billing, assurance, activations, people services, payroll, data and analytics, supply chain and procurement) in a single functional area. GBS provides services to all functions within Telstra, in Australia and globally.
- **Consumer & Small Business (C&SB)** caters to retail customers in the mass market, small business and individual customer segments. C&SB manages customer relationships across all assisted and unassisted channels, including contact centres and digital platforms.
- **Global Networks & Technology (GN&T)** is responsible for the overall planning, design, architecture, engineering, construction, security and operation of our networks and technology solutions. GN&T delivers resilient network technologies as well as cloud and edge computing capabilities.
- **Products & Technology (P&T)** is responsible for creating and delivering products and solutions for customers across all segments. It has accountability for Telstra's product strategy, product lifecycle as well as technology and innovation where products are incubated and brought to scale. P&T is also accountable for Telstra's IT, and Data and AI functions and accelerating the organisation's digital leadership.



Across these four functions, around 47 per cent of the workforce is indirect. These workers are either engaged as contingent workers or through longer term delivery partnership arrangements.

The largest groups of indirect workers are in Australia, followed by India, which is considered a higher risk location for modern slavery<sup>11</sup>.

To mitigate the risk presented by the indirect delivery partner service model, we have implemented a range of procedures and programs to ensure the high labour management standards we expect are being met.

All our delivery partners must sign on to our Supplier Code of Conduct (see below on page 23), and can be asked to demonstrate compliance through questionnaires, desktop audits and site visits. Our expectations of partners are also outlined in site-specific Operations Manuals, providing information on our expectations with respect to Telstra Group Policies and procedures.

Our partners are contractually obliged to comply with the law, including local laws relating to terms and conditions of employment. For example, in India this includes the Child and Adolescent Labour (Prohibition & Regulation) Act (23 Dec 1986). In India, these working conditions must be physically displayed in the workplace, in a language the workers can understand. We also require our partners to provide workers with contracts in a language they can understand. Terms and conditions of employment must be clearly set out in employment contracts.

Employees of our delivery partners with direct access to Telstra systems are required to complete our Business Essentials Training. In this training, we provide information regarding our expectations with respect to labour standards and modern slavery. We also inform them of the confidential whistleblowing service available to them (see the 'Whistleblowing' section on page 37 for more detail).

Employees of our delivery partners who fail to complete Business Essentials Training by the required date each year lose access to Telstra systems until they have completed it.

Our partners are also required to have their own functioning ombudsperson and policies that include escalation processes to raise concerns with Telstra.

11 Labour risk rating was calculated based on countries' scores in the Walk Free Global Slavery Index's analysis of countries' vulnerability to modern slavery.

## Specific risk mitigations for our retail network

Across Australia, we utilise a network of stores and business centres to sell to our consumer and small business customers. As of September 2022, all Telstra branded retail stores are Telstra-owned and operated, and we own and operate a portion of our business centres. We have dealership agreements with partner business centres and retail partners such as JB Hi-Fi and The Good Guys to sell Telstra products. Retail partners receive commissions based on several factors including results of customer experience surveys, sales volumes and qualitative metrics.

We recognise that when workers are not employed directly by us, we need to implement a robust risk management framework to ensure worker rights are upheld and appropriate grievance mechanisms are accessible to workers.

Our risk management framework for our partner business centres and retail partners comprises multiple components, including:

- **Annual attestation** – partners are required to complete an annual attestation of compliance with the terms of their agreement, including attesting to compliance with employment and labour obligations.
- **Training** – a pre-requisite for partner business centres and retail partners to access Telstra systems is to complete mandatory training. The training sets out the standards and behaviours we expect of them, and how to raise a concern if they feel these standards are not being met.
- **Grievance mechanisms** – each partner business centre and retail partner is overseen by a Telstra representative. The Telstra representative provides a channel where partners and their employees can raise issues with us. In addition, many partners also have their own grievance mechanisms that their employees can use to raise issues. Alternatively, they can use Telstra’s confidential, independent whistleblowing service, which is described below in the ‘Grievance mechanisms and remediation’ section on page 36.
- **Audits** – we have a contractual ability to audit partners if concerns about compliance with employment laws are raised.

A failure to comply with relevant Telstra policies, laws or regulations applicable to their operations will constitute a breach of the agreement partner business centres and retail partners have with Telstra. Depending on the seriousness of the breach, Telstra’s recourse in relation to such events may include actions such as termination of the agreement, clawback of relevant remuneration paid to the partner and/or suspension of the partner’s ability to undertake certain types of sales or service activities.

Similar risk management process such as training, grievance mechanisms and audit rights are applied to our enterprise partners even though enterprise partners have not been identified as a modern slavery risk area for Telstra.

## Obligations in dealership agreements

Our relationships with dealers, such as partner business centres, retail partners and enterprise partners are governed by a range of dealership agreements.

For our Enterprise channel partners, we include an obligation for those dealers to “comply with applicable Telstra Group Policies and Codes of Conduct (and provide such attestations on this as we reasonably require)”. These agreements expressly reference the Supplier Code of Conduct, which is covered in more detail in the ‘Addressing modern slavery risk in our supply chain’ section on page 23.

When standard agreements for other dealer types are updated, we also consider changes to better mitigate modern slavery risk. For example, in FY23, our standard agreement for partner business centres was revised and now includes a requirement to comply with our Supplier Code of Conduct.





# Addressing modern slavery risk in our supply chain

At Telstra, how we do business and support our customers is just as important as the business outcomes we deliver. We take seriously our duty to operate our business responsibly and we expect our suppliers to do the same.

## Constructive engagement with suppliers

We regularly work with our suppliers to assess whether they are meeting our standards. Many of our suppliers have processes in place for managing their own risks and are open to working with us to meet our minimum standards.

Where we identify concerns about supplier performance, we engage constructively with the supplier, driving improvement to deliver the best outcomes for the workers we are seeking to protect, the community and the environment. In instances where suppliers are not willing to improve their performance, despite our attempts at engagement, we may withdraw from contracts or switch to alternate suppliers.

## Supplier Code of Conduct

Our [Supplier Code of Conduct](#) sets out the minimum standards we expect from our suppliers and forms part of our standard purchasing terms.

Through our policies, Supplier Governance Framework, training and audit program, we work with our suppliers to assess whether they are meeting our standards.

Our Supplier Code of Conduct is aligned with 10 universally accepted principles of the UN Global Compact, Responsible Business Alliance (RBA) Code of Conduct and JAC Supply Chain Sustainability Guidelines, as well as legislative obligations such as the UK MSA and the Australian MSA.

The Supplier Code of Conduct was updated in June 2023. A copy of the updated Supplier Code of Conduct was communicated at the end of June 2023 to all suppliers engaged in FY23. All suppliers engaged subsequently receive the updated Supplier Code of Conduct as part of our standard purchasing terms. This year, we hosted another supplier forum with a number of our top 200 suppliers to reinforce Telstra's commitment to responsible business and support their understanding of our Supplier Code of Conduct requirements.



The Supplier Code of Conduct sets out, amongst other things, requirements relating to labour rights of workers including that suppliers must:

- respect workers' freedom of association
- comply with applicable laws relating to wages and benefits
- provide workers with written documentation outlining their terms and conditions of employment in a language they can understand
- not require workers to exceed prevailing work hours set by local law
- comply with certain International Labour Organisation standards relating to working hours
- not use any form of forced, bonded, compulsory labour, slavery or human trafficking
- not require workers to surrender identification documents
- not require workers to pay recruitment fees
- not use child labour
- provide a safe and healthy workplace and care for their workers.

Suppliers' ability to meet or exceed standards detailed in the Supplier Code of Conduct is considered by Telstra when making procurement decisions. This happens regardless of whether the Supplier Code of Conduct has been formally incorporated into a particular contract with the supplier. In addition to the Supplier Code of Conduct, we may also include more specific social, environment and/or ethical requirements in our contract terms based on the inherent risk of the agreement.<sup>12</sup>

The Supplier Code of Conduct makes it clear that we expect our suppliers to monitor their own and their suppliers' compliance with our Supplier Code of Conduct, and to ensure timely correction of any identified non-conformance. We also require them to notify us if they become aware of an actual breach of, or reasonable likelihood of breaching, the Supplier Code of Conduct. We provide an online portal specifically for suppliers to disclose conflicts of interest relating to Telstra employees and concerns about working conditions.

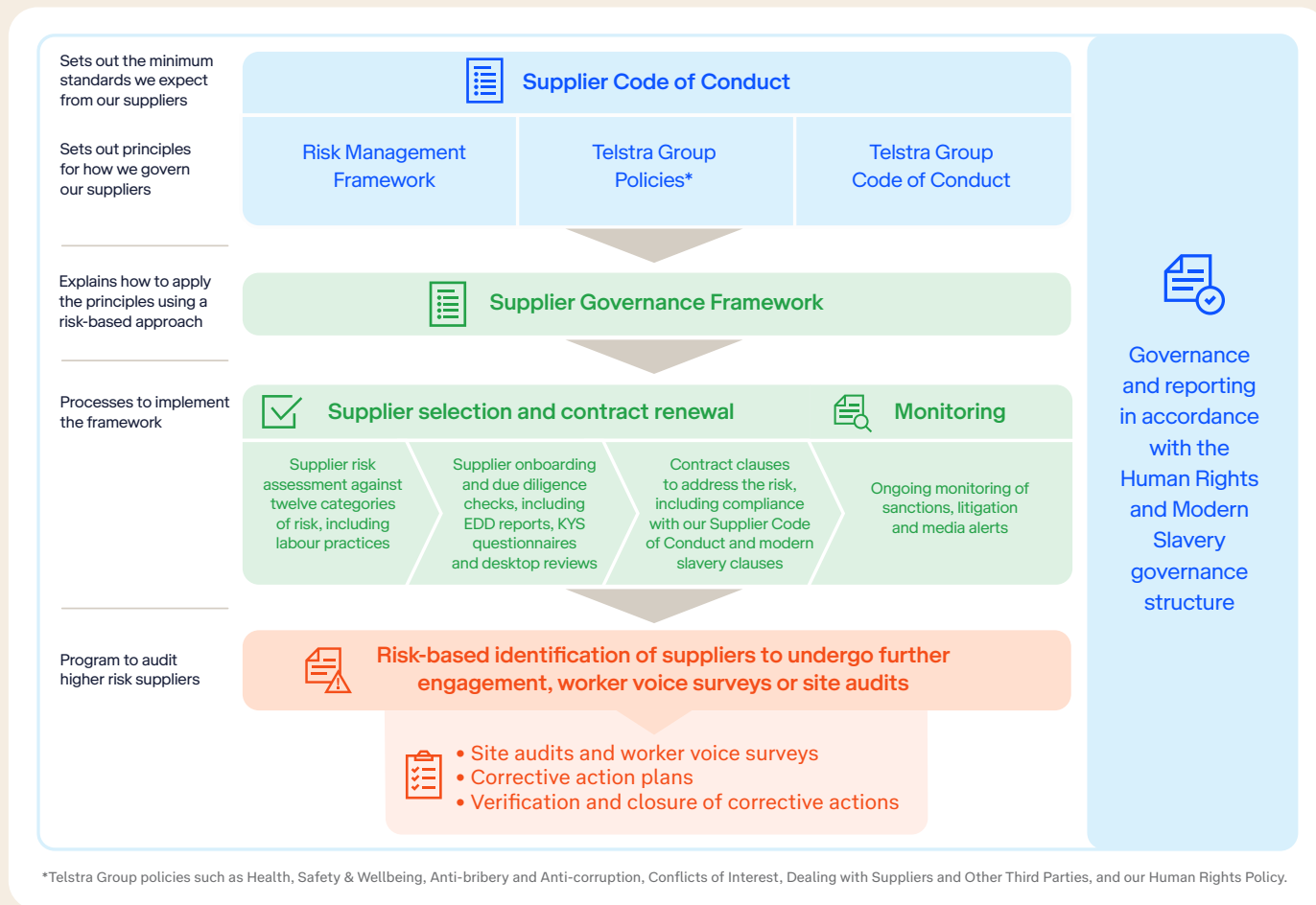
We review all disclosures relating to the Supplier Code of Conduct provided through the online portal or via whistleblowing reports. The information provided is used to help us learn from incidents, prevent reoccurrence, monitor compliance with the Supplier Code of Conduct and better manage our relationships.

We work with our suppliers to assess whether they are meeting the Supplier Code of Conduct in several ways. The approach we take is based on the nature of the risks and the category of the goods or services being provided and is governed by our Supplier Governance Framework.

<sup>12</sup> By supplier, we mean any entity that supplies goods or services to the Telstra Group anywhere in the world. Where the Supplier Code of Conduct refers to workers, this includes employees, contractors, agency, migrant, student and temporary staff of the supplier and of its related entities.



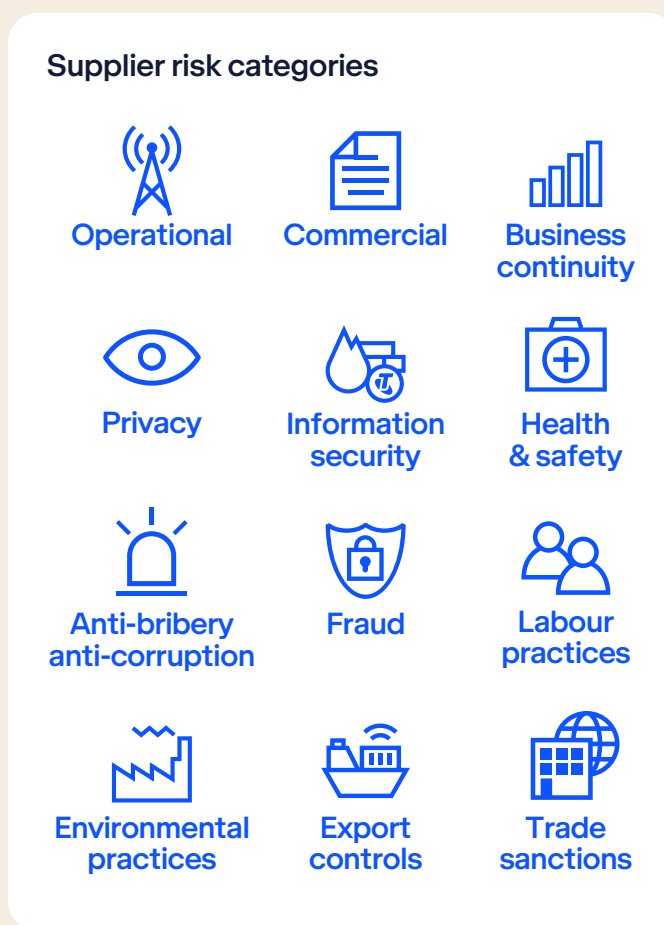
# The Supplier Governance Framework



To empower our people to make more informed purchasing decisions, we have a Supplier Governance Framework and supporting Playbook, which guide our people to effectively manage their supplier risks. This includes assessing suppliers against 12 categories of risk (see diagram), including labour practices, environmental practices, health and safety and bribery and corruption risks. We assess these risks as part of our selection and contract renewal process using a combination of due diligence reports, our Know Your Supplier (KYS) platform, documentary review and, where warranted, worker voice surveys or site audits (see Supplier Governance Framework figure above).

In FY22, we engaged an independent third party to review our Supplier Governance Framework to assess whether it remains relevant in our current operating environment. The findings of the review resulted in the introduction of supplier segmentation, augmented risk mitigation and monitoring strategies, and a playbook designed to be a detailed guide for teams required to undertake consistent and effective supplier governance activities.

The Supplier Governance Framework and supporting Playbook set out the minimum obligations required of relevant team members to effectively manage our suppliers and their suppliers. It also sets our requirements for an annual supplier risk assurance process, emphasising the need for risk mitigation and documentary evidence of the process. These improvements are aimed at enhancing Telstra’s procurement practices and ensuring that all our suppliers and their suppliers meet our expectations, including in relation to labour practices.



# The Supplier Governance Framework within the Telstra Group

The majority of Telstra’s controlled entities use our centralised procurement process, which is subject to the Supplier Governance Framework outlined here. However, the specific procurement process adopted for any controlled entity will depend on the level of Telstra’s ownership, the relevant entity’s circumstances, the nature of its operations and its jurisdiction. Telstra Health, Digicel Pacific and Fetch TV are examples of entities that do not utilise the Telstra Group procurement function or centralised procurement processes.

We work with our controlled entities in the Group regarding adoption of the Supplier Code of Conduct. For further information about our subsidiary governance model and consultation within the Telstra Group, see the ‘Governance of Human Rights and Modern Slavery risk’ section on page 12 and ‘Consultation across the Telstra Group’ section on page 42.

## Supplier onboarding, due diligence and ongoing monitoring

To ensure an in-depth understanding of our suppliers, we engage a third party to complete Enhanced Due Diligence (EDD) screening of those suppliers identified for additional due diligence. EDD screening is conducted

using publicly available sources and findings from it are mapped to Telstra’s 12 key risk areas in a report for review and remediation. Screened suppliers are monitored for subsequent adverse findings on an ongoing basis.

In FY23:



We obtained **38 EDD reports** on identified suppliers



Bringing our total to **over 1,440** domestically contracted suppliers screened



Representing **more than 80%** of our supplier spend

We also have a Know Your Supplier platform (KYS), a secure web-based platform targeting domestically contracted suppliers which we engage regularly. The KYS platform provides a central repository for suppliers to respond to Telstra’s questions about the 12 supplier risk categories, including labour practices, as well as uploading and maintaining information about their compliance with Telstra’s Supplier Code of Conduct and evidence of their accreditations. The questions asked through the platform have been designed using internal and external supplier sustainability experts and industry standards. The KYS platform also monitors onboarded suppliers against public records, including media reports and civil litigation, regulatory, criminality and bankruptcy checks.





Completion of KYS questions is a mandatory step for domestically contracted suppliers at the contract execution stage for both new contracts and contract variations. We are also working to onboard our pre-existing domestic contracts via the KYS platform. We send targeted communication to suppliers who are progressed in completing onboarding to support them to complete the process. Similar to EDD screening we have focused our efforts on our domestically contracted suppliers as they represent more than 80 per cent of our total spend.

This year, in response to supplier feedback, we rationalised the questions we ask of suppliers through the KYS portal. This was done to reduce the impost on suppliers and remove duplication of information available in parallel processes such as the Carbon Disclosure Program or Health, Safety and Wellbeing monitoring. This reduced the number of questions by around 25% whilst maintaining our due diligence requirements.

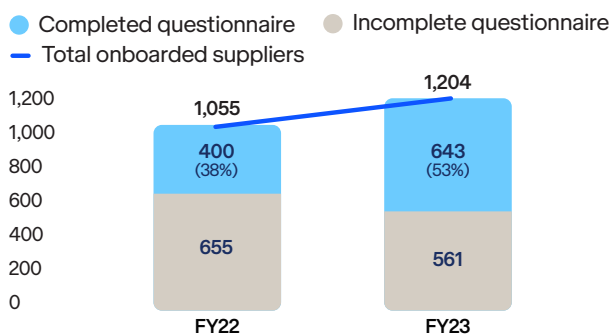
We will continue to target the remaining onboarded suppliers to complete the KYS questionnaire. We also periodically revise the questions in the KYS platform to respond to regulatory changes and other emerging issues to increase the breadth and depth of oversight into our supply chain.

This year our EDD and KYS monitoring programs made us aware of 7 high-risk alerts around sustainability issues for 6 active suppliers. Sustainability issues relate to health and safety, labour practices, environmental practices, bribery and corruption and modern slavery.<sup>14</sup> Out of these, 2 active suppliers had high-risk alerts relating to labour practices and no active suppliers had high-risk alerts relating to modern slavery.

These alerts are based on open-source information and indicate to us that a supplier may have received adverse attention and allegations with respect to sustainability issues. The high-risk alerts are reviewed by the respective functions and supplier relationship owners. These reviews form part of our process and criteria for selecting higher risk suppliers to undergo further due diligence in accordance with the Supplier Governance Framework.

From time to time, allegations are raised publicly about unacceptable practices such as forced labour in parts of our supply chain. In these instances, we engage with individual suppliers to ensure workers' rights are being appropriately respected in our supply chain. Pending the outcome of this engagement we may undertake further action such as an on-site audit or a worker voice survey.

### KYS onboarded suppliers<sup>13</sup>



<sup>13</sup> Figures are as at 30 June of the relevant year. New suppliers are added to the platform weekly and completion of the questionnaire may occur in the financial year following onboarding.

<sup>14</sup> In FY22, we reported 74 high risk alerts around sustainability issues, for 32 active suppliers. However, this number related to all high risk alerts, not just those relating to sustainability issues. In FY22, EDD and KYS monitoring programs made us aware of 6 high-risk alerts around sustainability issues for 5 active suppliers.

# Supplier contractual obligations

The Telstra Limited standard Telstra Supply Agreement (TSA) is in place with most suppliers to Telstra and specifically addresses the issue of modern slavery.

The TSA requires suppliers to comply with our Supplier Code of Conduct and laws prohibiting modern slavery and its reporting obligations (if applicable). The TSA also requires our suppliers to put in place policies and procedures to ensure compliance within their supply chains with relevant policies and laws (including trade control laws, modern slavery laws and anti-bribery and corruption laws). Under the TSA, if requested by Telstra, our suppliers must provide evidence of their compliance and demonstrate the systems, controls and processes that enable them to comply.

A breach of these provisions by a supplier is deemed a material breach giving Telstra the right to terminate the contract.

If we have not contracted with suppliers on our standard TSA, we still require these suppliers to comply with our Supplier Code of Conduct outlining our supply chain obligations. See the 'Supplier Code of Conduct' section above on page 23.

# Sustainability audit program

Our sustainability audit program identifies suppliers to undergo further due diligence based on a risk assessment which considers:

- information obtained through EDD reports
- the KYS platform
- whistleblowing reports
- feedback and reporting of supplier performance and actions from the business
- participation in industry groups focused on human rights and modern slavery
- feedback from stakeholders such as investors
- media attention on instances of exploitation practices.

Following this risk assessment we nominate suppliers for further engagement, worker voice initiatives or site audits.

# Worker voice surveys

In FY22, Telstra trialed the use of worker voice surveys for call centre workers engaged by a Telstra supplier. This year we continued to use worker voice surveys.

We use an online mobile phone survey, provided and managed by a third party, to obtain feedback directly from workers on their sentiments relating to:

- grievance mechanisms available at their workplace
- environment, health and safety
- wages and working hours
- gender equality in the workplace
- how they are treated and whether they have experienced harassment
- job satisfaction.

These survey questions test whether their working conditions are aligned to Telstra's expectations as set out in the Supplier Code of Conduct.

The worker voice survey is anonymous and offers insights on topics that can otherwise be difficult to identify such as harassment. It can be used independently or to complement audits undertaken at sites. Using online mobile technology, the survey can cover a much wider sample size of employees than engaged through the audit process. It allows workers to share their viewpoints in real time and provides Telstra and the supplier who employs them with better visibility of worker wellbeing.

We ask the relevant supplier to promote the survey to its workers ahead of time. Methods used to promote the survey can include printing and distributing cards containing a QR code to workers and displaying posters prominently before the survey launch. The survey is described to workers as anonymous, confidential, fast and easy. The estimated time to respond to the survey is also given.

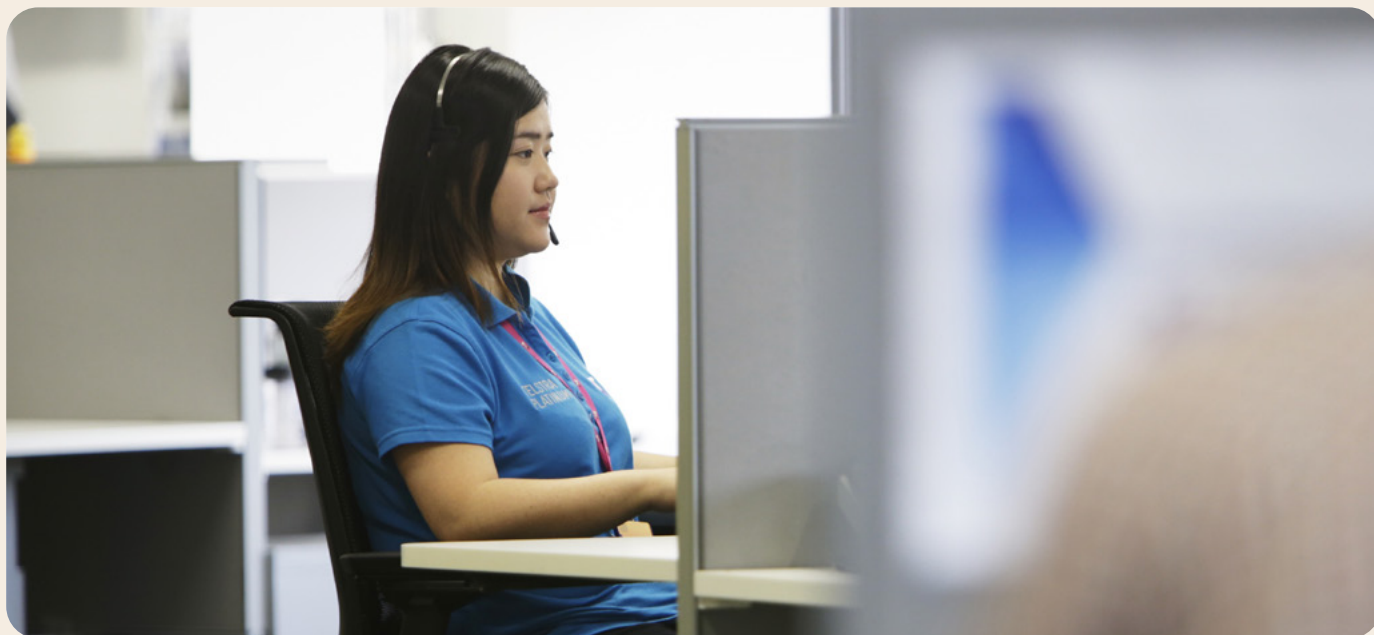
Where worker dissatisfaction is identified through the worker voice surveys, Telstra works with the supplier to respond to the findings and ensure Telstra's expectations outlined in our Supplier Code of Conduct are met. Telstra then verifies completion of these actions and ensures they satisfactorily address the issues raised through the survey.

## Number of worker voice surveys undertaken

Categories	Location	FY23	No of responses	Response rate
Contact Centres	Australia	1	173	100%
		1	21	7%
	India	1	360	100%
		1	367	69%
<b>Total</b>		<b>4</b>	<b>921</b>	<b>68%</b>

# Case study:

## Insights from worker voice surveys



In FY23, Telstra conducted confidential and anonymous worker voice surveys at all four sites of one of its Contact Centre suppliers. Two of these sites were in Australia and two in India. Telstra gathered over 900 responses from workers across all four sites.

However, one of the four sites had a much lower response rate than the other three. As a result, Telstra has identified this site for an audit in FY24. This audit will gather more information about worker treatment at this site to ensure the low response rate is not an indication of workers being treated unfairly or being uncomfortable voicing their concerns.

The survey identified negative sentiments in the area of wages, working hours and grievance mechanisms. Staff dissatisfaction with current working hours was a consistent finding across all four surveyed sites. Another key finding of the survey was related to wages, with respondents indicating they felt their wages were not fair for the work they do. In addition, the survey indicated reluctance to speak up about work and doubts about feedback being treated seriously if provided.

To respond to these findings the supplier has agreed to:

- review staff rostering practices to better support their staff
- perform a salary benchmarking exercise and conduct education sessions for staff to explain how wages are calculated and paid
- conduct education sessions for team leaders on grievance handling, including how to appropriately investigate and manage a complaint to resolution and communicate outcomes to complainants.

The supplier has also been required to provide quarterly updates to Telstra's contact centres operations team on the progress of their actions to ensure that workers' concerns are addressed.

While there were areas that require further due diligence and improvement, the worker voice surveys showed excellent results in other areas, including the workers' positive perception about their safety at work, understanding of emergency procedures, and freedom from sexual harassment.

Telstra will continue to use worker voice surveys as a tool to hear directly from workers about their working conditions and sentiments. It provides value to Telstra and to the employing supplier, providing insights into where suppliers need to direct their efforts and uplift their practices, to ensure a fair and sustainable work environment.



## Site audits

Every year we apply our risk-based approach to help us identify suppliers for site audits. Site audits include and align with industry standards such as those set by RBA and JAC<sup>15</sup> for onsite compliance verification and effective, shareable audits. The audits are conducted using independent auditors and focus on health and safety, environment, human rights including labour rights and modern slavery indicators and business ethics. Site audits also include worker interviews. This year 41 sites across 16 suppliers were selected to complete site audits by independent auditors. Telstra led four of these site audits, JAC peers led 36 and the remaining one audit was led by a direct supplier.<sup>16</sup>

The audits are undertaken as far as three tiers down the supply chain. This year, 24 of these site audits were conducted on tier 2 and tier 3 suppliers, whilst 17 site audits were performed on our direct suppliers' own sites (tier 1).

Audits identify 3 tiers of findings: 'priority' (previously termed 'unacceptable') being the most serious, followed by 'major' (previously termed 'critical') and then 'minor'.

## Number of independent third-party site audits undertaken

Categories	FY21	FY22	FY23
ICT sector <sup>17</sup>	31	29	34
Construction and physical network infrastructure maintenance <sup>18</sup>	3	1	2
Other categories <sup>19</sup>	15	8	5
<b>Total</b>	<b>49</b>	<b>38</b>	<b>41</b>

15 For more information about JAC, see the 'Industry cooperation on combatting modern slavery' section on page 38.

16 Where a supplier has led a current site audit of their own site or their supplier site, we may request this information instead of conducting our own site audit. In FY23, one supplier in the ICT industry conducted a site audit on one of its factories. This audit used the Sedex Members Ethical Trade Audit (SMETA) methodology and was performed by an independent auditing firm. When making the decision to accept these supplier led site audits, key considerations included whether the site audits were current, had been conducted using an authorised independent third-party auditor, aligned with industry standards and focused on key supplier risk areas including labour rights and modern slavery indicators. While there are some differences between the SMETA and JAC audit methodologies, in relation to the noted audit, our assessment indicated the frameworks had been applied in an equivalent manner.

17 In FY23, audits in the ICT sector led by Telstra comprised of audits on PABX hardware production. JAC peer led audits comprised of audits on manufacturing facilities of SIM cards; electronics devices such as smart phones, TV set top boxes and smart wearables products; and optical communication products such as fibre optic cables and connectors.

18 In FY23, audits in the Construction and physical network infrastructure maintenance category led by Telstra comprised of audits in the solar panel production industry. JAC peer led audits comprised of audits on facilities that manufacture power supply equipment and solar panels.

19 In FY23, audits in the 'Other' category comprised of audits on suppliers rendering IT professional services.

## FY23 site audits – audit details<sup>20</sup>

Categories	Audits using JAC framework		Audits using SMETA framework	Total
	JAC Peer led	Telstra led	Supplier led	
ICT sector	30	3	1	<b>34</b>
Construction and physical network infrastructure maintenance	1	1	0	<b>2</b>
Other categories	5	0	0	<b>5</b>
<b>Total</b>	<b>36</b>	<b>4</b>	<b>1</b>	<b>41</b>

## FY23 site audits – location

Country	Audits using JAC framework		Audits using SMETA framework	Total
	JAC Peer led	Telstra led	Supplier led	
China	24	3	1	<b>28</b>
India	7	0	0	<b>7</b>
Mexico	3	0	0	<b>3</b>
Sweden	0	1	0	<b>1</b>
Taiwan	1	0	0	<b>1</b>
Tunisia	1	0	0	<b>1</b>
<b>Total</b>	<b>36</b>	<b>4</b>	<b>1</b>	<b>41</b>

## FY23 site audits – priority and major finding details

Categories	Audits using JAC framework		Audits using SMETA framework	Total
	JAC Peer led	Telstra led	Supplier led	
ICT sector	189	17	1	<b>207</b>
Construction and physical network infrastructure maintenance	1	2	0	<b>3</b>
Other categories	29	0	0	<b>29</b>
<b>Total</b>	<b>219</b>	<b>19</b>	<b>1</b>	<b>239</b>

## FY23 site audits – priority and major findings by location

Country	Audits using JAC framework		Audits using SMETA framework	Total
	JAC Peer led	Telstra led	Supplier led	
China	168	8	1	<b>177</b>
India	37	0	0	<b>37</b>
Mexico	12	0	0	<b>12</b>
Sweden	0	11	0	<b>11</b>
Taiwan	2	0	0	<b>2</b>
<b>Total</b>	<b>219</b>	<b>19</b>	<b>1</b>	<b>239</b>

## FY23 site audits – priority and major findings by type

Type	Total
Environment	26
Business ethics	4
Health and safety	110
Labour	99
<b>Total</b>	<b>239</b>

<sup>20</sup> For greater transparency Telstra reports the number of audits conducted and the number of priority and major findings by Telstra and JAC peers (under the JAC framework) on suppliers to Telstra and by suppliers under the SMETA framework.

As well as relying on third party audits, our Quality, Health, Safety, Wellbeing and Environmental (QHSWE) auditors undertake internal audits on our construction and physical network infrastructure maintenance suppliers where health and safety is a significant risk. This includes contract management system audits and onsite health, safety and environment audits.

In FY23, 37 management system audits and more than 2,000 health, safety and environment audits were undertaken.

## Acting on our due diligence findings

We review the findings of all our site audits. Where problems are identified, we work with the supplier to develop corrective actions with agreed timeframes as part of their remediation plans. We then work constructively on the corrective actions and review evidence provided to justify closing the audit findings.

We did not identify any instances of modern slavery through our audit program in FY23.

However, as set out in the 'FY23 site audits – priority and major finding details' table above, findings from the audits conducted in FY23 identified 239 priority and major findings. 95 per cent of sites, or 88 per cent of suppliers, audited had priority or major findings. Health and safety and working hours are the most common areas of concern. Excessive work hours and poor health and safety practices can lead to further risk of harm to people if they go unchecked. We require our suppliers to address these areas as part of the corrective actions identified. We then verify these corrective actions to confirm remediation.



In FY23, **116 corrective actions** relating to the priority and major findings reported in this and previous years' audits **were closed**

In instances where suppliers are not willing to improve their performance within the required time frame, despite our attempts at engagement, we may terminate supply contracts or switch to alternate suppliers.





# Case study:

## Working with our ICT sector suppliers - tier 1 and beyond



In FY23, we conducted audits on a supplier that provides Private Automatic Branch Exchange (PABX) hardware to Telstra to ascertain their compliance to our requirements around worker treatment. PABX hardware forms part of the unified communications solutions that are sold by Telstra to its Enterprise and Consumer & Small Business customers and allows users to manage their voice calls and communications over the internet. It is critical Telstra keeps focused on ensuring the core ICT products it offers to market are produced ethically.

Telstra identified the supplier for an audit based on the supplier's responses to a self-assessment questionnaire.<sup>21</sup> This indicated the supplier to be higher risk in a number of areas including health and labour. In its responses, the supplier was unable to provide satisfactory evidence they were complying with Telstra's requirements in these areas.

With the help of an independent third-party auditing firm, Telstra audited three facilities located overseas. Two of these facilities were owned by the tier 1 supplier with one located in Asia and the other in Europe. The third factory was owned by a tier 2 supplier and located in Asia. The audit findings revealed excessive working hours and lacking health and safety procedures at the two facilities in Asia. In addition, findings relating to health and safety procedures and training were identified at the European facility. A corrective action plan has been agreed with the suppliers to rectify these issues together with timeframes. This includes reducing overtime hours worked to comply with local law requirements and Telstra's Supplier Code of Conduct, ensuring all employees receive at least one day off for every six worked and making firefighting equipment accessible.

Audits allow us to effectively identify areas where the conditions of supply chain workers do not meet our expectations. Once identified, we work collaboratively with our tier 1 supplier to respond to the findings and improve the conditions of workers in their facilities and also to influence the tier 2 supplier to do the same.

Last year, we reported on audits we undertook on our SIM card manufacturer and mobile phone case manufacturers. We have had challenges in closing a number of the outstanding findings from these audits. Telstra continues to pursue their resolution, including engaging with the relevant tier 1 and tier 2 suppliers to influence the resolution of findings by their suppliers.

The outstanding issues for one of the SIM card manufacturer's sites relate to an outstanding building safety permit, installation of fire safety equipment and a licenced operator needed to operate certain machinery. We plan to reaudit this site to confirm compliance to our Supplier Code of Conduct including the progress of outstanding issues from previous audits.

The outstanding issues for two of the mobile phone case manufacturer sites relate to fire safety (absence of relevant fire protection acceptance certificate), excessive weekly working hours, health and safety (hazardous waste disposal and absence of a relevant building completion certificate). We plan to conduct a follow up audit of these sites.

<sup>21</sup> Prior to introducing its KYS portal, Telstra used self-assessment questionnaires. Similar questions are now asked through the KYS portal.

## Specific risk mitigation for carbon offsets

Telstra has been certified carbon neutral in our operations since July 2020 through the Australian Climate Active program. We recognise that carbon offset projects can be vulnerable to human rights abuses such as modern slavery.

Our influence over how projects are operated is limited, given our engagement is not at a project level but rather purchasing the offsets through a third party and retiring them immediately. For this reason, our due diligence in this area follows different processes to those set out in our Supplier Governance Framework while being informed by the principles of this Framework. The most significant influence we have is our decision whether to proceed to buy the offsets following due diligence.

The core carbon principles, developed by the Integrity Council for the Voluntary Carbon Market, are a global benchmark for high integrity carbon credits. They set thresholds on disclosure and sustainable development including in relation to sustainable development benefits and social safeguards.

Telstra has a Carbon Offset Acquisition Guideline, which was reviewed during the year against the core carbon principles and assessment framework. This ensures our investment in high integrity credits to achieve positive sustainable impact continues. It includes two principles relevant to human rights and modern slavery:

- **Telstra aligned** – alignment to Telstra sustainability strategy, policies and brand
- **Sustainable development** – positive environmental and social impact.

Human rights and labour rights are considered under the principles of:

- **Telstra aligned** – by ensuring compliance with Telstra's Supplier Code of Conduct
- **Sustainable development** – by ensuring social safeguards such as community engagement and consultation.

Due diligence includes country risk assessments and database searches for litigation and adverse media.

The evaluation criteria are applied at the initial due diligence stage to ensure that proposed offset projects meet minimum requirements outlined by Telstra. If any concerns are uncovered in this due diligence, including relating to exploitation of workers, Telstra will not proceed with the acquisition of the carbon offsets.

For further information on the governance of our carbon credit purchases see our 2023 Sustainability Report available on our [reports page](#) and annual [Climate Active Product Disclosure](#).



## Specific risk mitigation for renewable energy projects

Telstra has made a commitment to enable renewable energy generation equivalent to 100 per cent of its consumption by 2025. As part of this commitment, Telstra enters into long term power purchase agreements with new renewable energy projects. To assess the potential for modern slavery risks, Telstra prequalifies projects for evaluation using a supplier questionnaire which addresses modern slavery risk and by reviewing a supplier's relevant policies.

Telstra investigates counterparties and entities associated with a project for modern slavery risks prior to entry into any extended contract negotiations. We ask specific questions on modern slavery risk management at the request for proposal stage and assess the responses.

If our due diligence process identifies that a counterparty is not adequately managing modern slavery risk, or has business practices that are concerning from a modern slavery perspective, we do not proceed with a project. For example, we have decided not to proceed with projects because our due diligence identified issues like factories located in higher-risk areas, prosecution for corruption and poorly formed commitments and systems for the avoidance of modern slavery.

Telstra incorporates clauses into its power purchase agreements that require suppliers to comply with its Supplier Code of Conduct, and relevant Telstra Group Policies, including its environmental policies, Health, Safety and Wellbeing Policy, Anti-bribery and Anti-corruption Policy and Human Rights Policy, which addresses modern slavery risk. Telstra's contract management team regularly assesses ethical business risks through the course of management of the contract.

# Training

## Upskilling our people to identify human rights and modern slavery risks

We have several mandatory training courses in place to ensure our people can help us prevent modern slavery and other negative human rights impacts in our operations and supply chains. We monitor, report and manage mandatory training completion rates, as part of our compliance training governance framework.

Training	Description	FY23 completion rate
Business Essentials Training	<p>This training, which is completed by all our employees, directors and most of our contractors, consultants and partners, covers important topics related to the work we do every day, including our commitments to acting ethically and responsibly. Training explains key obligations under our Code of Conduct, Group Policies, certain legal and regulatory obligations and how to stay safe at work. Consequences for not completing training by the due date, without a valid reason, range from system access suspension through to an impact on the individual's annual performance rating.</p> <p>Our Business Essentials training includes a Human Rights module to increase awareness and capability of our people in relation to Telstra's Human Rights Policy, supporting tools and how to identify human rights risks including risks relating to modern slavery in their day-to-day roles.</p>	100% of our total target audience completed the mandatory refresher training.
Supplier Governance Framework Training	<p>We provide online training to our staff to help them apply our Supplier Governance Framework effectively. This training offers a comprehensive overview of their responsibilities and the resources available to manage suppliers across all twelve risk categories, including labour practices.</p> <p>This training is mandatory for all staff who have direct contact with suppliers, as well as our executive leadership team who ensure our procurement practices align with Telstra's values. Our goal is to equip staff with the necessary knowledge and skills to make ethical purchasing decisions.</p>	99.56% of people in roles targeted for mandatory training completed the training.
Role Specific Preventing Modern Slavery Training	<p>We provide role specific training on preventing modern slavery for our procurement team, as well as others within the business who approve spending or labour hire decisions, to improve understanding of their responsibilities.</p> <p>This training helps people understand what modern slavery might look like in our value chain, identify red flags and explain how to take action if they suspect there is a risk of modern slavery.</p>	99.9% of people in roles targeted for mandatory training completed the training.
Procurement Principles Training	<p>We have approximately 91 procurement specialists who support us with complex high-value purchases. These specialists are required to follow more stringent requirements and to complete an additional annual online training program explaining their responsibilities and providing information on ensuring compliance with the Supplier Code of Conduct which includes requirements relating to modern slavery.</p>	100% of procurement specialists completed the training.

# Grievance mechanisms and remediation

Where we identify we have caused or contributed to an adverse human rights impact, including those related to modern slavery, we are committed to providing for or cooperating in its remediation. This is in line with our Human Rights Policy and the UN Guiding Principles on Business and Human Rights.

The grievance mechanisms we have in place enable such remediation. They provide an avenue for affected individuals and others to raise concerns with us directly, have the issues assessed and seek remediation for any harm.

## Reporting issues and concerns

Telstra seeks to support a culture where everyone has a voice, can contribute and is able to speak up if they see something that is not right.

Employees are encouraged to raise any concerns they have with their one-up manager or alternatively via the 'Ask HR' tool or the 'Reporting issues and concerns' intranet page.

The 'Reporting issues and concerns' intranet page is dedicated to helping employees raise concerns about things that are not going well so that management can be alerted to issues and fix them.

It includes information and links to report concerns relating to:

- employment conditions
- discrimination, bullying, harassment, sexual harassment and victimisation in the workplace
- work-related health, safety, wellbeing, environment and physical security.

We also have a confidential whistleblowing service should they wish to raise concerns anonymously (see the 'Whistleblowing' section below, on page 37, for more detail).

Issues are recorded securely and assessed by subject matter experts and operational management with support from Group Compliance where required. Where possible, we keep employees informed of the outcome and what we are going to do differently.

Issues relating to modern slavery are investigated in consultation with representatives from Telstra's sustainability team, procurement team, legal team and other key stakeholders as required.



## Whistleblowing

Telstra's Whistleblowing Policy and the relevant legislation establish protections for current and former employees, their relatives and dependants as well as suppliers to report concerns about illegal, unethical or improper conduct or an improper state of affairs at Telstra.

Our Whistleblowing Policy is supported by a whistleblowing service where people can report their concerns anonymously via phone or webform. Professional investigators and case managers investigate eligible reports. Telstra's Whistleblowing Committee, which is chaired by the Company Secretary, receives whistleblowing disclosures, oversees the related investigations, and reports to the Audit and Risk Committee of the Board.

The Whistleblowing Policy is available on Telstra's [website](#) and intranet along with a Quick Guide to assist individuals seeking to report concerns. Links to Telstra's whistleblowing service are included in other Telstra policies, including Telstra's Code of Conduct and Supplier Code of Conduct. It is also included in our Business Essentials training, which is mandatory for all employees. Telstra's Whistleblowing Policy is reviewed annually to ensure it remains relevant.

We received 169 whistleblowing reports in FY23. Of these, allegations in 32 reports were substantiated in whole or in part. None substantiated an instance of modern slavery. For more information on our whistleblowing process, please see our 2023 Corporate Governance Statement available on our [reports page](#). To report a matter, please visit Telstra's [Whistleblowing Service](#).

## Grievance mechanisms in our supply chain

There have been instances where reports received via Telstra's whistleblowing service have related to working conditions of Telstra's indirect workforce and prompted audits or investigations of suppliers and corrective actions. This indicates the Telstra whistleblowing service can be used effectively for raising and addressing issues beyond Telstra's direct workforce.

However, we recognise the challenges of ensuring Telstra's whistleblowing service is well known to workers further down the supply chain. For this reason, we also focus on ensuring our suppliers have their own effective grievance mechanisms with the following:

- our Supplier Code of Conduct requires suppliers to provide their workers with grievance mechanisms that are accessible, culturally appropriate and communicated in a language that workers understand
- site audits check that such grievance mechanisms are available and have been communicated to workers
- one of the questions in our worker voice surveys relates to grievance mechanisms and how comfortable workers feel about using the grievance mechanism.

Our Supplier Code of Conduct also requires suppliers to report labour incidents that breach the Supplier Code of Conduct using an online portal specifically for suppliers (see the 'Supplier Code of Conduct' section on page 23 for more detail).



# Industry cooperation on combatting modern slavery

Supply chain sustainability, particularly in the ICT sector where there are complex supply chains, is an area that requires cross-sector collaboration. We work with ICT industry bodies such as JAC and the Global e-Sustainability Initiative (GeSI) to drive improvements in sustainability practice throughout the global supply chain, including in relation to modern slavery risk. We also work with Australian based industry bodies to combat modern slavery risk, including the Telco Together Foundation (TTF) and the UN Global Compact Network Australia (UNGCNA), which has members from a broad range of industries.

## Joint Alliance for Corporate Social Responsibility

In 2018, we joined JAC, an association of 27 global telecommunications operators that share resources and best practices to develop long term Corporate Social Responsibility implementation within the ICT supply chain globally. This includes pooling the results of site audits of common suppliers. JAC's audits aim to verify that suppliers comply with internationally recognised sustainability standards within global supply chains, including in relation to labour rights and the prohibition of modern slavery.

Since 2010, JAC has conducted over 910 audits in 45 countries. See the 'Site audits' section on page 30 for a summary of JAC-appointed audits completed in FY23 and associated findings. Telstra also has two current JAC board appointments held by our GBS Risk Executive and our Chief Procurement Officer.

## Global e-Sustainability Initiative

As a member of GeSI we are working together with public, private and non-profit partners to drive the ambition and establish a clear roadmap to deliver against the Sustainable Development Goals. This year we participated in GeSI's 'Digital with Purpose' movement, an ambitious movement by over 30 organisations which are joining forces in a race to deliver against five responsible business priority areas, including labour practices in the supply chain. As part of this movement, we are working with member organisations to take collective action and deploy impactful digital technologies throughout the ICT sector.

## Global System for Mobile Communications Association

We are a member of GSMA, a global organisation unifying the mobile ecosystem to deliver innovation that helps business and society thrive. This year we worked with GSMA members and stakeholders to develop a mobile industry reporting framework to align environmental, social and governance disclosures. The Metrics for Mobile framework features ten industry specific Key Performance Indicators, including sustainable supply chain. The framework is being piloted with a selected number of GSMA members, of which we are one.

## Telco Together Foundation

We continue to work cooperatively with TTF and its members to reduce the risk of modern slavery, share cases of best practice and explore ways we can jointly combat modern slavery risk in the telecommunications industry's supply chains.

## UN Global Compact Network Australia Modern Slavery Community of Practice

We participate in the UNGCNA Modern Slavery Community of Practice. This is a small interactive forum that meets quarterly to enable learning and discussion on the opportunities and challenges we face in relation to managing modern slavery risk. These forums help us to understand how to improve our modern slavery risk management program. Members come from different industries allowing us to learn and share across the Australian business community.

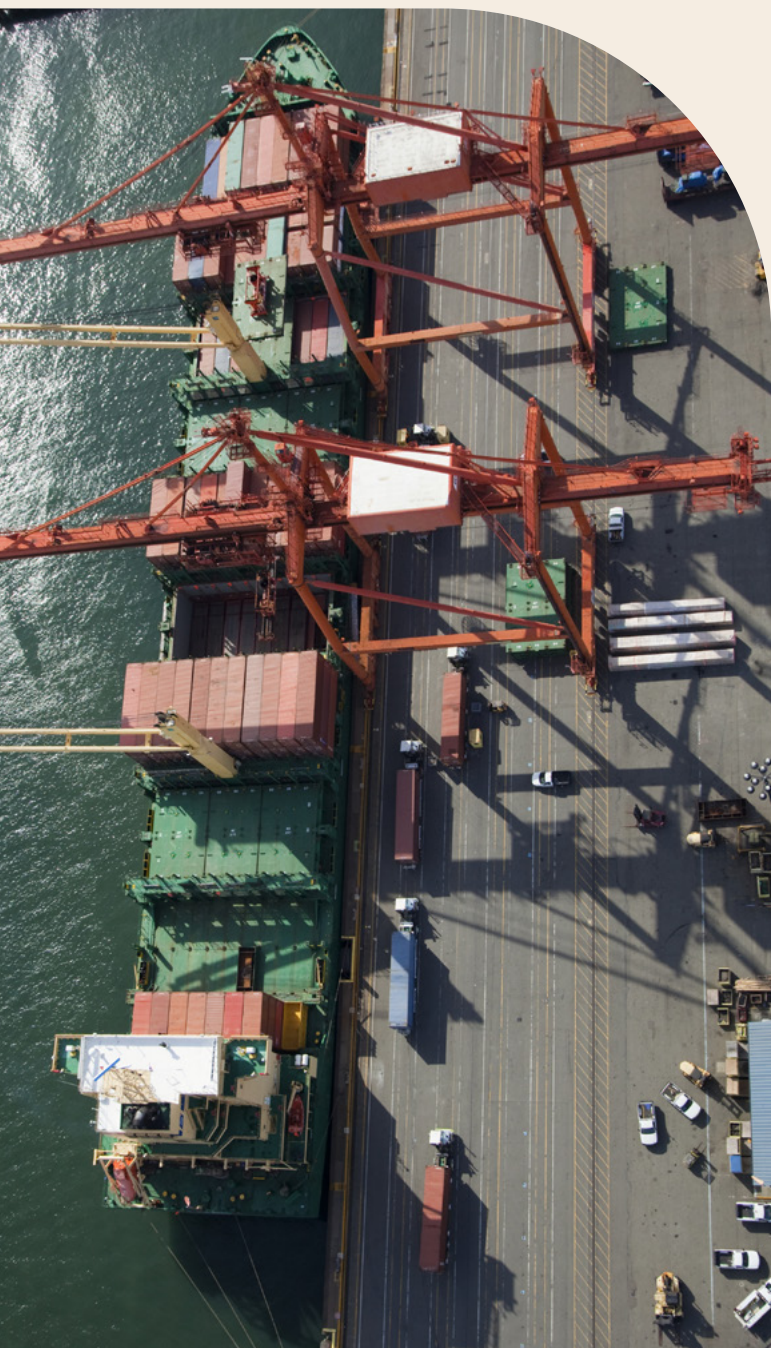
# Assessing effectiveness

## Assessing effectiveness – human rights progress

We integrate our modern slavery risk management into our broader work to respect human rights. We monitor, manage and report progress on a range of indicators used to assess the effectiveness of our actions to support and ensure respect for human rights generally. We recognise our influence and impacts go beyond our own operations and therefore our performance indicators extend along our value chain, from our supply chain through to our operations and on to our customers and the community. We report our progress against key performance metrics in this statement, our 2023 Sustainability Report and our 2023 Corporate Governance Statement available on our [reports page](#).

### The metrics reported include:

- the percent of employees and contractors who complete their mandatory compliance training (including on the Telstra Group Code of Conduct, ethical behaviour, anti-bribery, anti-corruption, health, safety and wellbeing (see the 'Training' section on page 35 for more detail)
- the number of audits conducted on suppliers, and number of new and closed findings (see the 'Site audits' section on page 30 for more detail)
- the percent of target employees completing Supplier Governance Training (see the 'Training' section on page 35 for more detail)
- health and safety performance including our Lost Time Injury Frequency Rate and Total Recordable Injury Frequency Rate (see our 2023 Sustainability Report available on our [reports page](#))
- results of our Employee Engagement Survey, compared to previous years' (see our 2023 Sustainability Report available on our [reports page](#))
- the number of whistleblowing alerts raised during the year (see the 'Whistleblowing' section on page 37 for more detail)
- the number of complaints to the Australian Human Rights Commission claiming disability discrimination and their outcome (see our 2023 Sustainability Report available on our [reports page](#))
- the number of employee discrimination complaints (see our 2023 Sustainability Data Pack available on our [reports page](#))
- the number of privacy incidents requiring notification to the Office of the Australia Information Commissioner (see our 2023 Sustainability Report available on our [reports page](#))
- gender pay equity (average compa-ratios for male and female employees) (see our 2023 Corporate Governance Statement available on our [reports page](#)).



# Assessing effectiveness – modern slavery action

We also assess the effectiveness of actions we take to address modern slavery risks, to ensure they are:

- the right actions
- being implemented appropriately
- having the intended impact.

Assessing the effectiveness of our actions is key to enabling us to strengthen and evolve our modern slavery response over time.

We consider that an effective response to modern slavery involves six key components:

- 1 A coordinated internal response
- 2 A clear and embedded policy framework
- 3 Training for our people
- 4 Robust risk assessment and supplier engagement processes
- 5 Trusted and accessible grievance mechanisms
- 6 A focus on continuous improvement

The table below explains how we assess the effectiveness of our actions in each of these six areas.

Key Component	We assess the effectiveness of actions in this area by:
<b>Coordinated internal response</b>	<ul style="list-style-type: none"> <li>• Monitoring the progress of our whole-of-group response to modern slavery through our Human Rights Working Group and relevant reporting to the Audit and Risk Committee of the Board.</li> <li>• Reporting material human-rights related compliance breaches including any relating to exploitation of workers to the Audit and Risk Committee of the Board.</li> <li>• Consulting with entities/business units across the Telstra Group as part of the preparation of this statement. This helps us to identify any gaps in coordination, communication and our response across our corporate group.</li> </ul>
<b>Clear and embedded policies</b>	<ul style="list-style-type: none"> <li>• Regularly reviewing relevant policies including the Human Rights Policy, Supplier Code of Conduct and Whistleblowing Policy to ensure their ongoing relevance and applicability. These reviews include a consideration of identified breaches or investigations of misconduct which may indicate a need for changes to a policy or its implementation.</li> <li>• Testing the controls to prevent and detect human rights and modern slavery issues to ensure they remain fit for purpose.</li> <li>• Auditing selected suppliers to determine whether they are effectively implementing our Supplier Code of Conduct.</li> </ul>
<b>Training for our people</b>	<ul style="list-style-type: none"> <li>• Reviewing the target training audience on a regular basis.</li> <li>• Monitoring employee and contractor completion rates for:               <ol style="list-style-type: none"> <li>1. annual Business Essentials training (which includes a human rights module)</li> <li>2. Supplier Governance Framework training</li> <li>3. role specific Preventing Modern Slavery training</li> <li>4. Procurement Principles training.</li> </ol> <p>This helps us understand levels of awareness across the Telstra Group.</p> </li> <li>• In relation to Supplier Governance Framework training, testing our participants through ten learning checkpoints which helps us understand whether the training content has been understood.</li> <li>• In relation to role specific Preventing Modern Slavery training, upon completion asking participants to rate the training’s impact on their understanding of modern slavery, how it is connected to our operations and supply chains and what is expected of them to help prevent it.</li> </ul>



Key Component	We assess the effectiveness of actions in this area by:
<b>Robust risk assessment and supplier engagement processes</b>	<ul style="list-style-type: none"> <li>• Annually reviewing our Supplier Code of Conduct and Supplier Governance Framework to confirm whether they continue to remain relevant and support Telstra with identifying and managing the risk of modern slavery in our supply chain.</li> <li>• Our supplier services team hosts a monthly, cross-functional, Supplier Governance Escalation Forum to raise, monitor and discuss supplier issues. This includes issues identified during our onsite audits, such as labour rights issues.</li> <li>• Our functional risk and compliance teams as well as our supplier services team review sample supplier risk assessments undertaken by contract owners to ensure they are being adequately performed.</li> <li>• Monitoring metrics around each step of the due diligence process, including the number of suppliers who are being monitored in our EDD program, the number of suppliers onboarded via our KYS platform, the number of suppliers identified for further due diligence via the sustainability audit program and the number of suppliers who have been audited.</li> <li>• Tracking site audit results (both number of findings and number of resolutions), as well as follow up audits to identify if the initial audits and corrective action plans have effectively addressed the risks and findings have been remediated.</li> <li>• Periodically reviewing the adequacy of our modern slavery risk assessment to confirm whether it continues to accurately reflect our modern slavery risk profile. This is done by assessing and validating risks relating to existing and new key activities, service models and our supply chain.</li> </ul>
<b>Trusted and accessible grievance mechanisms</b>	<ul style="list-style-type: none"> <li>• Tracking the number and types of complaints (including complaints relating to modern slavery) received through our whistleblowing reports and HR grievance mechanism.</li> <li>• Tracking grievance trends to indicate whether these are getting worse or better.</li> <li>• Tracking the number of investigations initiated from whistleblowing reports and HR grievance mechanism and the number that were substantiated.</li> <li>• Checking supplier grievance mechanisms as part of site audits.</li> <li>• Asking workers of selected suppliers, via worker voice surveys how comfortable they feel raising grievances and which grievance channels they trust most.</li> </ul>
<b>Focus on continuous improvement</b>	<ul style="list-style-type: none"> <li>• Reviewing expert third party benchmarking and analysis of statements to assist us to understand how our response compares to key peers and where there are opportunities for improvement.</li> <li>• In FY23 we engaged a third party to undertake a human rights gap analysis of Telstra's human rights risk management against the expectations set out in the UNGPs. Recommendations from this gap analysis are being considered for implementation in future years.</li> <li>• Participating in collaborative forums such as JAC, GeSI, TTF and UNGCNA. This allows us to compare our response with that of our peers and to identify good practice trends.</li> </ul>

# Consultation across the Telstra Group

## Consultation

Telstra is required to consult with its owned or controlled entities under the Australian MSA.

We prioritise Telstra Group owned or controlled entities for engagement on modern slavery risk based on:

- whether they are reporting entities
- the extent of their integration with Telstra systems
- whether they have employees
- the nature of their activities.

The consultation process may include:

- requesting the subsidiary complete a self-assessment questionnaire to assess how effectively they are managing the risk of modern slavery in their operations and supply chain
- meetings with key persons to support a modern slavery risk assessment
- providing guidance on risk level and possible actions to mitigate identified risk areas
- supporting modern slavery risk mitigation uplift efforts
- consulting in relation to the preparation of this statement.

In FY23, we continued our consultation process with a number of those prioritised entities including a number of new acquisitions and joint ventures.

In addition:

## Consultation with non-reporting entities to prepare the statement

We have consulted with our non-reporting owned or controlled entities as part of our process in preparing this statement. This included providing the directors of those Telstra Group entities with information about Telstra's obligations under the modern slavery legislation and our reporting process.

## Consultation with reporting entities to prepare the statement

Telstra informed all the reporting entities within the Telstra Group of their obligations under the modern slavery legislation via communication to directors of those entities.

The reporting entities covered by this statement were consulted in the preparation of the statement. Key management personnel reviewed and approved its contents.

### Case study: Amplitel

Amplitel is the largest Australian mobile tower infrastructure provider with over 8,000 towers, masts, mobile poles and other structures. Telstra owns 51 per cent of Amplitel.

In FY23, Amplitel undertook a modern slavery risk assessment of its operations and supply chain to identify areas for elevation. It was identified that Amplitel's operations overall presented a low risk for modern slavery. Certain areas within the supply chain were identified for deeper monitoring to ensure the risks are managed effectively. These include the labour and materials component of tower builds and major refurbishments, construction and ground maintenance, contracted IT workers located offshore, and the supply of marketing merchandise.

Amplitel is committed to addressing modern slavery through its established procurement processes and tools. Amplitel uses the same policies and processes to manage modern slavery risk as the Telstra Group. There is continuous work emphasising the importance of responsible sourcing with suppliers to ensure effective management of risks. As a result of the risk assessment, Amplitel introduced additional measures, including governance meetings with higher risk suppliers to allow Amplitel to monitor those suppliers' compliance with modern slavery risk mitigation measures. Further process improvements are planned for FY24, including annual assessments of the higher risk suppliers' modern slavery policies.

# Differences in the Telstra Group

Certain reporting entities and owned or controlled entities in the Telstra Group are not fully integrated and have taken different actions to assess and address modern slavery risk. Details of the key differences in the approach of the reporting entities and certain owned or controlled entities are set out below.



## Structure, operations and supply chains

Telstra Health is a leading provider of digital health solutions, including clinical and administrative systems, health data analytics, population health solutions and information exchange platforms. Telstra Health works with care providers in the hospital, health service, pharmacy and aged and disability care sectors to connect health information, clinicians and consumers.

Telstra Health employs approximately 1,153 employees and contractors across Australia. Telstra Health has approximately 100 active suppliers located in 12 countries. The main categories of spend are contracted workers (mostly software developers, engineers and data analysts), an Australian-based contact centre, medical equipment, IT hardware and spend related to its offices

## Modern slavery risk

In FY22, Telstra Health undertook a risk assessment of its operations and supply chain.

While its modern slavery risk areas are generally consistent with that of the Telstra Group (e.g. covering IT devices and hardware), Telstra Health identified the procurement of medical devices as a risk area not shared with the Telstra Group. Telstra Health has prioritised medical devices and marketing merchandise as two risk areas for further due diligence and from the start of FY24 will be requiring vendors in these categories to complete a detailed questionnaire designed to identify any risks in these supply chains.

In addition, Telstra Health identified two significant entities, Clinical Technology Holdings Pty Limited and its subsidiaries (MedicalDirector) and Power Solutions Holdings Pty Ltd and its subsidiaries (PowerHealth), as a part of its operations with increased modern slavery risk. Telstra Health acquired these entities in FY22. MedicalDirector develops and supplies practice and clinic management software solutions and publishes the AusDI, the Australian medical information database. PowerHealth develops and supplies cost management software solutions designed for hospitals and healthcare providers. They each have workforces outside Australia including in countries with higher modern slavery risk.

## Actions to address modern slavery risks

### Internal policies

Telstra Health has adopted some of the Telstra Group Policies including Telstra's Code of Conduct, Human Rights Policy, Supplier Code of Conduct and Whistleblowing Policy. Telstra Health does not utilise the Telstra Group procurement function or centralised procurement processes, however it leverages some Telstra suppliers and contracts for purchases.

### Vendor onboarding

As part of its vendor onboarding processes, Telstra Health sends its suppliers a modern slavery questionnaire requesting information on their modern slavery policies, incidents, audits and reporting. This year Telstra Health reviewed the procedures it has in place to ensure that modern slavery questionnaires are appropriately reviewed and assessed.

In FY24 it will embed review and assessment of the modern slavery questionnaire into its Accounts Payable process, and create a more detailed questionnaire for higher risk suppliers.

### Audit

This year, Telstra commenced an audit of one of Telstra Health's two marketing merchandise suppliers as part of a broader Telstra Group-wide audit. Telstra Health will assess the results of this audit when it is complete in FY24. The remaining marketing merchandise supplier and all medical devices suppliers will be issued with a more detailed due diligence questionnaire from the start of FY24.

### Subsidiary uplift

In FY23, Telstra Health integrated MedicalDirector into Telstra Health and this process is now largely complete from a policy and governance perspective. It adopted the same Telstra Group Policies as Telstra Health, and its vendors were transferred to Telstra Health so that these suppliers are now subject to Telstra Health's policies and procurement processes.

The integration of PowerHealth into Telstra Health is ongoing. It is intended that PowerHealth will adopt all Telstra Group Policies which apply to Telstra Health. This process will start in FY24. Telstra Health has appointed two regulatory and compliance specialists to engage with PowerHealth on management of regulatory risks, including human rights and modern slavery.

Even if a subsidiary has not adopted all of Telstra Health's policies and processes, the Telstra Health legal and risk teams regularly consult with all subsidiaries on modern slavery risk to ensure they comply with Telstra Health's expectation that they adequately consider and respond to modern slavery risk.

Telstra Health rolled out Telstra's Preventing Modern Slavery Training for relevant employees in FY23. The attendees were determined based on their likely exposure to and influence over modern slavery related matters, including recruitment and HR leads, senior executives and management, employees with supplier governance responsibilities, and risk and compliance leads. Telstra Health achieved a 100% completion rate for employees enrolled in this training. Telstra Health employees also do Business Essentials Training (which includes a human rights module).

### Assessment of effectiveness

Telstra Health has a number of processes in place to assess the effectiveness of its modern slavery risk mitigation measures. These include:

- reporting any known or suspected compliance breaches to the internal Telstra Health risk and legal team and to the wider Telstra Group as required
- regularly reviewing policies and incorporating supplier and Telstra feedback into its modern slavery response
- tracking any complaints received via whistleblowing and HR mechanisms
- recording and tracking material human rights incidents should they arise by the Telstra Health legal and risk teams
- monitoring completion rates for modern slavery and Business Essentials Training.

### Consultation with owned or controlled entities

Telstra Health's owned or controlled entities were included in the consultation processes carried out by the broader Telstra Group.

Telstra Health also issued a modern slavery questionnaire to its subsidiaries MedicalDirector and PowerHealth to determine what processes they have in place to manage their modern slavery risks. This high level review showed that MedicalDirector and PowerHealth have similar operations to the broader Telstra Health group.

However, MedicalDirector has certain outsourced labour arrangements in India, Vietnam and Ukraine, and PowerHealth operates in higher risk jurisdictions such as Bahrain and Saudi Arabia which require an ongoing heightened level of monitoring and review. The Telstra Health legal, risk and compliance team actively monitors modern slavery and human rights risks through regular risk reviews with key personnel in these subsidiaries. No areas of concern have been identified to date.

Telstra Health will undertake a more detailed risk assessment for PowerHealth and MedicalDirector in FY24.

### Future focus

In FY24, Telstra Health will:

- embed review and assessment of the existing modern slavery questionnaire into its accounts payable process
- create a more detailed questionnaire for higher risk suppliers and embed the use of this into its supplier governance processes
- assess the results of the in-progress audit of one of Telstra Health's higher risk suppliers
- arrange for PowerHealth to adopt all of the Telstra Group Policies that have been adopted by Telstra Health
- complete a detailed risk assessment for PowerHealth and MedicalDirector including in relation to international operations.

The content in relation to Telstra Health (pages 43-44) was approved by the CEO and Board of Telstra Health Pty Ltd.

## Structure, operations and supply chains

Digicel Pacific provides international mobile phone, information and communications technology services and operates telecommunications infrastructure in the South Pacific region.

Digicel Pacific employs approximately 2000 employees and has approximately 1800 active suppliers located in more than 50 countries. The main categories of spend are network equipment, customers' devices, bandwidth, field operations, electricity and fuel, and logistics services.

## Modern slavery risk

Telstra acquired Digicel Pacific in FY23, and issued our subsidiary questionnaire to better understand Digicel Pacific's existing actions to assess and address modern slavery risk. In FY24, Digicel Pacific will undertake a modern slavery risk assessment focused on its operations and supply chain.

## Actions to address modern slavery risks

### Internal policies

As a wholly owned subsidiary of Telstra, Digicel Pacific is expected to adopt or align with the Telstra Group Policies. The adoption of the Telstra Group Policies by Digicel Pacific is due to be completed by Q1 FY24. Digicel Pacific has already adopted some of the Telstra Group Policies, including the Code of Conduct, Human Rights Policy and Whistleblowing Policy. Although Digicel Pacific does not use Telstra Group's centralised procurement processes, it has adopted Telstra's Supplier Code of Conduct.

### Vendor onboarding

Digicel Pacific recently adopted Telstra's Supplier Code of Conduct as part of ongoing work to integrate Digicel Pacific with the Telstra business. This year, it has begun collecting Statements of Compliance with the Supplier Code of Conduct from its vendors at the engagement stage as part of its vendor onboarding process. It is intended that Digicel Pacific will review Telstra's Supplier Governance Framework and adopt relevant components in FY24.

### Educational uplift

Telstra presented to Digicel Pacific management and key personnel on modern slavery risk, Telstra's approach to mitigating modern slavery risk and expectations of Digicel Pacific in relation to this risk.



## Updates to employment agreements

Preliminary discussions identified that Digicel Pacific at times engages child actors on a casual basis to provide voice overs for its media content. While Digicel Pacific's engagement with child actors complies with the law, we identified the opportunity to update Digicel's casual employment agreement to bring it into line with Australian standards relating to child actors. This update will be finalised in FY24.

### Training

All Digicel Pacific employees have completed Telstra's Business Essentials Training, which includes a human rights and modern slavery component.

## Assessment of effectiveness

To assess the effectiveness of its modern slavery risk response, Digicel Pacific:

- monitors completion rates for training
- works with Telstra to track the number of complaints received via whistleblowing mechanisms.

## Consultation with owned or controlled entities

Digicel Pacific's owned or controlled entities were included in the consultation processes carried out by the broader Telstra Group.

## Future focus

In FY24, Digicel Pacific will:

- undertake a modern slavery risk assessment focused on its operations and supply chain
- adopt the Telstra Group Policies where appropriate, taking into account local laws, and the laws in the markets in which Digicel Pacific operates
- review Telstra's Supplier Governance Framework and adopt relevant components
- roll out Telstra's Preventing Modern Slavery training for its employees
- update Digicel Pacific's employment agreement for child actors as described above.

The content in relation to Digicel Pacific (page 45) was approved by the CEOs of Digicel Pacific and Boards of Telstra PM Holdings Pty Ltd and Telstra PM Pty Ltd.



Telstra acquired a 51.4 per cent stake in Fetch TV in FY23 and is in the process of integrating this new controlled group.

Fetch TV provides entertainment technology solutions, partnering with leading internet service providers and retailers to provide subscribers with an entertainment service delivered to the TV over a broadband connection to a set top box.

Fetch TV employs approximately 108 employees based in Australia and 29 employees in Malaysia. It has approximately 284 active suppliers located in a wide range of locations, including approximately 20 in Malaysia. Most of its content suppliers are headquartered in the US or Europe and have local offices in Australia. The main categories of spend are content delivery (including global content suppliers such as Disney and the BBC, local free to air networks, and streaming content providers such as Netflix), network services and hardware, set top box equipment, marketing services, software licences, professional consultants and office costs.

Fetch TV has adopted the Telstra Group’s Whistleblowing and Human Rights Policies, and we are in the process of working with Fetch TV to align the majority of its policies with the Telstra Group Policies.

Fetch TV currently has its own policies and processes relating to third party suppliers and supplier governance. Fetch TV’s standard supply agreements include requirements for suppliers to mitigate against modern slavery risks. Fetch TV’s current code of conduct reflects its commitment to acting ethically and with integrity in its business relationships and includes the requirement to consider obligations under modern slavery legislation when engaging with suppliers. Fetch TV has aligned its Supplier Code of Conduct to that of Telstra’s as part of ongoing work to integrate Fetch TV into Telstra’s broader policy governance framework, where appropriate. It will also implement a supplier questionnaire which will include questions relating to modern slavery (among other due diligence).

Fetch TV assessed the risk of modern slavery in its operations and supply chains by performing desktop due diligence and interviewing key personnel. It determined that the majority of its operations and supply chain are low risk. However, the manufacture of the Fetch TV set top boxes is a higher risk area for further due diligence. Fetch TV assessed the factory and manufacturing facilities of the current set top box manufacturer in FY23. This included a site visit and unscheduled walk-through of the assembly-line section of the factory. This is the first time in-person visits have been possible since the COVID-19 pandemic. Fetch TV will conduct an audit of worker conditions of its set top box manufacturer in FY24.

In FY24 Fetch TV will also roll out modern slavery training to all executives and managers whose roles involve the supply chain.

The content in relation to Fetch TV (page 46) was approved by the CEO of Fetch TV.



Telstra Purple is integrated into the Telstra Group. The information provided in this statement about the Telstra Group applies to Telstra Purple and its owned or controlled entities other than as set out below.

In FY21 and FY22, Telstra Purple acquired Epicon, Alliance Automation and Aqura. Telstra Purple is in the process of integrating these new subsidiaries. They have adopted the Telstra Group Policies, including the Human Rights Policy, Whistleblowing Policy and Code of Conduct. However, they have their own policies and processes relating to third party suppliers and supplier governance.

Alliance Automation	<ul style="list-style-type: none"> <li>Has a supplier policy and process documentation covering supplier governance which specifically covers modern slavery considerations</li> <li>Uses a supplier questionnaire requesting details of the supplier’s human rights policy</li> <li>Maintains a supplier register which captures approved suppliers.</li> </ul>
Epicon	<ul style="list-style-type: none"> <li>Has a supplier policy and process documentation covering supplier governance which includes human rights and modern slavery risk</li> <li>Maintains a supplier register which captures approved suppliers.</li> </ul>
Aqura	<ul style="list-style-type: none"> <li>Has a supplier policy and process documentation covering supplier governance which specifically covers modern slavery considerations</li> <li>Uses a supplier questionnaire requesting details of the supplier’s human rights policy</li> <li>Maintains a supplier register which captures approved suppliers.</li> </ul>

The content in relation to Telstra Purple (page 46) was approved by the Workplace and Digital Practice Group Owner - Telstra Purple.

# Progress and future commitments

We continue to monitor our progress on our FY23 commitments and have identified additional focus areas for FY24.

## FY23 Commitments

● Achieved ◐ In progress ○ Not achieved ★ New

Commitment	Progress
<p>Working with strategic suppliers at our fourth supplier forum in Q2 2023 to reinforce Telstra's commitment to responsible business and support their understanding of our Supplier Code of Conduct requirements.</p>	<ul style="list-style-type: none"> <li>● Telstra held its Supplier Relationship Management Summit, attended by approximately 80 key suppliers with a focus on 'building resilience'.</li> </ul> <p>The session focused on sharing understanding of Telstra's commitment to responsible business; our Supplier Code of Conduct and how our suppliers play an important role in supply chain resilience.</p>
<p>Working with key members of our new energy business unit (Telstra Energy), which has recently entered the NSW, QLD and SA retail energy markets, to mature our understanding of the modern slavery risk associated with this business unit and strengthen its response if required.</p>	<ul style="list-style-type: none"> <li>● We worked with key members of Telstra Energy to undertake a modern slavery risk assessment and identified opportunities to strengthen its response to modern slavery risk. As a result, Telstra Energy implemented measures to strengthen its response. See 'Case study: Telstra Energy' on page 17 for more detail.</li> </ul>
<p>Increasing the number of suppliers who have completed onboarding via the KYS platform. This will assist us to continue to improve visibility of vendor risk (including modern slavery risk) across Telstra.</p>	<ul style="list-style-type: none"> <li>● As of 30 June 2023, we have onboarded 1,204 suppliers on the KYS platform, up from 1,055 in FY22. Of these, 53 per cent have completed the KYS Questionnaire, up from 38 per cent completed in FY22.</li> </ul> <p>See the 'Supplier onboarding, due diligence and ongoing monitoring' section above on page 26 for more detail.</p>
<p>Uplifting the KYS portal to provide more granular classification of procurement categories and associated modern slavery risk profile. This will help us build a more detailed understanding of our modern slavery risk.</p>	<ul style="list-style-type: none"> <li>● We completed KYS mapping of suppliers to Telstra taxonomy and United Nations Standard Products and Services Code taxonomy. This allows the KYS portal to now run a six-monthly modern slavery risk assessment of all onboarded suppliers based on country and procurement categories. Going forward we will be able to use this information to build a more detailed understanding of modern slavery risk in our supply chain.</li> </ul>
<p>Updating our Supplier Governance Framework in response to the independent third-party review and deploying the updated Supplier Governance Framework. This will ensure the framework remains relevant and better able to assist us to respond to supply chain risk, including modern slavery risk.</p>	<ul style="list-style-type: none"> <li>● The Supplier Governance Framework was updated in FY23 with additional features and a Playbook in response to the independent third-party review undertaken in FY22. See the 'Supplier Governance Framework' section above on page 25 for more detail.</li> </ul>
<p>Undertaking a human rights gap analysis of our current human rights risk management against the expectations set out in the UNGPs.</p>	<ul style="list-style-type: none"> <li>● This was completed in FY23. Priority recommendations from this gap analysis have been included in our FY24 commitments.</li> </ul>
<p>Providing additional support for selected owned or controlled entities to manage modern slavery risk in their supply chain.</p>	<ul style="list-style-type: none"> <li>● In FY23 we worked with selected owned or controlled entities on managing modern slavery risk in their supply chain. See the 'Identifying our modern slavery risk areas' section on page 16 and 'Consultation across the Telstra Group' section on page 42 for more detail.</li> </ul>

# FY24 Commitments

● Achieved ◐ In progress ○ Not achieved ★ New

Commitments	Progress
Formally review the Supplier Governance Framework to identify and address any gaps/learnings from the implementation of the Framework in FY23.	★
Improve our supplier onboarding processes to ensure consistent review and assessment of supplier responses to KYS questions, including in relation to labour practices.	★
Develop guidance documentation and accompanying training for contract owners undertaking supplier risk assessments (which encompass labour practices), to ensure more effective supplier risk assessments.	★
Incorporate the use of third-party supplier modern slavery risk profiling into our due diligence processes.	★
Update our Salient Human Rights issues assessment.	★
Develop guidance for our mergers and acquisitions (M&A) team on human rights issues, including modern slavery risk, to consider in the M&A process.	★
Develop guidance on how to engage with suppliers on human rights issues, including labour rights during supplier management meetings.	★
Review and update Telstra's metrics to assess the effectiveness of our human rights risk management efforts.	★



# Appendix 1:

## Reporting entities

Reporting entity	Description	Short name
<b>Australian MSA reporting entities</b>		
Telstra Group Limited ABN 56 650 620 303	The ultimate parent company of the Telstra Group whose shares are publicly traded on the ASX.	TGL
Telstra Limited ABN 64 086 174 781	Owns and operates Telstra's business including Telstra's retail, wholesale, Health, Energy and Purple businesses, but excluding the businesses of Telstra InfraCo, Telstra International and Amplitel. Telstra Limited also owns and operates the active parts of the Telstra Group's infrastructure network.	NA
Telstra Corporation Limited ABN 33 051 775 556	Owns and operates the passive infrastructure asset business.	Telstra InfraCo or Telstra Corporation
Telstra International Holdings Pty Ltd ABN 95 648 133 475	Owns and operates Telstra's business of providing international services using the international assets, which includes the Digicel Pacific group	Telstra International
Telstra Purple Pty Ltd ABN 13 097 323 781	Provides technology services focused on outcome-based, transformative tech solutions.	Telstra Purple
Telstra Health Pty Ltd ABN 38 163 077 236	Main operating entity in the Telstra Health Group. Primary operations are the development and provision of software solutions to governments, hospitals and health and aged care providers as well as operation of the National Cancer Screening Register and 1800RESPECT services for the Commonwealth Government.	Telstra Health
Telstra Pay TV Pty Ltd ABN 65 095 931 614	Holds the broadcasting licence which enables Telstra to sell pay TV services.	Telstra Pay TV
Telstra Holdings Pty Ltd ABN 45 057 808 938	Holding company of many of Telstra's subsidiary companies.	Telstra Holdings
Telstra PM Holdings Pty Ltd ABN 71 648 132 941	Interposed holding entities for the Digicel Pacific corporate group. Digicel Pacific is a provider of international mobile phone, information and communications technology services (including TV, home and business internet solutions) and operates telecommunications infrastructure across six markets in the South Pacific region.	Together with their owned or controlled entities, Digicel Pacific
Telstra PM Pty Ltd ABN 21 653 836 321		
<b>UK MSA reporting entities</b>		
Telstra UK Limited	Provider of telecommunication services in UK and Europe, Middle East and Africa.	Telstra UK

# Appendix 2:

## Modern Slavery Acts criteria

The table below identifies where in this statement we have addressed each recommended criteria under the UK MSA and the mandatory criteria under the Australian MSA.

Australian Modern Slavery Act – mandatory criteria	UK Modern Slavery Act – recommended criteria	Page
Identify the reporting entity		2, 49
Describe the structure, operations and supply chain of the reporting entity	Organisation’s structure, its business and its supply chains	6, 7, 43
Describe the risks of modern slavery practices in the operations and supply chain of the reporting entity and any entities that the reporting entity owns or controls	The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place	7, 16, 20, 43
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	<ul style="list-style-type: none"> <li>• Policies in relation to slavery and human trafficking, due diligence processes in relation to slavery and human trafficking in its business and supply chains</li> <li>• Steps taken to assess and manage the risk of slavery and human trafficking</li> <li>• Training about slavery and human trafficking available to its staff</li> </ul>	12, 16, 20, 23, 36, 43
Describe how the reporting entity assesses the effectiveness of such actions	The organisation’s effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate	39, 43
Describe the process of consultation with any entities that the reporting entity owns or controls		42, 43
Any other information that the reporting entity considers relevant		4, 38, 43, 47

