Best Stewardship Outcomes Large Business | Telstra - Highly Commended

A design-led approach to product stewardship

Over the last three years, Telstra has redesigned its product management framework to embed product stewardship and sustainable criteria in all stages of the product lifecycle, enabling a continuous cycle of iterative improvements.

This framework enshrines circular economy principles including repairability, reusability and recyclability. Of note is a focus on good design features that are sustainable, greater collaboration across the supply chain to improve end-of-life (EOL) processes, and research to better understand customer awareness and expectations of Telstra's role in product stewardship.

Developing the framework

Telstra considered several factors to embed circular economy principles within the design of the Telstra Smart Modem 3 (TSM3).

- **Prioritised eco-design over aesthetics**, such as changing its default TSM3 modem portfolio colour from white to black to enable a higher percentage of recycled plastic (95%) and increasing the use of ventilation holes to reduce aluminum required for heat dissipation.
- **Prioritised standardisation** by redesigning the power supply in the Telstra Smart Modem 3 (TSM3), reverting from a previous custom-built solution to enable its use across different modem generations.
- **Codesigned and collaborated with supply chain partners** to identify opportunities to simplify the dismantling of components and materials.
- **Created transparency of material movements** by mapping the EOL treatment of individual components to identify and remove challenges for downstream reuse of materials.
- **Conducted customer research** to identify items that could be removed and/or provided by request, such as protective caps, Ethernet cables. FY23 data showed Telstra avoided supplying 700km of ethernet cable – the equivalent of Sydney to Byron Bay.

Fostering collaboration to improve end-of-life processes

In October 2022, Telstra released a new standard emissions reduction clause in its Supplier Code of Conduct. which requires suppliers to understand, report, verify, reduce and track their climate change impacts.

Telstra works with partners to reduce the impact of the materials used in device manufacture, particularly removing hazardous material such as flame retardants. There is an active policy of increasing the proportion of recycled materials in Telstra products and packaging.

In February 2022, the TSM3 was launched with an enclosure made of 80% recycled plastics. Telstra's 5G modem, launched in June 2023, is not only made from 95% recycled material but also includes plastics recovered from EOL modems collected via the Telstra eCycle program.

Telstra also worked with suppliers to increase device power efficiency, using more efficient chipsets despite increased cost, sourcing more efficient power supplies.

The company met its FY23 device recycling target and has increased it for FY24, to reuse or recycle 650,000 mobile phones, modems, and other devices each year to 2025. Targets are achieved through initiatives including trade-in options for mobile phones, launch of the modem returns and refurbishment process, and our partnerships with end-of-life collectors, service providers and MobileMuster.

Customer awareness and expectations

Telstra uses research insights to develop campaigns aimed to understand and increase customer awareness of its product stewardship aims. Some recent initiatives include:

- A 2022 Christmas campaign, where customers received 5,000 TelstraPlus points when they recycled an eligible device in-store or via eParcel. Across November and December, customers recycled 35,000 devices, representing a significant year-on-year increase.

- A trial of eWaste Sustainability Walls at four stores across the country. These walls included a collection box to recycle devices. In the three months after installation, device collections increased significantly.

- The TSM3 included an Environmental Product Summary, based on our product Life Cycle Assessment, including information on its environmental credentials and assessment and compliance frameworks.

- Collaborating with industry bodies servicing relevant audiences, such as MobileMuster membership forums.

Bringing product stewardship to life

Telstra says the TSM3 is its first product to embed sustainability considerations across product design, development, and post-launch optimisation, setting a standard for its other products and demonstrating how sustainability considerations can bring business and strategic value.

The TSM3 design includes accessibility improvements and working 'out of the box' functionality. Telstra says it has highlighted with customers the societal benefits of device recycling, encouraging environmentally ethical and sustainable behaviour, and raising community awareness of reuse, recycling, sustainable packaging, and product stewardship.

Ultimately, Telstra aims to foster a broader circular economy with the intent of driving costs down and creating wider efficiencies of scale for the long-term.