

EMPLOYEE DIVERSITY AND INCLUSION

PURPOSE

The purpose of this Company Policy is to set out the Telstra Group's policy in relation to Employee Diversity and Inclusion (excluding Telstra Board Diversity).

APPLICATION

This is a Company Policy of Telstra, its controlled entities and any other entity notified that this Company Policy applies to it (collectively "Telstra Group"). It applies to all employees and contractors of each member of the Telstra Group and to any other person notified that this Company Policy applies to them. Telstra's Chief Risk Officer may authorise an exemption to this Company Policy. This policy does not apply to Diversity in relation to the Telstra Board, which is dealt with in the Telstra Board Diversity Company Policy.

POLICY

Policy Statement

1. Diversity and Inclusion is a business imperative. Our policy is to leverage Diversity and practice Inclusion to contribute to the achievement of our strategic objectives. This means using Diversity to:
 - o drive business results;
 - o enhance our reputation; and
 - o attract, recruit, engage and retain a diverse team of talented people.
2. Our policy is based on the strong business benefits that accrue from effectively managing Diversity, the value that difference brings to the Telstra Group, the Diversity that exists among the customers we serve, and the need for flexibility that exists within a progressive organisation.
3. Our Diversity and Inclusion strategy is aligned to our strategic priorities and Telstra Values. Our strategic intent for Diversity and Inclusion is the attraction, retention and development of a diverse team of skilled people who are increasingly engaged, enabling delivery on our strategy.
4. Our Diversity and Inclusion initiatives are based on three strategic pillars:
 - o **Our Customers** - to leverage diversity as a business driver;
 - o **Our Communities** - to be a leader in Diversity and Inclusion in the business and broader community; and
 - o **Our People** - to attract, recruit, engage and retain diverse talent. This includes the embedding of inclusive practices within each part of our employee life-cycle.

Principles

5. Our Diversity and Inclusion policy is centred on the following five core principles:
 - i. **Merit** - decisions about recruitment, development, promotion and remuneration are based on performance and capabilities.
 - ii. **Fairness and Equality** - embracing Diversity and being inclusive means we do not tolerate unlawful discrimination, bullying, harassment or victimisation.
 - iii. **Contribution to commercial success** - our Diversity and Inclusion initiatives are based on sound business principles and objectives. We focus on results for the Telstra Group and our people, not on processes or programs for their own sake.
 - iv. **Everyone's Business** - we have some focussed initiatives for Identified Groups, but essentially Diversity and Inclusion is for everyone. It is part of how we work and, because it helps the Telstra Group to be successful, is everyone's business.

v. **Part of who we are** - we are diverse and we are inclusive. Our people live our Cultural Priorities which include valuing diverse ideas and innovating together to achieve our objectives.

Measurable Objectives

6. The Telstra CEO Leadership Team meets as the Diversity Council to assist in guiding our Diversity and Inclusion strategy and promoting our Diversity and Inclusion initiatives. In addition, the Telstra Board establishes Measurable Objectives for achieving Diversity and Inclusion at all levels below Telstra Board level. These could include:
 - o establishing goals for female representation at a Telstra-wide and Telstra business unit level, in senior management, executive and operational roles;
 - o implementing strategies and initiatives to address any gender pay equity gap (to the extent one exists);
 - o aiming to ensure that the voluntary separation rates for employees in Identified Groups do not exceed their representation rates;
 - o aiming to ensure that the scores for employee engagement for Identified Groups are not less than the whole-of-company engagement scores; and
 - o implementing leadership programs that assist in the development of a diverse pool of skilled and experienced executives, and that prepare them for senior management and board positions.
7. Management is responsible for implementing initiatives to achieve the Measurable Objectives. The Telstra CEO has discretion regarding the specific initiatives which will be implemented by management to achieve these.

Monitoring and Reporting

8. Telstra management will report to the Telstra Remuneration Committee in relation to Diversity and Inclusion. This will include reporting on:
 - a) initiatives undertaken by management in relation to Diversity and Inclusion and to achieve the Measurable Objectives; and
 - b) progress in achieving the Measurable Objectives, including information regarding the relative proportion of women and men in the workforce at all levels of Telstra and the Telstra Group.
9. In accordance with its Charter, the Telstra Remuneration Committee:
 - a) reviews and reports to the Telstra Board in relation to Diversity and Inclusion and Telstra's progress in achieving the Measurable Objectives; and
 - b) makes recommendations to the Telstra Board regarding the Measurable Objectives.
10. Under its Charter, the Telstra Board, at least annually, assesses the Measurable Objectives and progress in achieving them.

Review of This Policy

11. Telstra management will periodically review this policy (which will include a review of the effectiveness of the policy) and present the outcome of its review (including any recommended changes to the policy) for consideration by the Telstra Remuneration Committee. In accordance with its Charter, the Telstra Remuneration Committee makes recommendations to the Telstra Board regarding any proposed amendments to this policy

REFERENCES

Telstra Remuneration Committee Charter
Telstra Board Charter



DEFINITIONS

Term	Definition
Diversity	Includes differences that relate to gender, age, ethnicity, race, cultural background, disability, religion and sexual orientation. In addition, Diversity also includes differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem solving skills.
Identified Groups	Female employees, Indigenous employees, other ethnically, racially, culturally and linguistically diverse employees, employees with a disability, and gay, lesbian, bisexual, transgender and intersex employees.
Inclusion	The practice of making sure that our organisation fosters the involvement and engagement of Diversity in all our practices relating to our customers, our communities and our people.
Measurable Objectives	The measurable objectives for achieving Diversity and Inclusion at all levels below Telstra Board level, set by the Telstra Board.
Telstra	Telstra Corporation Limited.
Telstra Group	Has the meaning given under the "Application" section of this Company Policy.