



# AGM 2022 – Frequently asked questions by shareholders

We thank our shareholders for the questions they submitted ahead of the Telstra 2022 AGM held on 11 October 2022 and for the questions put forward at the meeting. The information below addresses the main themes of these questions. We hope you find it helpful.

## Company strategy – what is Telstra’s strategy for the future?

T25 is our new strategy for growth. It is built on four strategic pillars, and aims to deliver:

1. First, an exceptional customer experience you can count on. As I said at the start, nothing is more important than continuing to improve customer experience and this sits at the heart of our T25 strategy, leveraging the capabilities we have built.
2. Second, leading network and technology solutions that deliver your future. Connectivity is central to how the world works and our customers are demanding more from us than ever before. We are committed to continuing to provide them with leading network and technology solutions.
3. Third, sustained growth and value for you, our shareholders. Our financial ambitions are clear – we aim to grow our underlying business through to FY25, demonstrated by the key metrics of EBITDA, ROIC and earnings per share. With cash flow generation and opportunities ahead to monetise assets (although we have made no decisions yet in this regard), we will focus on maximising our fully-franked dividend and seeking to grow it over time.
4. And finally, the place you want to work. This last one is built on three key areas – excelling at new ways of working; accelerating our digital leadership and doing business responsibly.

## Corporate restructure

The restructure was a key component of our T22 strategy and is now a key part of our new T25 strategy announced last year. The restructure is an important next step in our drive to increase the transparency of our infrastructure assets and to improve management focus on our infrastructure and customer businesses and consequently, provide us with more flexibility to create additional value for you, our shareholders.

Following shareholder approval at the Scheme Meeting (held following the AGM on 11 October 2022) and Court approval on 19 October 2022, the Scheme of Arrangement (**Scheme**) between Telstra Corporation Limited and its shareholders became legally effective on 20 October 2022. The Top Hat Component of the Scheme, which involved Telstra Group Limited becoming the new parent entity of the Telstra Group, was implemented on 31 October 2022 and eligible shareholders received one fully paid ordinary share in Telstra Group Limited for each fully paid ordinary share they held in Telstra Corporation Limited on a 1:1 basis under the Scheme. For more information, please refer to [www.telstra.com/legalrestructure](http://www.telstra.com/legalrestructure).



## Customer service – call centres

Telstra's Consumer & Small Business call centres are now back on shore, creating 2,000 new jobs across Australia. So anytime one of our consumer or small business customers calls us, they will be answered by someone based in Australia.

With millions of customers across Australia, each day we receive thousands of calls on a variety of topics. Customers want to speak to someone that understands them and their situation and has the skills to resolve their request. Already our customers are noticing the difference when they call in and this change should help improve their experience with us.

About 90% of our call centre workforce choose to work from home each day because of the flexibility it gives them, and we have the technology to allow that to happen. Being able to offer flexible working conditions and locations helps us attract and retain great talent that isn't limited to working from an office in a specific location.

This change could offer new employment opportunities for regional Australians. While they would need to be based for the first couple of months in a location where there is a call centre for training purposes and to gain experience, after that period as 90% of our customer service team are choosing to work from home that location could potentially be anywhere in Australia.

## Cyber Security – what is Telstra doing to protect customers and Australians from cyber-attacks?

We use a range of technologies and security controls to minimise the likelihood and impact of unauthorised access to our networks and systems. Such technologies and controls include logging and monitoring capabilities to pre-empt and proactively prepare for internal and external threats and industry standard infrastructure configuration. We continuously invest in our security capabilities, including maintaining and enhancing our existing technologies to continue to stay ahead of new security threats. We also deploy new technologies to ensure we can adapt to the range of changing security threats.

We also turned on a new SMS scam filter feature to better protect those using our network from scam text messages. This feature blocks scam SMS messages at the network level so they don't reach the mobile device. We blocked over 185 million scam SMS messages between April 2022 and June 2022.

We are also currently blocking thousands of malicious domains a month.



## Dividends – will they increase?

We were pleased to deliver total dividend growth in FY22 – the first time in seven years.

The Board's decision to lift the total dividend in FY22 was consistent with our capital management policy to maximise the fully franked dividend and seek to grow it over time. A factor the Board considered when lifting the total dividend was its sustainability going forward.

Whilst we do not give dividend forecasts, our capital management framework and policy to maximise the fully franked dividend and seek to grow it over time is clear. We will return as much cashflow to shareholders via fully franked dividends that is sustainably supported by earnings and franking, while also balancing the objectives and principles of the capital management framework.

The FY22 special dividend was the final linked to one-off nbn receipts.

## Responsible business

Our commitment to responsible business takes many forms.

It includes significant action on climate change, where we were certified by the Australian Government's Climate Active program as carbon neutral in 2020 and continue progressing towards our other two climate targets – to enable renewable energy generation equivalent to 100% of our consumption by 2025, and reducing absolute emissions by at least 50% by 2030.

At the same time, too many Australians, and particularly Australians in vulnerable circumstances, are at risk of being left behind in the digital age and becoming even more marginalised.

Telstra has a key role to play - building access through our network investment, ensuring our products and services are affordable, and by supporting a range of programs to build digital skills.

We are providing more network coverage to more people in regional and remote places. Over the 7 years to the end of FY22 Telstra will have invested \$11 billion in our mobile network nationally with \$4 billion of this invested in our regional mobile network, providing additional capacity and new and improved coverage.

Last year we also announced significant forward investments, including \$150 million in regional investment for FY22, and an additional \$200 million co-investment fund to improve regional connectivity over the next four years.

This work continues to shape Telstra as a responsible, sustainable, and community-minded organisation, one that is purpose-led and values-driven, and we are very proud of this work.

## Scam calls – what is Telstra doing about these?

In FY22 we doubled down on efforts to address scam calls. Since introducing our scam call blocking feature in mid-2021 we've blocked over 200 million scam calls from reaching our customers and are currently blocking between 10 million and 15 million calls monthly.