



Risk & Sustainability Committee Charter

1. Introduction

This Charter outlines how the Risk & Sustainability Committee (the ‘Committee’) discharges its responsibilities in relation to Telstra Group Limited (‘Telstra’) and its controlled entities (together, ‘the Group’).

2. Role of the Committee

The Committee assists the Board in overseeing:

- a) risk management;
- b) compliance;
- c) internal controls (other than controls, policies and compliance relating to financial reporting, tax, treasury, funding, and insurance arrangements);
- d) group internal audit;
- e) the Structural Separation Undertaking (SSU); and
- f) environmental, social and governance (ESG) matters.

Health, Safety & Wellbeing risk management and compliance is managed by the People & Remuneration Committee.

The Committee notes the annual Group Internal Audit plan as approved by the Audit Committee.

3. Membership

The Board appoints the Committee members and its Chair, who must be an independent Director who is not Chair of the Board. The Committee must have at least three independent Board members who between them have sufficient risk, compliance and ESG knowledge. The Chair of the Committee will also be a member of the People & Remuneration Committee. The Chair of the Audit Committee will be a member of the Committee. A member of the Committee will be a member of the Audit Committee.

4. Responsibilities

The Committee’s responsibilities include, but are not limited to:

4.1 Risk Management

- a) overseeing the design, implementation, and effectiveness of the Group’s risk management framework, reviewing the framework annually, and making recommendations to the Board on the Group’s risk management policy;
- b) assisting the Board in the review and identification of risks (including emerging and escalating sources of risk) that have the potential to have a material impact of the Group’s business, recommending the risk appetite within which management should operate in respect of those risks for approval of the Board and overseeing the risk management plans to address those risks;
- c) overseeing the remuneration review outcomes for the Chief Risk Officer¹ considered or approved by the People & Remuneration Committee, and the results of his or her annual performance review; and
- d) reviewing the risk disclosures in Telstra’s corporate governance statement and any other disclosures made about risk in Telstra’s annual report.

¹ For the purposes of this Charter, reference to “Chief Risk Officer” includes the equivalent position or office in the event that the position or office is described in another manner.

4.2 Compliance

- a) overseeing the Group's compliance with applicable laws and regulatory obligations, including the design, implementation and effectiveness of the Group's compliance framework to manage its compliance risk, and making recommendations to the Board on the Group's compliance management policy; and
- b) reviewing the results of management's investigation and action in relation to significant identified instances of non-compliance and overseeing the Group's response to the findings and recommendations of any examinations by key regulators, or audits/reviews conducted by Group Internal Audit.

4.3 Internal Controls

- a) overseeing management's design, implementation and effectiveness of the Group's internal control systems, processes and assurance activities (other than in relation to internal financial controls); and
- b) monitoring that significant internal control issues are being addressed by management on a timely basis.

4.4 Group Internal audit

- a) advising the Board on the appointment and cessation of the Group Internal Audit Executive (GIA Executive);
- b) overseeing the GIA Executive's remuneration review outcomes and annual performance review, considered or approved by the People & Remuneration Committee;
- c) approving the annual Group Internal Audit (GIA) Plan, resource plan, budget, and Charter;
- d) monitoring and reviewing GIA's performance and progress against the annual GIA Plan, their independence and the outcomes of, and management response to, audits and other GIA assurance activities; and
- e) ensuring the GIA Executive has full and unrestricted access to meet with the Chair of the Committee, any other Board Committees and the external auditor.

4.5 SSU and Director of Equivalence

- a) approving the appointment removal of Telstra's Director of Equivalence;
- b) overseeing the Group's compliance with the SSU and overseeing and monitoring the activities of the Director of Equivalence; and
- c) receiving Telstra's Annual Equivalence Report.

4.6 Environment, Social & Governance

- a) reviewing significant developments and trends in ESG, monitoring the Group's ESG performance (including against targets), the effectiveness of the Group's governance of environmental disclosures, environmental management system and controls, and considering significant issues relating to ESG, including:
 - i) reviewing and providing feedback on reports from management on the Group's climate and nature related risks and opportunities and the plans which management has put in place in relation to those risks and opportunities;
 - ii) making recommendations to the Board on key external environmental and social targets and key environmental disclosures (including those in the annual report) and modern slavery disclosures; and
 - iii) overseeing other selected external environmental disclosures.

5. Authority

The Committee has full delegated authority from the Board to fulfil its responsibilities, including access to internal and external resources, meeting with auditors without executives or management present, and obtaining independent advice at Telstra's expense.

6. Reporting Responsibilities

- a) the Chair of the Committee updates the Board regularly about matters relevant to the Committee's role, responsibilities, activities, and matters considered, discussed and resolved at Committee meetings;
- b) information and papers considered by the Committee are provided to other Committees and/or the Board as relevant; and
- c) the Chair of the Committee reports to the People & Remuneration Committee on any risk outcomes to enable such risk outcomes to be appropriately reflected in remuneration outcomes for the Group CEO, Senior Management, or others as appropriate.

7. Review of Risk & Sustainability Committee Performance and Charter

The Committee:

- a) undertakes an annual self-assessment of its performance and provides that information to the Board;
- b) provides any information the Board may request to facilitate the Board's review of the Committee's performance and its members; and
- c) reviews this Charter annually and seeks Board approval for any changes.

8. Meeting Procedures

The Board and Board Committee Procedural Rules set out the procedures for meetings of the Committee.