Independent Limited Assurance Statement to the Management and Directors of Telstra Corporation Limited

Our Conclusion:
We were engaged by Telstra to undertake limited assurance (hereafter referred to as a ‘review’) over its approach to identifying and prioritising material topics and disclosures associated with selected material topics included in its Bigger Picture 2017 Sustainability Report and online data tables (the Report) for the year ended 30 June 2017. Based on the work we performed, nothing came to our attention that caused us to believe that Telstra’s approach to materiality was not consistent with the Global Reporting Initiative’s (GRI) principles and that the selected sustainability disclosures and performance metrics have not been prepared and presented fairly, in all material respects, in accordance with the criteria defined below.

What our review covered
We reviewed Telstra’s materiality process including the way Telstra identified material topics and the appropriate disclosure of these material areas in the Report.
We also reviewed the disclosures for 3 material topics aligned to Telstra’s sustainability strategy – Thriving in a digital world:
- Responsible Business – Diversity & Inclusion
- Digital Futures – Social & Environmental Innovation
- Environmental Solutions – Resource Efficiency
In addition we reviewed a selection of performance metrics, as shown in the table below:

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Material topic</th>
<th>Disclosures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Business</td>
<td>Diversity &amp; Inclusion</td>
<td>• Representation of women by level</td>
</tr>
<tr>
<td></td>
<td>Health &amp; Safety</td>
<td>• Lost time injury frequency rate</td>
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<tr>
<td></td>
<td></td>
<td>• Total recordable injury frequency rate</td>
</tr>
<tr>
<td>Energy &amp; Emissions</td>
<td></td>
<td>• Total greenhouse gas emissions (t.CO₂e)</td>
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<tr>
<td></td>
<td></td>
<td>• Total energy consumption (GJ)</td>
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<tr>
<td></td>
<td></td>
<td>• Emissions intensity (t.CO₂e/TB)</td>
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<tr>
<td></td>
<td></td>
<td>• Annualised emissions savings resulting from project initiatives (t.CO₂e/year)</td>
</tr>
<tr>
<td>Resource Efficiency</td>
<td></td>
<td>• Total waste and recycling (t)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Total e-waste (t)</td>
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<td></td>
<td></td>
<td>• Mobile Muster contribution (t)</td>
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</tbody>
</table>

Criteria applied by Telstra
In preparing the materiality approach, Telstra applied the GRI principles for defining report content for materiality.
In preparing the selected material topics and associated disclosures and performance metrics, Telstra applied criteria as detailed in the glossary of the Bigger Picture 2017 Sustainability Report available at: www.telstra.com/sustainability/report/data

Key responsibilities
EY’s responsibility and independence
Our responsibility was to express a limited assurance conclusion on the materiality process, selected material topics and associated disclosures, and a selection of performance metrics.
We were also responsible for maintaining our independence and confirm that we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants and have the required competencies and experience to conduct this assurance engagement.

Telstra’s responsibility
Telstra’s management was responsible for selecting the Criteria, and preparing and fairly presenting the materiality process and selected material topics and associated disclosures in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

Our approach to conducting the review
We conducted this review in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000), Assurance Engagements on Greenhouse Gas Statements (ASAE 3410) and the terms of reference for this engagement as agreed with Telstra 26 April 2017.

Summary of review procedures performed
- Conducted interviews with personnel to understand the business and reporting process
- Reviewed the approach for determining material topics which included a review of media coverage, peer reporting and documentation supporting the materiality process
- Reviewed evidence to support key disclosures within the material topics
- Conducted interviews with key personnel to understand processes and systems for collecting and collating data
- Undertook data analytics to check the reasonableness of the data supporting disclosures
- Conducted detailed testing of underlying source information on a sample basis to check completeness and accuracy of data and disclosures
- Conducted tests of controls to confirm controls were working as expected.
- Performed recalculations of performance metrics to confirm quantities stated were replicable.
- Identified and tested assumptions supporting disclosures
- Reviewed the appropriateness of presentation of disclosures. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Ernst & Young
Melbourne, Australia
30 August 2017

Limited Assurance
Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
While we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Use of Our Assurance Statement
We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Telstra, or for any purpose other than that for which it was prepared.
Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.