

Sustainability
Report 2013

Business Done Differently

'yes'
OPTUS

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About this report

This report is for the financial year ended 31 March 2013. It is our 14th annual report on the economic, social and environmental performance of SingTel Optus Pty Limited and its relevant Australian subsidiaries (Optus).

Offshore ventures and franchised retail outlets not included in this report, unless otherwise specified.
We welcome your feedback. Please contact sustainability@optus.com.au with any questions you may have.

Global Reporting Initiative

Optus uses the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines and engagement with our key stakeholders to determine the content of our report. Our third party checked GRI application level is 'A'. A summary GRI Index is provided at the end of this report and a full Index is available online www.optus.com.au/gri



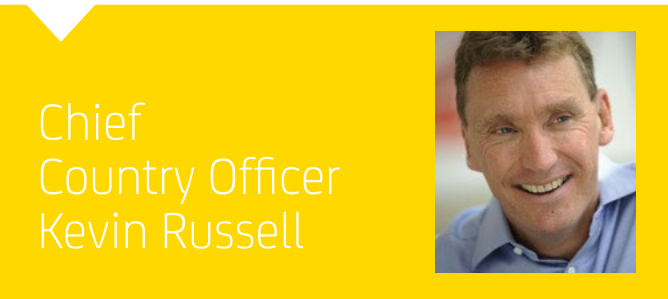
London Benchmarking Group

Optus uses the London Benchmarking Group (LBG) methodology to measure and report on our contribution to the community. LBG is the global standard for measuring and benchmarking corporate community investment.



A Message from the Chief Country Officer

We are committed to building a sustainable business model that delivers benefits for our customers, employees, shareholders and the broader community.



The theme of this year's Sustainability Report is 'Business Done Differently' because sustainable companies do just that – they look for new, innovative ways to do business.

This past year has been a year of transformation. It's been about setting up our business for the future and responding to current and emerging trends that will impact our industry and change the way that we have traditionally done business.

We're living in a digital era where technology is rapidly evolving but the Australian mobile industry is experiencing declining revenues. It's a very different market to 10 years ago and a different market requires a different business model.

Changing inside and out

We've taken big steps to reposition ourselves to achieve our ambition to be the most loved service brand in this country. Day in, day out, we must be fixated on delivering the best experience possible for customers to make sure we are different and truly stand apart.

Bringing back the passion for our brand starts from within. We have to live 'yes' before we can deliver it for our customers and be clear on how we're going to do it:

1. Building a great network. In the year ahead, we'll continue to build a bigger, stronger, smarter network to meet our customers' expectations.
2. Simplifying our products. We'll simplify our plans across all product categories reducing the chance of bill shock with simple and honest plans.
3. Delivering brilliant service. We'll ensure our customers experience the same brilliant service however and whenever they contact us – in-store, on the phone or online.

Minimising our environmental footprint

This year we reaffirmed our commitment to managing the environmental impacts of our operations. With network expansion and data usage increasing, we have established a new Energy Steering Committee and Working Group to provide strategic oversight and drive initiatives across the business.

Improving customer experience

We have set ourselves ambitious targets around customer experience measured by the Net Promoter Score (NPS)™. A number of initiatives have been introduced to respond to customer feedback including usage alerts to reduce bill shock and a refresh of our retail stores.

This year we have delivered 4G through more than 750 mobile sites and upgraded more than 4,000 3G sites. Over the next three years we will add an additional 1,000 new sites providing our customers with more access to the network than ever before

Importantly, we are starting to see the positive impact of this focus, with more customers choosing to stay with Optus.

Restructuring our business

To do business differently we have implemented a major restructure that reflects our focus on customers, drives greater efficiencies and aligns with the three divisions of the SingTel Group.

Unfortunately, the restructure involved some difficult decisions which resulted in around 1,300 roles being made redundant across our organisation. These employees were supported with counselling, career advice and job search assistance.

Engaging employees

As an organisation undergoing major change, we have experienced a decline in our employee engagement. However, our survey shows that employees regard Corporate Social Responsibility as something we are proud of and do really well. Action plans are well underway and we have a target to obtain a two per cent increase in engagement in 2013.

Employees are an important part of our approach to business done differently. We understand that an employee's health and wellbeing is integral to the way they feel about working at Optus. Our new 'My Wellbeing' program provides information, tools and programs to help employees live a healthy, happy and productive life.

Investing in the community

Doing business differently is about investing and contributing to the communities in which we operate. We support strategic community partnerships which work towards addressing social issues in innovative and different ways.

One example is The Smith Family's mobile 'student2student' program which aims to improve children's literacy through reading buddies and mobile phones. Our support of the program has allowed The Smith Family to grow from a pilot of 50 students to more than 320 students. Research shows the program is making a difference with more than 80 per cent of students improving their reading.

Looking to the future

We are entering an exciting new phase to do business differently and our approach to sustainability will grow and evolve with our strategy. I encourage you to read this report to learn more about our work and welcome your feedback.

Finally, I would like to personally thank all of our employees for their ongoing contribution to Optus. It is their passion and innovation that makes our business truly different.

Kevin Russell
Chief Country Officer

About us

Optus is an Australian leader in communications and digital services, providing services to more than 10 million customers every day.

We aim to be a leader in customer experience, providing brilliant service and simple products.

We are Australia's second largest telecommunications group providing a broad range of services including:

- > Mobile
- > Fixed and IP telephony
- > Business network services
- > Fixed and wireless broadband
- > Satellite services
- > Entertainment and subscription TV
- > Digital services.

Optus also delivers wholesale services to other providers for on-sale under their own brand.

We employ 8,880 full-time equivalent (FTE) employees and have a retail footprint of 290 Optus branded 'yes' stores. We operate more than 5,600 3G base stations covering 98% of the Australian population and have switched on 4G to more than 750 mobile sites across our network.*

Optus is a wholly-owned subsidiary of the SingTel Group, Asia's leading communications group and the largest company on the Singapore Exchange by market capitalisation.

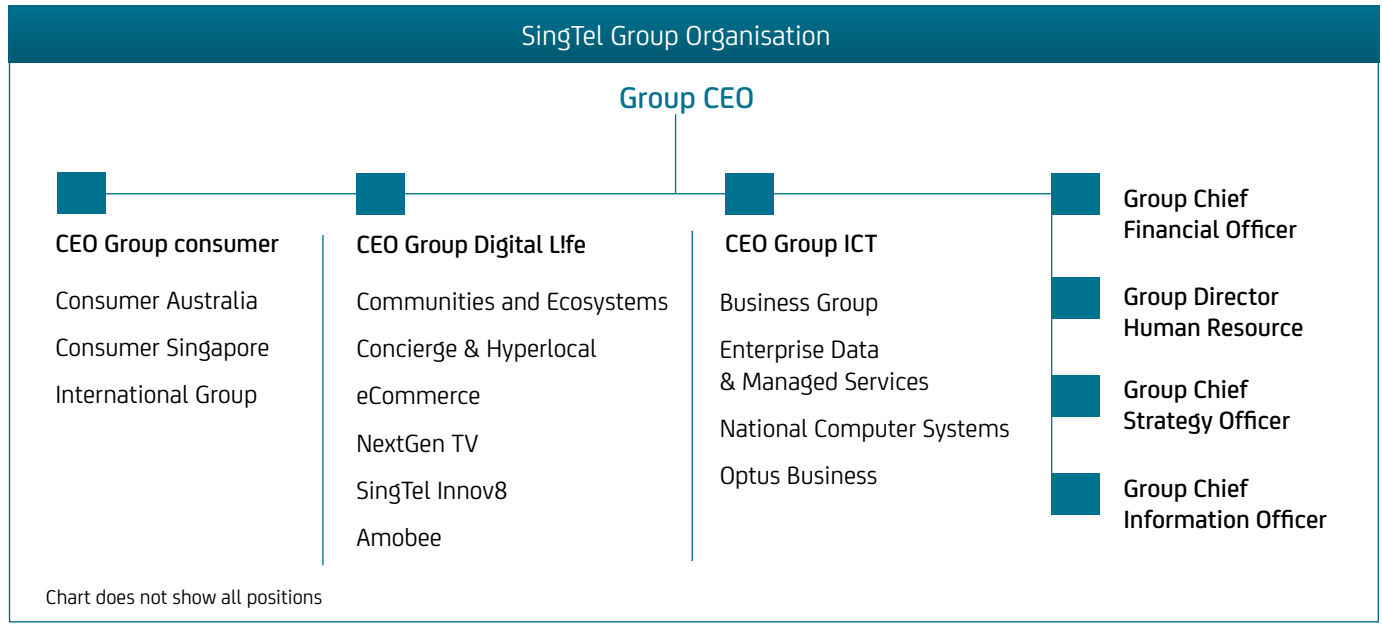
The SingTel Group, including Optus, is structured into three primary businesses: Group Consumer, Group Digital Life and Group ICT.

Re-organising for sharper customer focus and growing digital services
Local customer insights and global delivery capabilities

Group consumer
To be the leading provider of **next generation** communication, infotainment and technology services

Group Digital Life
Create new digital growth engines to delight customers and **disrupt adjacent industries**

Group ICT
To be the **leading ICT services provider** for businesses in the Asia-Pacific in five years



* 4G refers to our 4G 1800MHz/2300MHz coverage and devices and 3G refers to our UMTS 2100MHz/900MHz coverage and devices. See optus.com.au/coverage for more information.

Highlights

34,386 kilolitres of water was harvested – equivalent to approximately 14 olympic size swimming pools

4G Switched on at 750 mobile sites across our network

26,755 Hours of volunteering by employees and customers

MORE THAN **400,000** WEEKLY TEXT ALERTS TO LET CUSTOMERS KNOW WHEN THEY REACH THEIR VOICE, TEXT AND DATA ALLOWANCE

Introduced a new **MOBILITY PROGRAM** to give our people exposure to the global business

Upgraded more than **4,000** 3G sites

Profit **\$728 million** in FY2012/13

TIO complaints decreased by **26 PERCENT**

Online billing available **100%** of customers

Reduced lost time injuries by 28%

Contributed **\$9.4m** in the community

Recycled **20,056** mobile phones

82% of students improved their reading in the mobile 'student2student' program

Awarded 37 grants valued at a total of **\$250,000** to local community organisations

Governance

Living our vision and values

The SingTel Group's vision is to become Asia Pacific's best multimedia solutions group. Our mission is to enable communication by breaking barriers and building bonds. At Optus, our ambition is to become the most loved and most recommended service brand in Australia by our customers and our people.

We help businesses and people communicate anytime, and in various ways. We make communications easier, faster, more economical and reliable by breaking the barriers of distance, price, time, technology and the unknown.

We build strong bonds with our employees, shareholders, customers and business partners. We believe that creating and delivering value to our customers, employees and shareholders is fundamental to our business.

Our core values define and unite us as one company. Our values are: Customer Focus, Challenger Spirit, Teamwork, Personal Excellence and Integrity.

Building a loved brand

The Australian telecommunications market has entered a phase in which we are no longer able to rely on customer acquisition alone to drive revenue and profit growth. A different market requires a different business model.

We are focused on:

- > Building a brand that leads in superior customer experience by focusing on existing customers, building networks that deliver better call quality, indoor coverage and quicker download speeds and improving the experience our customers receive online, instore and through our contact centres
- > Supporting our business customers with a dedicated ICT solutions team and Centres of Excellence specialising in collaboration, contact centres, security, cloud, machine-to-machine, and applications
- > Continuing to invest in new technologies, systems and partnerships that provide our customers with personalised and relevant digital services wherever they are

We are building a sustainable, profitable business despite declining mobile revenues in Australia. In 2012-13, profit declined to \$728 million, down from \$787 million. However full-year earnings grew by one per cent largely reflecting our strategy of strong cost management.

2012/2013 Financial Results

Optus	\$m
Revenue	8,934
Net profit	728
Operating costs (excluding staff costs)	5,446
Staff costs	1,162
Tax expense	320
Free cash flow	1,068

Our values are:
Customer Focus,
Challenger Spirit,
Teamwork, Personal
Excellence and Integrity.

Prioritising material issues

Last year we conducted a materiality review including interviews with senior executives, research into the trends impacting our business and a workshop with our key internal stakeholders.

The review was timely given our new business structure and changes to our brand strategy. The aim of the review was to ensure that our approach to corporate responsibility aligns with our business

strategy and brand and creates value for our stakeholders. It was also used to inform the topics covered within this report.

The review endorsed our approach to material issues and highlighted some areas for development around our corporate responsibility governance structure.

Our approach to material issues considers the AA1000 principles of inclusivity, materiality and responsiveness.

Material issues

PRIORITY AREA	KEY FOCUS
Customers Leading in customer experience	> Great network > Simple and easy to understand products > Brilliant service > Customer support in times of need
Governance Embedding responsible practices in our business	> Strong governance > Values and ethics > Stakeholder engagement > Transparency and accountability > Sustainable procurement
Employees Engaging employees in our strategy	> Diversity > Health, safety and wellbeing > Training and development > Employee engagement
Community Using our skills and resources to make a difference	> Strategic partnerships > Education about responsible use of phones and internet > Local communities
Environment Minimising our environmental footprint	> Energy consumption > Sustainable transport > Electronic waste > Environmental impact of infrastructure

“We engage with our stakeholders to identify and respond to material issues”

Embedding responsible practices

We adhere to the highest standards of corporate governance and responsible business practices and have been steadily working towards integrating sustainability across our organisation. We believe sustainability offers a point of difference for our customers, employees and community and helps to build a resilient business that delivers value to shareholders.

Our Corporate Responsibility Steering Group was formed in 2010 and provides strategic leadership, governance and oversight of our approach. The primary role of the Steering Group is to assist the Board in fulfilling Optus' commitment to conduct its business responsibly and ethically. The Steering Group helps to drive our agenda ensuring that our priorities are aligned with business strategy.

The Steering Group comprises six members of the Executive Committee and is led by our Chief Country Officer, Kevin Russell.

A Corporate Responsibility Taskforce representing key parts of the business reports to the Steering Group and is responsible for implementing priorities and embedding corporate responsibility in our business.

The Steering Group met twice in the past year and meetings focused on the development of a new strategic approach to community investment.

In May 2013, Andrew Buay was appointed as the Vice President of Group Corporate Social Responsibility for the SingTel Group. His role is to drive a group strategy and leverage strengths across all SingTel businesses in the region. In Australia, the function is led by David Epstein, Vice President Corporate and Regulatory Affairs, who is responsible for developing and delivering our local strategy.

Engaging with our stakeholders

Optus recognises that listening to our stakeholders is fundamental in guiding our approach to corporate social responsibility and to manage risk and create value for our business.

We engage with a wide range of stakeholders on a regular and ongoing basis including industry and consumer groups, government, employees, community organisations and customers. Our approach is to be transparent in our communications and to be accountable for our actions.

“Our approach is to be transparent in our communications and to be accountable for our actions.”

Stakeholder	Activities
Customers	Every quarter we measure the likelihood that our customers and employees will recommend us to others through the Market Net Promoter Score (NPS™) and the Employee NPS™. We also use Touch Point NPS™ to capture customer feedback from Sales, Care, Billing and stores. This research informs our continuous improvement strategies.
Communications Alliance (CA)	The CA aims to provide an effective forum for industry to work together on communications policy and debate. This year we undertook reviews of a range of operational codes to facilitate the National Broadband Network (NBN) migration and contributed to public policy debates including privacy, convergence, copyright and national security reforms.
Australian Mobile Telecommunications Association (AMTA)	The AMTA is a forum where key stakeholders discuss policy issues influencing mobile network deployment. It has coordinated and advocated industry's views on proposed approaches to spectrum allocation, law enforcement, emergency services policy reforms and mobile deployment regulation.
Internet Industry Association (IIA)	The IIA represents the interests of Australian internet service providers and contributes to industry engagement on a broad range of public policy issues including: copyright, e-security, classification and national security reforms.
Australian Information Industry Association (AIIA)	The AIIA is an advocacy group that aims to grow the ICT industry in Australia. This year the AIIA focused on issues such as telework, e-health, government procurement, energy and e-waste.
Consumer Liaison Forum (CLF)	Established in 1995, the CLF is made up of representatives from peak consumer groups representing a range of interests from around Australia. The CLF's objective is to obtain consumer input into the development of policies and practices to overcome barriers for access and use of telecommunications products and services. The CLF meets annually and this year provided input into the review and update of Optus' Disability Action Plan.
Shareholders	Optus plays an important role in engaging with SingTel's shareholders located in Australia and overseas. During the year, management met investors to share Optus's business strategy, operational and financial performance and prospects. We participated in investor conferences and roadshows in Singapore, the United States and Europe. These meetings, conferences and roadshows help us to build new and existing relationships with shareholders.
Employees	We seek feedback and engagement from our employees in a variety of ways including employee road-shows, staff newsletters, annual surveys, on-line blogs and emails. Informal taskforces across the business ensure key issues are considered at a practical and operational level. We also engage with the Communication Workers Union (CWU) and The Communications Union (CEPU) on a regular basis.
Local communities	We engage with local communities through letterbox drops, local newspaper articles and community consultative committees. We also work with our strategic community partners to understand issues of concern such as cyberbullying and vulnerable youth.

Building an ethical culture

Each year 100% of local business units are analysed for risk related to corruption. A paper on Fraud Risk Assessment that considers, inter alia, fraud and corruption risks across the group is submitted to the SingTel Audit Committee annually.

On-line Fraud Awareness Training, which includes reference to corruption, is compulsory for all employees, with a separate module for management employees. Human resource teams follow up on non-completion of compulsory training modules to ensure that the relevant modules are completed.

Specific statements outlining tolerance for corrupt practices are set out in the Optus Ethics Policy and the Optus Procurement Ethics Policy. The SingTel Group, including Optus, operates a policy of “zero tolerance for fraud”. In line with this, any incidences or allegations of corruption reported or identified are thoroughly investigated by an independent team of investigators under Optus’ Fraud Investigation Policy.

The SingTel Group, including Optus, operates a policy of “zero tolerance for fraud”.

The status and outcomes of any investigation are reported to the Audit Committee and Executive Management to ensure that appropriate actions are taken. The actions may include both internal disciplinary activity up to and including termination of employment and referral to law enforcement bodies where criminal activity has taken place.

Under the Fraud Investigation Policy, the investigation teams are also required to identify control gaps that led to the incident and work with the business to develop remedial actions to address these. The completion of remedial actions is also tracked and reported to both Executive Management and the Audit Committee.

Encouraging a responsible supply chain

We recognise that our social and environmental performance must also extend to the procurement of products and services. Optus looks to collaborate with transparent, ethical, responsible vendors.

The ‘Optus Vendor Code of Conduct’ highlights the minimum requirements that must be met by our suppliers. It covers five key areas including corporate governance; occupational health and safety; environmental management; product stewardship and supplier management. Our decision making favourably considers vendors that have adopted these areas, or can demonstrate that they will work with us, to achieve the minimum standards.

We have a comprehensive tender process which outlines the steps for the procurement of products and services. The five key areas of the Code of Conduct are covered in this process and employees are supported with questionnaires which help to identify potential issues. These questionnaires are used to build the ‘Request for Tender’ information pack for prospective suppliers.

We conduct third party audits on key suppliers such as call centres, information technology service providers and field operations. Every month senior Optus representatives visit external call centre sites located in Manila and India. In addition, senior directors visit these sites at least every quarter to ensure that the suppliers adhere to our policies and procedures including Occupational Health and Safety standards.

For example this year we outsourced the building of our new retail store fit outs. The contract was awarded to a supplier based in China who was subsequently audited by a third party firm. The audit covered a number of social areas including safety, health and hygiene, child labour and forced labour. The supplier successfully passed the audit criteria.

During the year we have progressed work on a supply chain risk management framework which will integrate a sustainable sourcing approach. Our focus next year is to further the ongoing assessment of our strategic suppliers' compliance to our Code of Conduct. The strategic suppliers are identified by an Optus wide supplier segmentation framework based on spend, risk and criticality to Optus.

Optus Vendor Code of Conduct	
	1. Corporate governance
	2. Occupational health & safety
	3. Environmental management
	4. Product stewardship
	5. Supplier management



Our Customers:

Leading in customer experience

Our approach

Our ambition is to become the most loved and most recommended service brand by our customers and our people. We are committed to providing brilliant service and simple products in a responsible manner.

We are transforming our business to give customers a stronger voice. In May 2012, we created a new customer division, with the aim of providing our customers with an exceptional and rewarding experience, while at the same time driving sustainable growth for our business.

Performance Highlights

- > Introduced the Net Promoter Score™ which aligns with our goal to deliver a standout leadership position in customer experience
- > Continued significant investments in network with upgrades to 3G and the rollout of 4G in major cities, holiday spots and selected regional areas
- > Introduced a Usage Alerts service to help reduce ‘bill shock’
- > Refreshed our retail presence to improve the customer experience
- > Reduced Telecommunications Industry Ombudsman complaints by 26 per cent
- > Increased use of the ‘My Optus’ smartphone application

“... Since January 2011 we have commissioned over 400 ‘greenfield’ sites, providing customers with access to the network in more places than ever before...”

Building a great mobile network

The Optus Mobile Network has come a long way in the past 20 years. In 1993, we operated just over 170 base stations and today we have more than 5,600 3G base stations which deliver services to 98 per cent of the Australian population. In addition, in the past year we’ve switched on 4G to more than 750 mobile sites across our network.

According to Andrew Smith, Vice President of Mobile Engineering, every week our customers make an average of 200 million calls, send over 200 million SMS and use enormous amounts of mobile data right across our network.

“We continue to invest in new infrastructure to enhance our coverage and capacity. Since January 2011 we have commissioned over 400 ‘greenfield’ sites, providing customers with access to the network in more places than ever before,” Andrew said.

Over the next three years we plan to add nearly 1,000 new greenfield sites plus introduce 3G 900Mhz to a further 500

existing sites across metropolitan areas. With every new site and upgrade we are making our network even stronger.

We are now deploying the Optus 4G Network which will change the way our customers live life ‘on the go’. The 4G Network is quicker, provides less buffering, better audio quality and gaming and streaming services with reduced lag.

Following on from our launch in Sydney, Melbourne, Newcastle and Perth in September 2012, we’ve expanded our 4G coverage to Brisbane, Adelaide CBD and selected regional areas. Throughout 2013, we will further expand 4G coverage and capability including the launch of our 4G Dual Band Network to offer our customers a great 4G experience.

We’ve also focused on responding to feedback from our customers. This year new cables were installed in Sydney’s CBD rail tunnels. Customers have continually told us the tunnels are one of the top 10 black spots in the country. From Central Station, over the Harbour Bridge and through to Chatswood, customers can now stay connected throughout their trip, instead of only when waiting on the platform.

Over the next three years we plan to add nearly

1,000

NEW GREENFIELD SITES TO THE NETWORK



Measuring customer experience

This year we moved our customer experience research to the Net Promoter Score (NPS)[™] which aligns with our goal to deliver a standout leadership position in customer experience. The NPS[™] survey captures the tangible customer experience as well as how a customer feels about Optus. Research shows that a customers' willingness to recommend a business is a stronger predictor of growth than measures like satisfaction. This research provides customer experience insights which are critical for continuous improvement efforts and inform our annual strategic planning process. It also enables us to follow-up with individual customers and provide coaching to our employees in a timely way.

The NPS[™] survey measures how many customers would promote Optus minus how many would be 'detractors' by asking the question: "On a scale of 0-10, how likely would you be to recommend Optus to your friends and family".

According to NPS[™], the Australian telecommunications sector is out of step with other markets around the world. The industry average for the

three major telecommunications providers in Australia is -41 and Optus is -25 as at 31 March 2013. This is a major issue for our industry and a top priority for our business. We aim to significantly turn around these results by transforming the customer experience.

Responding to customer feedback

Throughout the year we have implemented a number of initiatives to respond to customer feedback including:

- Call back functionality on phone queues which automatically tracks queue wait times and will prompt a call-back option for customers if the wait time is more than 10 minutes. Around 9,000 call back offers are made weekly and 41 per cent of customers say 'yes' to a call back.
- Proactive follow up with customers who have an unresolved enquiry and gave a 'detractor' score on our NPS[™] survey.
- An unbilled balance service where customers can freecall '1509' to check on unbilled usage for the month. Approximately 14,000 customers per week are using this service.

Giving customers more control of their bills

Our research tells us that 'bill certainty' is a key issue for customers who pay their bill on a monthly basis. We know that many customers have gone over their plan included value in the past and are keen to avoid excess charges in the future.

To address this frustration, we have introduced a Usage Alert service which gives customers greater transparency of their mobile accounts and helps them better manage their spend. Every week we send out more than 400,000 text alerts to let customers know when they have reached 50 per cent, 85 per cent and 100 per cent of their voice, text and data allowance. We also send customers an alert every time they spend \$100 incrementally on services which aren't included in their plan, such as international calls or premium SMS.

Customers can also view their usage through the 'My Optus App' which has over 200,000 users every week. The app allows customers to track the included calls and data in their individual plan and tell them how many days are remaining.

In addition, our 'Talk and Text Top Ups' allow customers to avoid 'bill shock' by purchasing additional value for standard national voice calls, texts and data allowance.

Vicki Brady, Managing Director of Customer, said: "We understand our customers can get frustrated when they don't know how much data or included value they've used and incur extra charges."

"By keeping our customers informed of their usage, along with charges incurred outside their mobile plan, we're offering them more convenient and straightforward tools to help them control their mobile bills."

Customer complaints related to 'bill shock' have reduced by 49 per cent in the six months from June 2012 to January 2013.

"We have introduced a Usage Alert service which gives customers greater transparency of their mobile accounts"



Reasons for hardship referral	2013	2012	2011	2010	2009
Unusually high spend	46%	75%	60%	62%	39%
Loss of employment	20%	8%	11%	7%	23%
Disaster relief	2%	0%	8%	0%	1%
Other	32%	17%	21%	31%	37%
Volume of cases on hand	1,872	2,680	2,110	1,329	421

Bringing digital innovation to our customers

The digital landscape is changing with mobile becoming a preferred choice for internet browsing and social media becoming essential to building customer relationships.

- Our digital service options include:
- > ‘My Optus App’ which has had over 1 million downloads
 - > A new ‘Mobi Site’ which caters to customers accessing our website from their mobile
 - > Improved usability of ‘My Account’ which has 7.2 million users per year
 - > A series of self-care YouTube videos called ‘Optus Gurus’
 - > The Optus Blog and My Optus Community which are forums to share information and ask questions
 - > Live Chat online and on mobile, providing a greater level of convenience and control when seeking assistance

We are also supporting the development of apps by university students across Australia through the ‘Unleash Your App’ competition. The competition, run in conjunction with NICTA (National Information and Communications Technology Australia), calls on students to develop innovative Android mobile apps that make our everyday lives easier.

The 2012 winner was Daniel Grech, a University of Western Sydney student, who designed ‘TripGo Sydney’ which provides users with information on how to get from point A to point B, while keeping track of their carbon footprint on the way.

Refocusing our retail distribution strategy

As the products and services we sell become more diversified and sophisticated so too do the needs of our customers. Retail is no longer just a sales channel – it’s also a service channel where customers come to better understand technology.

We have refocused our retail distribution strategy to ensure we have the right number of distribution points and to create a strong, integrated retail and online presence. Our aim is to deliver a better experience for our customers across all sales channels.

As a result we’ve decided to end our distribution agreements with a number of third party distributors, so that we can focus more closely on Optus-branded distribution outlets and take greater control over the experience we provide our customers.

Optus announced a major refresh of its retail presence including a pilot in 10 metropolitan stores. The national network of stores is being revamped to give customers a brilliant experience with 100 stores to be refreshed next year. An additional 33 new stores will be added to our national network over the next 12 months.

Supporting customers experiencing hardship

The Optus Financial Hardship Policy was developed to assist those customers having difficulty paying their bills.

Our Financial Advisory Support Team (FAST) works on a case-by-case basis to provide

eligible customers with a range of assistance measures including extended payment options and appropriate access to on-going services.

We train all of our employees in the general credit area to identify financial hardship customers. These customers are referred to FAST members who are trained to act with compassion and empathy and yet manage the situation within business requirements.

This year 10,310 people made use of our hardship service. This is a 0.5 per cent increase on last year, due to additional referrals for ‘Loss of Employment’ and ‘Small Medium Business’.

Our FAST team also supports customers experiencing hardship as a result of natural disasters. This year 42 customers were identified as needing additional support, with 95 per cent of these customers impacted by the floods in Queensland.

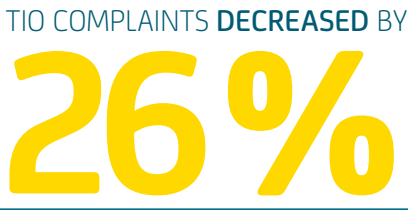
This year we piloted a ‘vulnerable’ team project which focuses on responding to customers who have difficulties understanding rate plans, usage, new technology or selling practices. Discussions with customers focus on education, payment plans and options to better manage their usage such as rate plans and ‘Text and Talk Top Ups’.

Almost 940 referrals were made and the team have experienced strong Net Promoter Scores™. We also introduced ‘web chat’ as another option for clients who need hardship support. ‘Web chat’ offers a private and convenient way to discuss hardship matters.



Responding effectively to complaints

The Telecommunications’ Industry Ombudsman (TIO) provides a dispute resolution service for small business and residential customers who have a complaint about their telephone or internet service in Australia.



This year Optus TIO complaints decreased by 26 per cent. A number of initiatives contributed to this reduction including:

- > Proactive follow up with customers who have an unresolved complaint
- > Real time escalations and empowering agents to make decisions which mean that customers now receive an immediate response on more than 90 per cent of complaints
- > Usage alerts which help customers to manage bill shock

While we have experienced a strong year of reductions, we continue to focus on new ways to address customer issues. For example our new Usage Alert service helps customers to better manage their mobile bills.

Complaints from business customers decreased by 40 per cent after three years of consecutive increases. This is due to improved complaint handling processes and intensive employee training and support.

Telecommunications Ombudsman Complaints

Figures are for 12 month period July to June

Year	Number	Change %
2007/2008	22,923	23%
2008/2009	31,210	27%
2009/2010	31,855	2%
2010/2011	46,335	45%
2011/ 2012	30,699	-26%

Preparing for and responding to natural disasters

Optus is committed to supporting customers impacted by natural disasters. This year we focused on preparing for natural disasters with two initiatives that will assist our customers to be ‘disaster ready’.

During the past two Queensland floods, residents in Mount Sylvia and Junction View in the Lockyer Valley were cut off from the town.

In March 2013, Optus installed a temporary communications tower to provide services during the emergency and a permanent structure is planned for the near future.

Optus operates a location based SMS alert system that has been used in various emergencies including Cyclone Yasi. The system is available to all state and federal agencies upon request. Optus will implement the national location-based telephone emergency warning system by November 2013.

During the year, we supported disaster appeals for bushfires in Tasmania and floods in Queensland with \$17,400 donated by Optus and our employees.

Updating our Disability Action Plan

Optus first established a Disability Action Plan in 1999. The Plan was reviewed and updated last year and our fifth review report was published on our website. An internal working group guides the ongoing development of the Plan and we conduct external consultation through the Optus Consumer Liaison Forum Disability Working Group.

In the past year, our progress has included:

- > An education campaign to our internal staff about the new Disability Action Plan and a reminder of the disability services Optus offers to its customers
- > Participation of our call centres in the National Relay Services’ Hearing Awareness

Week. Our Customer Care Centres were provided with the literature and posters to display in their centres. A reminder campaign was also implemented to assist staff on the best ways to conduct a call with customers using the relay service

- > A review of Optus' compliance with Web Content Accessibility Guidelines v2.0

This year we were proud to support the development of a new Smartphone application that assists in teaching Australian Sign Language (Auslan) in a fun and interactive way. Optus Business worked with Philology and Deaf Services Queensland to develop the SingIQ app, which contains 125 common words or phrases in Auslan. SingIQ was launched during the National Week of Deaf People in October 2012.

Bridging the digital divide in remote Australia

Optus is the only telecommunications company to own and operate satellites in Australia and has been providing premium satellite services across Australia and New Zealand for more than 25 years.

With the largest fleet of domestic satellites in the region, Optus offers solutions to meet domestic and regional satellite communication needs.

Our satellite services help to bridge the digital divide for people and businesses in remote Australia. For example:

- > The NSW Department of Education and Communities use our satellites to improve the distance learning experience for the state's most remote students
- > The Rural Health Education Foundation use our satellites to provide the 'Rural Health Channel' to people living and working in regional and remote parts of Australia

Listening to our business customers

Optus Business has developed a set of key commitments based on feedback from customers. Our customer promise states: we will understand your needs, we will value our relationship and we will take ownership and follow up.

The 'Voice of the Customer' program measures progress on the customer promise and includes face-to-face and telephone interviews. The feedback is used to inform account plans, continual improvement and business strategy. Since the program began we have seen year on year improvements in problem resolution where Optus Business leads the market.

Protecting customer privacy

As a member of the Australian Direct Marketing Association (ADMA), we adhere to the ADMA Direct Marketing Code, which governs all direct-marketing and data-driven activities. We do not sell or generally disclose customer information to third parties. We also abide by the 'Do Not Call Register' guidelines which aim to protect consumers from unsolicited marketing calls.

All our employees are regularly trained and informed about our Privacy Policy, Code of Conduct and information security issues. These policies and other key documents such as our Website Privacy Statement and Privacy Collection Statement are available on our website.

Being a responsible marketer

Our aim is to make every reasonable endeavour to ensure that our advertising and promotional materials comply with Australian regulations.

All of our employees undertake online compliance training annually. Employees that deal directly with our competitors have additional training on anti-competitive conduct.

Optus is a founding member of the Communications Alliance, a self-regulatory regime that provides a forum for developing initiatives that foster the operation of competitive networks and protect the interests of consumers.

Responding to community concerns

Optus acknowledges community concerns regarding Electromagnetic Energy (EME). We work hard to balance community concerns against the demand for greater mobile coverage and network performance.

When proposing new mobile sites, Optus follows all relevant planning guidelines and actively consults with the community on the roll-out of mobile infrastructure.

We comply with regulatory and international safety standards including:

- > World Health Organisation (WHO)
- > Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)
- > Mobile Phone Base Station Deployment Industry Code (564; 2011)
- > International Commission on Non-Ionising Radiation Protection (ICNIRP) Standards

We also contribute to the Mobile Carriers EME Regulatory Compliance Strategy (RFSCP) which provides a process for the management of all mobile phone base stations in Australia.

The RFSCP manages cumulative site EME levels to ensure industry compliance and establishes a platform for collating and sharing information with the community.

2013/2014 Performance Targets

- > Launch the Optus 'Virtual Agent' which will guide the customer through common service transactions
- > Launch an online tool to provide customers with live network status updates
- > Launch an online resource to support cyber safety for our customers and their families
- > Continue to rollout enhanced training for our agents including negotiation and difficult conversations and bill shock
- > Reduce TIO complaints to two complaints per 10,000 subscribers
- > Upgrade our existing technology and systems to integrate the new national location-based mobile telephone emergency warning system across our mobile network
- > Continue to improve our Net Promoter Score™

Our People:

Engaging employees in our strategy

Our approach

We aspire to be Australia's most loved and recommended service brand not just for our customers, but for our people as well. Our people are integral to the success of our strategy and their ideas, passion and contribution is a key differentiator for our business. We strive to create a diverse, inclusive and collaborative culture where people feel valued, engaged and fulfilled by their work.

Performance summary

- > Implemented an Australia-wide restructure of our business to create a leaner, customer focused organisation
- > Renewed the Optus Employment Partnership Agreement which covers 60 per cent of our employees
- > Established a new Organisation Capability function to support learning and deliver on our four business priorities
- > Launched a new Health and Wellbeing program providing information and tools for employees
- > Achieved a Lost Time Injury Rate (LTIR) of 1.8 - a 28 per cent reduction on the previous financial year
- > Introduced a new Mobility program to leverage our people capability and placed 34 assignments across the region



“... we believe that these changes will help us to maintain a sustainable cost structure..”

Supporting employees during a time of change

After more than a decade of growth, key segments of our market are fast approaching maturity resulting in an inevitable slowdown in revenue. At the same time, consumer and technology trends are presenting new business opportunities which require a different business model.

In response to this environment, Optus has taken bold steps to reposition our business including a major restructure that reflects our focus on customers and drives greater efficiencies.

We have established a new Customer division responsible for managing all aspects of Optus' relationship with our customers throughout the lifetime of their service. We have also made changes to our Marketing, IT, Networks and Sales divisions and other support functions.

Vaughan Paul, Vice President, Human Resources, said that some difficult decisions had to be made which resulted in

around 1,300 roles being made redundant at all levels of the organisation, mostly in New South Wales and Victoria.

“Our priority during this period has been to support employees whose roles have been affected by the restructure. Every impacted employee is offered outplacement services and counselling including career advice and job search assistance,” Vaughan said.

We also created discussion groups on ‘Optus Connect’ to keep employees up-to-date with the changes and to facilitate full and frank discussions with our senior leaders.

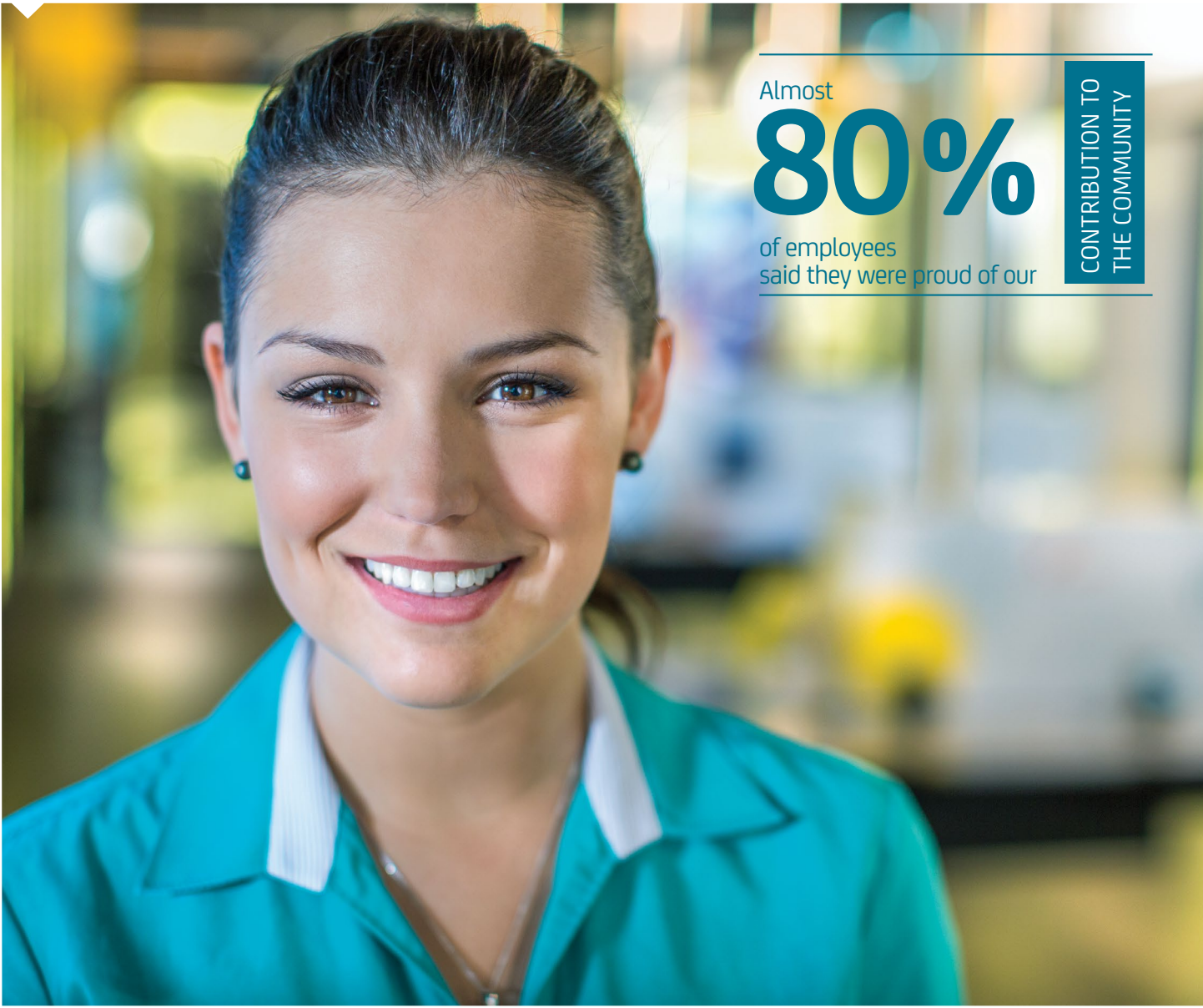
While this has been a difficult time for our organisation, we believe that these changes will help us to maintain a sustainable cost structure which is integral to remaining competitive in this market.

We know that the passion of our people is a key differentiator for our organisation. In the coming year we will focus on engaging our people to build a culture that supports our ambition to become the most loved and recommended service brand by not only our customers but also our employees.

OUR PRIORITY IS TO

SUPPORT
employees whose roles
have been affected

BY THE RESTRUCTURE



Almost
80%
of employees
said they were proud of our
CONTRIBUTION TO
THE COMMUNITY

Measuring employee engagement

Our annual survey, 'Your Voice', is one way we seek feedback from employees on how we can make Optus a truly great place to work. The first survey, 'Your Say', was introduced in 2005 and last year it was renamed 'Your Voice' and administered across the SingTel Group.

We implemented a range of initiatives in response to the previous years' survey, including:

- > A new coaching program and leadership training to focus on behaviours and style to drive transformation
- > The introduction of Employee Net Promoter Score (NPS)™ which measures how likely our people are to recommend our products and services to their friends and family
- > A review of frontline employee orientation and on-boarding to simplify and improve the experience

Our most recent survey was conducted in November 2012 and reflects the enormous amount of change going on across our business. We've experienced a drop in engagement from 71 per cent in 2011 to 64 per cent in 2012.

While we understand that our results are consistent with organisations undergoing significant change, we also know there's a lot more we can do, especially in the areas of Customer Focus, Operational Execution and Leadership.

Action plans for the 2012 survey have been prepared for each business unit and will be implemented over the next year. Our target is to obtain a two per cent increase in employee engagement in the next survey.

We are also looking at how we can improve communication across the entire business to support our employees during change and to provide greater clarity around our strategy and progress.

Importantly, Corporate Social Responsibility came through as something we are proud of and do really well. Almost 80 per cent of employees in Consumer Australia agreed with the statements: "I am proud of this organisation's contribution to the community and society" and "I believe this organisation is environmentally responsible".

Updating our Employment Partnership Agreement

In November 2012, Fair Work Australia formally approved our Employment Partnership Agreement (EPA) 2012 which came into effect on 4 December 2012 and will operate for the next three years.

This approval followed a comprehensive program of engagement with our employees including briefing sessions and a dedicated site and a ballot where 91 per cent of our people voted said 'YES' to EPA 2012.

Learning and development hours

Employee category	Average hours	Average hours – women	Average hours – men
Executive	18.8	19.6	18.6
Senior Manager	28.9	24.7	30.5
Manager	22.8	22.5	23.0
Associate/Consultant	24.8	20.5	26.6
Operational Support	32.7	23.0	40.3

Having a supported EPA in place is important as it secures the base terms and conditions of employment for the next three years for over 60 per cent of our people. It also confirms that we are delivering relevant and attractive benefits and working conditions for our people.

A number of key changes were implemented in the new EPA:

- > The maximum cap on severance payments was increased
- > The amount of annual leave that can be purchased has increased
- > Certain casual employees can request to convert to full time or part time employment, subject to a suitable vacant position

Developing our people

A new Organisation Capability function was set up to further elevate learning at Optus and better use it as a lever to deliver on our four customer priorities: Great Network; Simple Products; Brilliant Service; and Brand, People and Culture.

We believe in encouraging employees to explore their full potential and support them through our Career Management and Individual Development Planning process.

Performance and Development Reviews (PDRs) are undertaken with all employees twice per year. The emphasis of the mid-year PDR is on agreeing Individual Development Plans which focus on training for current and future roles.

Key initiatives in the past year included:

- > Reviewing our LOV program which recognises employees who Listen, Own and Value each and every interaction with

our customers. All frontline employees will receive a minimum of 90 hours of training by the end of 2013.

- > Launching the 'Digital Natives' website and learning tools to provide easy to understand, bite-sized information about all things digital as well as a collection of employee created videos on living and working digitally.

- > Introducing a new mobility program where 34 executives and middle managers undertook assignments across the region to develop working relationships and gain global exposure to the business.

In the past year, 9,544 people based in Australia underwent at least one learning activity and a total of 1,358 programs were offered including 35 compliance/regulatory related programs. On average, Optus employees undertook 25.7 hours of learning in the past year.

Providing rewards and recognition

We conduct bi-annual employee reviews and feedback through our Performance and Development Review process. Our employees are rewarded for their efforts through annual salary reviews and an annual incentive scheme.

This year we launched a new simplified Employee Benefits program giving staff access to a range of discounts on Optus products and services and corporate discounts from more than 40 external companies.

The 'yes' Reward program recognises individuals and teams who live the Optus

More than 60%
of employees
use flexible
working
arrangements

values and make a positive impact on our business.

Almost 7,300 employees were recognised by their colleagues or managers in the past year. Around 150 employees and 49 teams won a quarterly award and received credit in their Reward 'yes' account. Six employees and one project team were recognised for their efforts at the annual 'yes' Rewards gala dinner.

In addition, our 'yes' Milestones program thanks all employees for their contribution. At each milestone year, permanent employees are given Reward Points – starting at year one where employees receive 1,500 points to year 25 where they receive 30,000 points.

Being a flexible employer

As a leading employer, Optus understands the importance of attracting and retaining the best people. We know that our people want to create a healthy balance between their work and external responsibilities. More than 60 per cent of our employees are currently using flexible working arrangements.

Importantly as a telecommunications provider, free access to fixed or mobile broadband enables our people to take advantage of flexible working arrangements. We also have an on-site childcare facility at our Macquarie Park headquarters.

Flexible work practices are agreed with line managers and include telecommuting, part-time work, job-sharing, flexible hours, flexing leave, career break and parental leave.



Celebrating diversity

Our people represent 70 different nationalities, hold a range of faiths and share many opinions. This diversity reflects the diverse communities in which we operate and the varying needs of our customers.

Our policies, values and behaviours promote diversity and equal opportunity in the workplace and aim to create an environment where individual differences are recognised and valued and all employees have the opportunity to realise their potential.

This year we celebrated Australia’s diversity with our employees through:

- > Sponsoring ‘A Taste of Harmony’ which is a week-long event that celebrates cultural diversity through sharing food in the workplace. More than 4,500 employees participated in events across Australia.
- > Supporting ‘International Women’s Day’ by asking staff to donate a handbag to Dress for Success – a charity which supports disadvantaged women by providing high quality professional attire and practical advice in preparation for job interviews.

> Partnering with the Sydney ‘Gay and Lesbian Mardi Gras’ which was supported by an Optus float and 50 employees.

Improving the gender balance of management

The Information, Communication and Technology sector is viewed as a non-traditional employment sector for females. Thirty-eight per cent of our workforce are women and 11 per cent hold executive positions. Our parent company SingTel, has a high proportion of women in executive and senior management roles.

Women in management

Category	Female	Male	% Female
Executive Management	3	28	10.7
Senior Management	505	1,969	25.6
Manager	457	1,392	32.8
Team Leader/Supervisor	533	1,287	41.4
Operations	813	1,323	61
TOTAL	2,311	5,999	38

We are keen to learn from their experience as we focus on improving the gender mix of management roles at Optus. In our junior management ranks, we are beginning to see a larger number of females being appointed.

Unfortunately, the restructure in 2012 impacted on the number of women in management roles which declined during the period. The restructure largely affected areas where the percentage of female employment is higher and not areas where there are less women and low representation in management such as Networks and IT.

Accessing new talent

Our ‘Collaborative Recruitment’ model creates conversations with potential employees – not about a specific job role but about our brand, strategy and culture.

The model leverages digital technology to create a collaborative experience – one where candidates ‘tweet’, blog and review their interaction with us and our brand. We also participate in social media networks like Facebook and LinkedIn to connect with potential candidates and build our recruitment brand.

The Optus Graduate Development Program is designed to provide university graduates with an in-depth knowledge of Optus while expanding their personal and professional capabilities. Twenty seven graduates commenced the program last year.

Our Cadet Program is an Optus sponsored three-year program that combines practical work experience with study for formal telecommunication engineering qualifications through South Western Sydney Institute of TAFE. This year we had 12 cadets commence the program and nine cadets go on to permanent employment.

Focusing on the health and safety of our employees

Optus is committed to creating and maintaining a safe and healthy work environment for our people, workers and other persons who may be impacted by the work we undertake. We believe that all work-related injuries and illnesses are preventable.

The Executive Safety Leadership Council is the overarching Work Health and Safety (WHS) governance forum providing strategic direction and overseeing compliance.

The Senior Safety Group reports to the Council and implements the WHS Strategy. Both forums have representation from each business unit.

Our WHS vision, programs, objectives and targets are reviewed annually and underpin the Optus WHS management system. An annual Corporate WHS Strategy outlines the key targets and initiatives for each operating year and each business unit develops their own WHS Management Plan.

Over the past year, we have been progressively reviewing our WHS procedures to ensure compliance with the new Commonwealth Workplace Health and Safety Act 2011. The review is guided by our corporate safety team and includes consultation and feedback from employees and other interested parties.

Our safety performance

	2012-13	2011-12	2010-11	2009-10	2008-09
LTSR	12.7	18.1	13.2	13.2	14.3
LTIR	1.8	2.4	2.5	3.1	4.5

In 2013 Optus achieved a Lost Time Injury Rate (LTIR) of 1.8, a 28 per cent reduction on the previous year. This is the fifth consecutive year of reduction. The company wide severity rate (LTSR) is 12.7 – a 31 per cent reduction on 2012.

We conducted a program of education in rehabilitation and claims management for team leaders and human resources personnel. The central theme was to emphasise early reporting and referral for advice and assistance for work and non-work related claims.

Contributing to employee wellbeing

At Optus we recognise that wellbeing is about living a healthy, happy and productive life by making personal choices that contribute to a balanced lifestyle.

In 2012 Optus recruited a Health and Wellbeing Manager and launched a new ‘My Wellbeing’ program which is supported by a comprehensive intranet site used by an average of 840 employees each month.

‘My Wellbeing’ programs include a personalised online health risk assessment, flu vaccinations, mobile dental service and Employee Assistance Program.

Updating key policies

Last year we conducted a review of our Anti-discrimination and Harassment Policy including engagement with employees.

A refreshed policy has been released which includes some important changes. In addition, a new Workplace Bullying Policy has been developed to raise awareness about how we manage this serious issue.

With the increased prevalence of various forms of social media we introduced a Social Media Policy to provide guidance to employees on the use of this tool.

We made some minor adjustments to our hours of work policy to remove an inequity which had arisen in regard to overtime payments for our part-time employees as well as increasing the ability to buy or sell annual leave and long service leave.

We continue to review our policy settings to ensure that they reflect our values and brand and further policy changes will be introduced throughout 2013.

This year, a full review was undertaken on our contracts of employment and simplifications were made to the letters so that they were more ‘reader friendly’ as well as ensuring that the work of processing the contracts was more efficient.

‘My Wellbeing’ offers a range of innovative and flexible programs to help employees make better choices to improve their overall wellbeing.

The program encompasses five areas of wellbeing:

	1. Physical	Having good health and enough energy to get things done on a daily basis.
	2. Emotional	Having a sense of how happy or content we feel with life including coping ability, self-esteem, performance and productivity.
	3. Financial	Managing our economic life including our financial security and learning good money management skills.
	4. Community	Being actively engaged with life and with other people by getting involved in the community.
	5. Career	Building a career at Optus which positively influences our wellbeing.

Key Performance Indicators - People

PRIORITY	INDICATOR	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	FY07/08
Workforce	FTE	8,880	9,835	10,329	10,394	9,525	10,679
Gender %	Male	69	67	66	66	66	66
	Female	31	33	34	34	34	34
Employment type %*	Full-time	93	92	92	93	93	93
	Part-time	6	7	6	6	5	5
	Casual	1	1	2	1	2	2
Age group %	16-29	17	20	24	24	16	39
	29-49	68	65.1	63	63	63	44
	50+	15	14.3	13	13	21	17
Turnover %	Voluntary Attrition	10	13	13	10	14	16
	Male	9	13	13	-	-	-
	Female	14	12	14	-	-	-
	<35	16	21	19	-	-	-
	36 – 59	7	12	9	-	-	-
	60+	5	11	9	-	-	-
Diversity	Ratio of basic salary men to women	1.0:1.0	1.0:0.97	1.0:0.97	1.0:0.96	1.0:0.96	1.0:0.96
	Females in executive positions %	11	17	17	16	16	15
Discrimination %	Claims for discrimination	1	1	0	0	1	3
Flexibility %	Employees utilising flexible working arrangements	63	60	57	58	38	-
Employee survey %	Participation in employee satisfaction survey	77	88	87	87	85	84
Collective bargaining agreement %	Coverage of the Employee Partnership Agreement (EPA)	56	60	68	70	70	75
Safety %	Lost Time Severity Rate	12.7	18.1	13.2	13.2	14.3	16.5
	Lost Time Injury Rate	1.8	2.4	2.5	3.1	4.5	4.9
	Coverage of OH&S consultative framework through our HSMA	100	100	100	100	100	100

*Note – ‘full-time’ and ‘part-time’ includes permanent employees. ‘Casual’ includes temporary staff.
Photo: New staff to Optus attending the Sales Induction training program.



FY13/14 Performance Targets

> Achieve a five per cent reduction on Lost Time Injury Rate

> Achieve a 10 per cent reduction on Lost Time Severity Rate

> Obtain a two per cent increase in employee engagement

> Maintain employee attrition rate at 10 per cent or less

> Achieve a positive improvement in Employee Net Promoter Score™

> Introduce a new ‘Candidate Community’ to support our approach to Collaborative Recruitment



Our Environment

Minimising our environmental footprint

Our approach

Optus is committed to understanding, managing and minimising the environmental impact of our operations while continuing to grow and expand our networks.

We achieve this through energy efficient practices and technologies and a focus on resource conservation. We are also building a strong governance and reporting approach to energy management across our business.

Our performance

- > Continued to implement 'free cooling' in our exchanges saving 9,257 megawatt hours of electricity
- > Appointed a new Energy Manager and established a new Energy Steering Committee
- > Designed environmentally friendly retail fit outs
- > Facilitated the recycling of 20,056 mobile phones
- > Extended online billing to 100 per cent of our Consumer customers

We have reduced air conditioning chiller equipment hours by **16%**

Improving 'free cooling' in our exchanges

Telephone exchanges are an integral part of the Optus telecommunications network. A telephone exchange houses the system of switches and connections that connect telephone calls from the dialler to the caller.

According to Colin Price, Director - Infrastructure Services, our exchanges, along with data centres and satellite stations, account for almost half of our total energy consumption.

"Exchanges use air conditioning to maintain the right environmental conditions for the equipment. The temperature in the exchanges can have a significant impact on the operation of the equipment," Colin said.

Many of the air conditioning systems in our exchanges have been designed to include an 'economy cycle' so that 'free cooling' is harnessed during certain climatic conditions. When the outside temperature is 10 degrees less than inside and the humidity is less than 85 per cent then the plant can operate on full outside air. The spent air is then expelled from the exchange through relief air openings in the external walls. During this time, the air conditioning chiller equipment is generally not required to run.

However, the 'economy cycle' was not operating effectively in a number of our exchanges due to three key issues.

The issues were:

- > The relief air openings were not of sufficient size
- > There were problems with the way the humidity range was calculated by the system

> Over the years equipment had been placed in front of the air outlets which impacted on the cool air circulating to the floor effectively

We have implemented a project to increase the availability of 'free cooling' in our exchanges. This included increasing the size of the air relief openings and adding new openings, changing the calculation on the humidity ranges and moving the location of the air outlets and thereby creating a cooler floor area in the equipment rooms.

Since this project began in May 2009, we have implemented the changes at nine major exchanges across Australia, including Moorooka Exchange in the past year. Our monitoring has shown that increased 'free cooling' is achievable, sustainable and does not compromise the exchange conditions.

We estimate that since this project began, we have saved more than 9,257 megawatt hours of electricity and reduced air conditioning chiller equipment hours by 16 per cent.

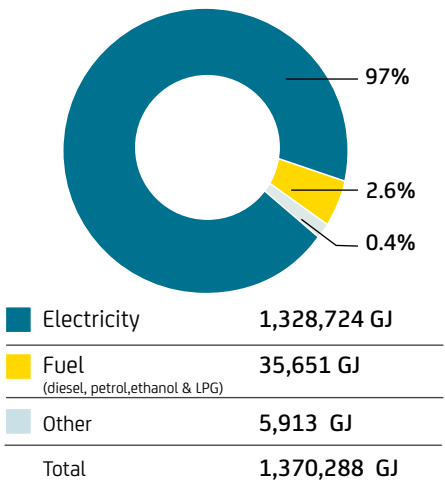
Next year, we plan to install economy cycle controls and relief air modifications at an additional 12 sites in Victoria and eight sites in New South Wales.

Managing energy consumption efficiently

Energy efficiency is a key priority for our business. Energy accounts for around three per cent of our operating costs and is forecast to increase due to network expansion, growth in data usage and rising energy prices.

The majority of our energy consumption is electricity (97 per cent) and is consumed by our networks (54 per cent) including data centres and telephone exchanges followed by mobile (36 per cent) which includes satellites and mobile base stations. Our energy use is changing due to the increased data usage of our mobile customers. Mobile experienced a 13 per cent increase on energy consumption from the previous year.

Energy Consumption



Energy Use	2013	2012
Network	54%	55%
Mobile	36%	32%
Corporate	10%	13%
Total	100%	100%

- A number of projects were implemented across our business to reduce our electricity consumption including:
- > Replacing fluorescent tubes in our Macquarie Park car park with LEDs which will reduce our consumption by 2,210 kilowatt hours per day. This equates to an annual saving of 81 megawatt hours and 347 tonnes of carbon emissions
 - > Consolidating our sites in South Australia and Victoria by moving staff to existing premises which will save more than 450 megawatt hours per year
 - > Conducting energy audits across our network to improve measurement and identify potential energy efficiency initiatives

Improving governance and energy management

Our 2012 Unified Energy Strategy highlighted the need to improve management, governance and reporting of our energy consumption. We have reaffirmed our commitment to energy efficiency with a new Energy Steering Committee which will provide strategic oversight and guidance to initiatives across the business.

We have also formed an Energy Efficiency Working Group which includes internal subject matter experts who will be responsible for qualifying and quantifying energy related initiatives. Our new dedicated Energy Manager will work with both of these groups to update our strategy and maintain momentum across the business.

This year we aligned our reporting with our financial reporting year which covers the period 1 April 2012 until 31 March 2013. This ensures our reporting period is consistent with the SingTel Group and aligns with our reporting of other non-financial indicators.

Next year we will be introducing a program to improve staff awareness and engagement in energy efficiency initiatives. This includes an Energy Efficiency drop-box for employees so that energy saving ideas can be gathered and analysed for possible implementation.

We fully report our energy consumption and greenhouse gas emissions under the National Greenhouse and Energy Reporting Act 2007 and meet our obligations under the Commonwealth Government's Energy Efficiency Opportunities program.

Working with industry

Optus has worked with (National Climate Change Adaptation Research Facility) NCCARF along with other industry representatives to discuss the risks of climate change impacts in the telecommunications sector. Specific issues that were tabled include:

- > Planning for building resilience into network infrastructure (cable routes, mobile base station construction) as well as energy efficiency of networks (data centres, exchanges)
- > Incentives for industry to build resilience into their networks over the longer term to help mitigate the most damaging impacts of future climate change (extreme storm events)
- > Meeting the expectations of customers in relation to the demand for reliability in extreme events especially with respect to emergency services communication

A report is to be tabled by NCCARF in mid-2013 setting out the priorities for government and industry in relation to policy settings and mitigation strategies. It is envisaged that Optus will consider these recommendations in future network planning.

Designing environmentally friendly retail stores

In March this year we opened 10 'yes' pilot stores featuring environmentally friendly fit-outs which can be dismantled and reassembled in different locations.

We tested the flexibility of the design by building our first pilot store in a warehouse, then dismantling it and reassembling it at our retail store in Hornsby, New South Wales.

The new design features LED lighting which will see up to 40 per cent energy savings. The Building Commission of Australia recommends a lighting heat load of 22 kilowatts per square metre. Our new stores use significantly less, about 11.5 kilowatts per square metre, which will reduce the store's cooling requirements.

The innovative design is open plan with no ceiling which means we can utilise core basic air conditioning without the need to reengineer systems. The design also enables the air to circulate effectively around the store.

This year we will refit 100 'yes' stores and add 33 new stores to our network. Our challenge is to continue the fit-outs while ensuring that the old store furniture is disposed in a responsible manner.

Minimising waste in our offices

The majority of our waste is generated at our corporate offices. Our goal is to minimise materials used and to maximise recycling. All paper, cardboard, toner and printer cartridges are recycled.

We produced 658 tonnes of general and comingled waste across the 45 sites where we manage our own waste removal (excluding Macquarie Park). More than 60 per cent of our waste was diverted from landfill including 127 tonnes of paper and cardboard which was collected for recycling purposes.



We are unable to report on volume of waste and diversion rates for our Macquarie Park campus this year due to a change in suppliers. All waste from Macquarie Park is now directed to a Bioreactor Waste Management System

at Woodlawn, New South Wales. At the sites we lease, waste is managed as part of the tenancy and we have not been able to monitor recycling rates.

Across the network, we annually replace and recycle industrial size lead acid batteries that are used in exchanges and mobile base stations for backup power. Our replacement contracts now include as standard the removal, reuse and/or proper disposal by suitably qualified service providers.

Increasing online billing

Previously our online billing capability was only available to 75 per cent of our Consumer customers. In September 2012, we extended our electronic billing capability to 100 per cent of our Consumer customers including Home Phone, Cable Internet and Optus TV. Around 45 per cent of customers are accessing their bills online and via email.

Improving packaging of our products

The Australian Packaging Covenant (APC) is a collaborative agreement between governments and industry designed to minimise the environmental impacts of the disposal of used packaging, conserve resources through better design and facilitate the re-use and recycling of packaging materials.

The packaging materials used by Optus include: cardboard; cellophane wrap; styrofoam; PET blister packs; rigid plastic DVD style cases and rigid plastic to house SIM cards.

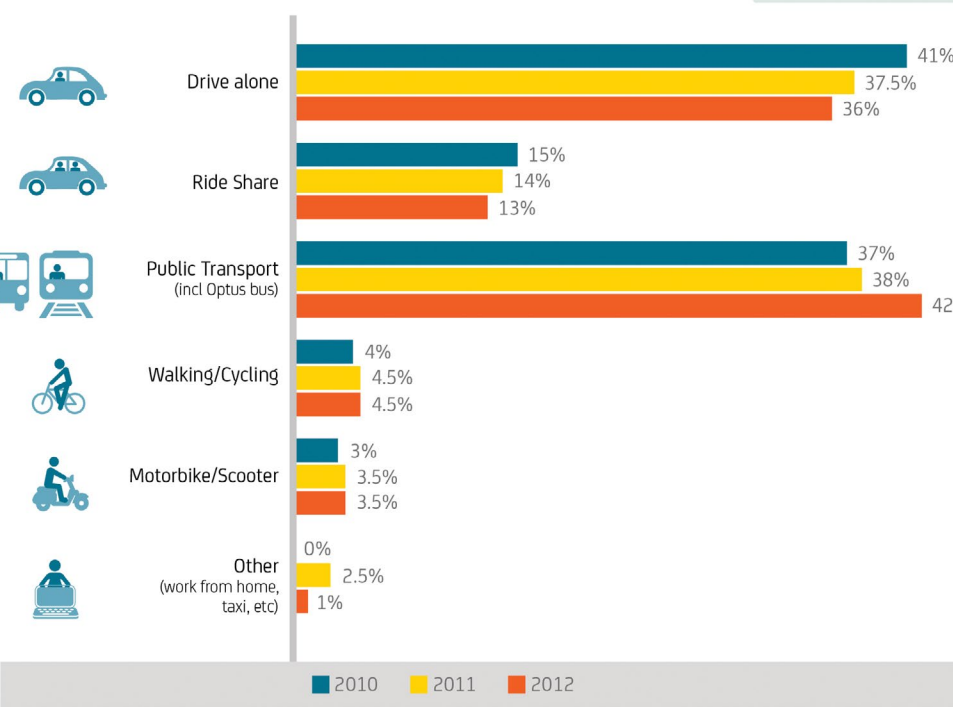
Some of our activities to reduce packaging this year included:

- > Communicating with our 13 mobile phone suppliers to advise them of our obligations as a signatory to the APC
- > Designing a new rigid plastic SIM card holder which can be snapped in half with one half used as a key ring containing important instructions. We are considering other ways to minimise the use of plastic on this product
- > Reducing the packaging on the 'Optus Wireless Welcome Guide Starter Kit' which originally consisted of 91 per cent packaging and has been reduced to 85 per cent

Recycling mobile phones

Optus has been a member of Mobile Muster since 1997. Mobile Muster is the Australian mobile phone industry's official product stewardship program. We support the program through recycling mobile phones at our offices as well as through our retail stores Australia-wide.

More than 90 per cent of the materials used in mobile phones are recyclable and can be reused. Mobile phones should never be thrown in the rubbish where they end up in landfill because they are not biodegradable



and contain substances which can be harmful to the environment. In 2012-13 Optus collected 5.4 tonnes of mobile phones for recycling which equates to approximately 20,056 mobile phones.

Saving water

Our head office in Macquarie Park, New South Wales utilises harvested rainwater. This year we used approximately 97,872 kilolitres of water. This 16 per cent reduction on 2011/2012 reflected results from water saving initiatives. Of this total, 34,386 kilolitres was harvested (around 35 per cent) and used for toilet flushing and landscape watering – almost 14 Olympic size swimming pools.

Waterless urinals were installed at our Macquarie Park headquarters saving approximately 24,038 kilolitres of water every year. The 120 urinals have oil filters and a biodegradable odour blocking fluid that seals the urinals and stops odour.

Data gathering of our water use for all other Optus sites has not been possible as water use is paid for through the cost of renting the premises and is rarely separately metered.

Building on our Sustainable Transport Strategy

Our Sustainable Transport Strategy was developed in 2007 as part of our corporate relocation to Macquarie Park. Encompassing all modes of travel, the program aims to reduce our impact on the environment while providing employees with flexible transport options.

Our annual transport survey shows that our employees continue to choose sustainable transport options for their trip to work. Only

36 per cent of people drive alone, down 1.5 per cent on the previous year. Data from the Australian Bureau of Statistics 2011 Census shows the drive alone rate for other workplaces at Macquarie Park is 75 per cent.

Specific initiatives this year have included:

- > Increasing the Epping Connect express bus service by 55 per cent which now has an average of 460 people travelling daily
- > Encouraging staff to ride to work and continuing to improve and expand our cycling facilities (secure storage, lockers and change rooms). Optus was awarded the Cycling Promotion Fund's 'Cycling Friendly Business Award' in recognition of its efforts
- > Working with other businesses and government to establish the Macquarie Park Transport Management Association, including leveraging more than \$1.5 million to support sustainable travel options to the area. Optus chairs this new association
- > Introducing technology to deliver a more effective rideshare program which helps employees reduce their travel costs by sharing a car to work. This is expected to grow the use of rideshare as a travel option, currently 420 people regularly rideshare to work

20,056 mobile phones were recycled

Optus decreased the number of cars in our fleet by 20 per cent

Managing travel responsibly

We aim to manage our travel requirements in an environmentally responsible way while also meeting the needs of the business and promoting cost effectiveness.

When booking flights, employees are asked to review the necessity for travel and whether business outcomes can be achieved through other means like video or phone conference.

We've experienced increased international travel as a result of working more closely with our parent company, SingTel, which is based in Singapore. In the past year, international travel has grown by about 36 per cent with peak travel occurring in the lead up to the restructure.

However, at the same time our domestic travel has remained fairly static over the past three years and this year it declined by seven per cent.

We align ourselves with service providers who also share our approach to minimising our impact on the environment and this requirement is reflected in our procurement processes.

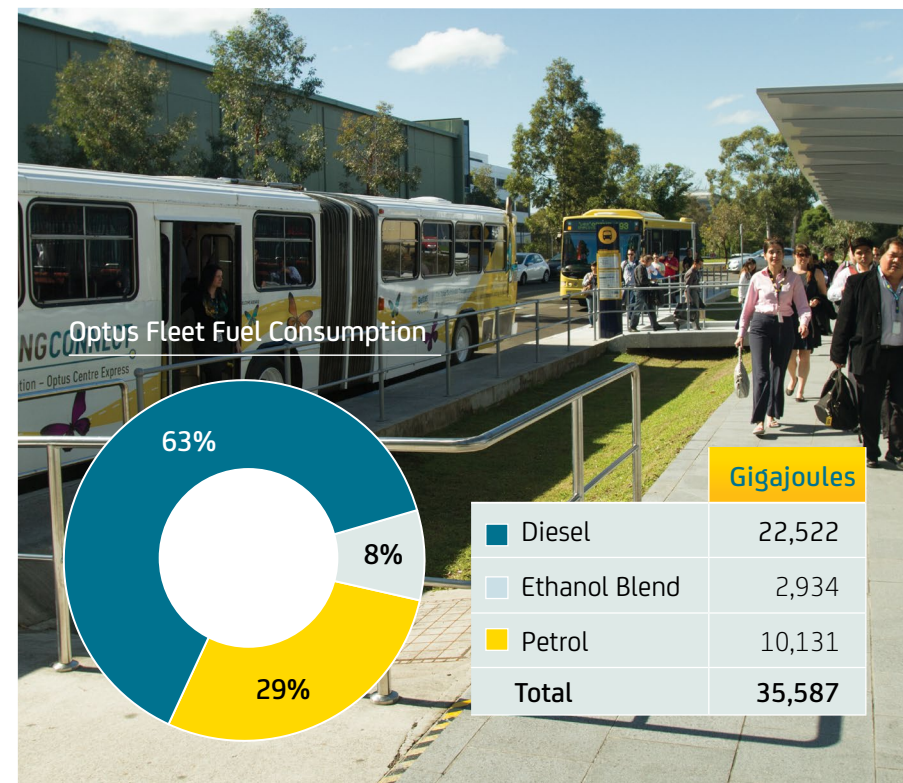
“We align ourselves with service providers who also share our approach to minimising our impact on the environment...”

Driving fleet efficiencies

During the year we decreased our fleet from 572 to 457 vehicles. As part of our overall strategy to reduce emissions and increase fleet efficiency, we introduced several initiatives including:

> Rewriting the vehicle purchase policy to require use of diesel vehicles and included fuel consumption and carbon emission ratings as part of the policy;

- > Introducing advanced fuel efficient EURO 5 engine equipped commercial vehicles (Mercedes Vito) with ECO stop/start; and
- > Working with the business to reduce overall vehicle usage and encourage alternate means of transport



Protecting our environment

Optus is extending its fibre footprint to increasingly cover rural and remote mobile sites including many which previously had microwave transmission.

This fibre network extension is essential to deliver the greater bandwidth to accommodate increasing data demand and services. In some instances fibre deployment to these sites may involve accessing areas of significant biodiversity and aboriginal heritage sensitivity.

As we extend our network, we will also increase our environmental due diligence, including monitoring and auditing higher risk projects. For example this year we:

- > Undertook appropriate measures to protect the Forest Finger (*Caladenia sylvicola*) an endangered plant species which was identified during a 3.5 kilometre fibre build through Ridgeway Reserve, Hobart
- > Continued to monitor the Southern Hairy-nosed Wombat (*Lasiornis latifrons*) in the vicinity of the Optus Adelaide to Perth optical fibre cable route. We aim to minimise our impact on the natural environment and contribute to information about the wombat's ethology

Optus completed eight environmental audits at different civil construction sites nationally. The majority of these audits were successfully concluded with only minor adjustments required by contractors to comply with their site specific environmental management plans.

Environmental training was again conducted nationally covering the majority of groups within Optus who are involved in optical fibre cable and associated pit and conduit installation, maintenance or relocation of existing facilities.

An environmental accreditation review was undertaken with contractors conducting civil works to ensure appropriate environmental management controls were in place.

Sixty one environmental management systems were reviewed and a small number failed to achieve the required level in their documentation and process management. We worked closely with these contractors to help them meet the required environmental accreditation standard.

“Optus completed eight environmental audits at different civil construction sites nationally”

Reviewing sites for cultural heritage

A major component of our environmental due diligence relates to the cultural heritage of Indigenous people. We review all proposed installations to determine whether they may impact Indigenous cultural heritage.

Optus is extending its fibre optic network to connect numerous mobile phone towers in the Nelson Bay, New South Wales to improve reliability. As part of preliminary due diligence, we discovered considerable evidence of historical Aboriginal habitation including 154 officially recorded archaeological relics/sites.

Before any construction works commenced, we engaged specialist archaeologists to investigate if any Aboriginal sites were located in the direct path of our construction works. After preliminary trial excavations, no significant relics/artefacts were found.

The project will proceed following completion of due process and issue of an Aboriginal Heritage Impact Permit, knowing that our construction works will have minimal impact on Aboriginal heritage in the area.

Key Performance Indicators - Environment

PRIORITY	INDICATOR	UNIT	12/13	11/12	10/11	09/10	08/10
Fleet	Vehicles	Number	457	572	534	534	501
	Petrol use	litres	421,619	663,179	895,723	982,239	1,187,476
	Diesel use (mobile)	litres	583,471	448,017	329,640	337,379	334,139
	Total	litres	1,005,090	1,111,187	1,225,898	1,319,618*	1,555,681*
Energy use	Electricity use	MWH	369,090	348,000	336,608	292,468	296,297
		GJ	1,328,724	1,295,735	1,256,804	-	-
GHG emissions	Scope 1 and 2 emission	Tonnes CO2e	344,997	331,593	325,465	310,130	281,361
Air travel	Flights	Tonnes CO2e	9,058	8,006	7,640	6,971	7,133
Water use	Macquarie Park campus	Kilolitres	97,872	116, 959	142,732	-	-
Paper use	Applicable customers using online billing	Percentage	44%*	49.6	44	31	<20
Waste and recycling	Recycling rate at head office	Percentage diversion	n/a**	93	92	89	92
	Mobile Muster	Tonnes	5.4	5.6	4.5	4.4	4.9

*Previously online billing was only available to 75% of our consumer customers. This year it was extended 100% of our customers, reflecting the slight decline in take-up. ** All waste at head office is now sent to a bioreactor landfill.

2013/2014 Performance Targets
> Conduct energy assessments on one corporate facility and two network facilities
> Develop a comprehensive Energy Efficiency Opportunity (EEO) procedure for Optus
> Develop an internal base station electromagnetic energy audit template and the carry out of five base station audits by end of March 2014
> In line with our Australian Packaging Covenant obligations, expand the packaging review across the following product categories: starter packs; SIM cards; Accessories; Home Zone and Optus TV
> Introduce a program to improve staff awareness and engagement in energy efficiency initiatives
> Trial a new initiative aimed at reducing costs and footprint associated with taxi usage
> Introduce a full environmental training program for employees involved in the installation and maintenance of network facilities

Our Community

Using our skills and resources to make a difference

Our approach

We are committed to being a responsible corporate citizen and strongly believe that we can help drive positive and sustainable changes in our local communities. Our strategic partnerships are focused on helping to address the issues facing vulnerable youth.

Our people are passionate about giving back to the community using their, resources and expertise to make a difference through paid volunteer leave and workplace giving.

Performance highlights

- > More than 320 students participated in the mobile ‘student2student’ literacy program with 82 per cent improving their reading
- > Optus contributed \$9.4 million to support community initiatives via direct cash funding, in-kind support, leverage, customer initiatives, staff time and workplace giving
- > We conducted a review of our community investment and developed a new strategic framework to guide our approach
- > The ‘yes’ Optus Community Grants distributed \$250,000 in local grants to 37 community organisations across Australia
- > Our people contributed 6,835 hours of volunteering, \$382,506 in workplace giving including Optus matching and \$8,700 to the Queensland and Tasmania disaster appeals
- > Our customers contributed 20,000 hours of volunteering through Optus RockCorps



“My son Brody reads so many more books now, he would never have dreamt of picking up a book to read for fun before the program.”

Improving children’s literacy using mobile phones

Research shows that literacy foundations built by children in their primary and early secondary years are crucial to their ability to do well at school. In the long term, good literacy and numeracy skills also contribute to higher levels of education achievement and employability.

The Smith Family’s ‘student2student’ program is a unique and effective program that has helped many students to significantly increase their reading skills. The program works by matching students with reading ‘buddies’ who provide support over the phone two to three times a week.

Increasingly many families do not have access to landline phones in their homes. In 2010, Optus and The Smith Family established a partnership to trial a mobile phone version of the program in selected rural and regional communities. Optus provides the mobile phones and phone credit to run the program.

According to The Smith Family’s CEO, Dr Lisa O’Brien, mobile phones are becoming an integral part of the program.

“Optus has been instrumental in growing this program by providing a mobile phone to children who do not have a home phone line. Their support has helped these children improve their reading and confidence.”

Last year, 90 per cent of students completed the mobile program with 82 per cent improving their reading

Three years later the program has expanded from an initial trial of 50 students to 327 matched pairs in 31 sites across Australia. Students who successfully completed the program were given the mobile phone and \$100 of phone credit.

Last year, 90 per cent of students completed the mobile program with 82 per cent improving their reading based on pre and post testing. In addition, a significant majority of students said they felt more confident with their school work and almost all parents said they child reads more after completing the program.

One parent, Carrie, from Taree in New South Wales has had two children participate in the program: “My son Brody reads so many more books now, he would never have dreamt of picking up a book to read for fun before the program.”

Brody’s older sister Rhonda participated in the program three years earlier and Carrie has seen a significant improvement in both of their reading levels.

“He loves reading ‘Captain Underpants’ which he’s read three or four times already! His confidence levels and self-worth have also improved,” Carrie said.

Over the next year, Optus and The Smith Family aim to reach 525 disadvantaged students across Australia through the mobile ‘student2student’ program.

Strengthening our approach to community investment

This year we reviewed our community investment framework to strengthen our approach, ensure alignment with our business strategy and brand and to maximise the positive impact of our programs.

During this process we consulted with a range of stakeholders to understand how our people want to give back to the community, emerging issues impacting the work of our community partners and local and international best practice in community investment.

Our Corporate Responsibility Steering Group guided this work and endorsed a strategy to refocus our efforts on one key issue that's important to our people, our customers and our communities.

A significant number of young people are facing considerable challenges in life and are at risk of not realising their full potential. There are a range of challenges facing these young people including education gaps, cyber bullying, family breakdown, mental health, homelessness and lack of opportunity.



a significant number of young people are facing considerable challenges in life

Our existing community partnerships have helped us to understand these issues and we know that we can contribute to making a difference. As a large telecommunications group, we can use our skills, products, technology and resources to contribute to programs which help to address some of the issues facing vulnerable youth.

We also know that our people support many different causes and charities. We will empower them to make a difference by expanding the charities on workplace giving and supporting team fundraising and volunteering activities.

During the next year we plan to introduce a number of changes to the way we support the community and to increase the scale and impact and the engagement of our people and customers.

Protecting our children from cyberbullying

Today, Australian children live in an increasingly connected and digital world. While this world provides an amazing source of entertainment and information, it's important for parents to aware of how the internet should be used by children safely and the danger of its misuse.

However, we also understand that with the increasing use of mobile and tablet devices it's becoming more difficult for parents to monitor their children's internet usage.

One potential risk associated with internet misuse is cyberbullying. While cyberbullying can be a sensitive subject, it remains a very real issue for both children and parents. Research from Edith Cowan University in Western Australia revealed that as many as 10 per cent of Australian school children report being a victim of cyberbullying.

Bullying and cyberbullying are the two most highly viewed topics on the Kids Helpline website. In addition, the topic of cyberbullying is by far the most highly viewed issue by adults using the website.

To help teachers tackle the issue of cyberbullying, Optus and Kids Helpline developed the 'Erasing Cyberbullying' pack which was sent to 10,000 schools across Australia in 2011 reaching almost 3.5 million children.

This year, we implemented communications activities to remind teachers of this important resource and to broaden awareness of cyberbullying with parents.

Optus has partnered with Kids Helpline since 1999. We provide in-kind and financial support for their free, confidential and anonymous telephone and online counselling service for young people. Our support includes telecommunications services and zero rate calls to the 1800 number.

Improving opportunities for disadvantaged students

We recognise that our employees can also make a difference to some of the issues facing youth in high needs schools. Mentoring is a powerful way to help at risk students to build their confidence and improve literacy, language and social skills.

Optus is a founding member of the Australian Business and Community Network (ABCN)

“Since 2005, hundreds of Optus employees have been involved with ABCN through mentoring students”

which is a partnership of highly committed national business leaders and companies working on mentoring programs with high needs schools. Our Group Consumer CEO, Paul O'Sullivan, is the chair of ABCN and has personally participated in the program.

Since 2005, hundreds of Optus employees have been involved with ABCN through mentoring students or facilitating workshops. This year, more than 250 employees participated in the program giving more than 2,000 hours of their time to support over 730 young people.

Our employees contribute their time to a range of programs including:

- > 'Partners in Learning' - four Optus executives were matched with principals and educators to share experiences, solve problems and explore leadership challenges.
- > 'Goals' – almost 60 employees provided one-on-one mentoring to students considered to be at risk of disengaging from school. Research shows 71 per cent of students participating set and achieve goals as a result of the program.
- > 'Spark' – 43 employees participated in a reading mentoring program for primary school students. Almost 80 per cent of students in this program experience improved reading skills.

We also support two key events as part of the program including a 'Career Choice Day' where Year 10 and 11 students learn about career opportunities at Optus and 'Realising Your Potential' which is a two day workshop focused on building leadership skills run in conjunction with Ernst & Young.

Giving our time to the community

We recognise that while volunteering is good for the community, it is also good for business. Volunteering provides many benefits to the community by giving important skills and additional resources to projects. Corporate volunteer programs also contribute to improved reputation, employee retention and increased morale.

However, volunteering also offers new ways of providing professional development to employees such as developing communication



skills and improving an individual's ability to adapt to different environments and balance competing priorities. Importantly, volunteering contributes to an individual's wellbeing and helps to instil an attitude of care and responsibility for the wider community.

Optus has provided one day of paid volunteer leave to all employees since 2007. During that time our employees have volunteered 60,000 hours to the community. This year alone, more than 730 people have participated contributing \$371,519 in value of time.

Optus facilitated 25,755 hours of volunteering in the community

In January, our Customer Experience team used their volunteer leave to share their business knowledge with not-for-profits.

The team joined eight representatives from Starlight, World Vision, Cancer Council and The

Smith Family for a two-day Limelight Workshop.

The participants came to the session with some key business problems and our team equipped them with the Limelight approach to help them to identify ways to improve processes. In addition, each participant was matched with an Optus Blackbelt to provide ongoing support and coaching.



Luke Roberts from the local Optus Store with Wollongong's Figtree Public School student Ryan Ransley

Supporting vibrant and diverse local communities

Strong communities are built by people with a passion and drive to make them better. They're the backbone of society and they help create a better quality of life for all the people within them. However, we know that many local community organisations struggle with a lack of funding and resources.

The 'yes' Optus Community Grants program offers up to \$10,000 in funding to non-profit organisations that help to build social inclusion and reconnect disengaged youth in communities. Since 2008,

Optus has distributed \$880,000 to 165 community organisations across Australia.

In 2012, Optus awarded 37 grants valued at a total of \$250,000 and supporting a wide variety of projects including technology, recreational activities, special needs and education services. We received an overwhelming 1,300 applications with many projects endorsed by our employees.

One organisation to receive a grant was Wollongong's Figtree Public School which offers support classes to young students with intellectual and physical disabilities. The grant funded new iPads to enhance their learning and social development. The program offered at Figtree aims to stimulate the students, keeping them engaged during lessons through a range of colourful and interactive mathematical and literacy applications. The technology also provides a common point of interest with other school children, helping develop social skills.

Refocusing our workplace giving program

During the year we conducted a review of our workplace giving program to ensure it resonated with our employees and to discover new ways to increase participation.

The review included a survey which was completed by 10 per cent of employees and a series of focus groups to delve deeper into the findings.

Some of the key findings from the survey included:

- > 97 per cent of our employees want the option to support the charity of their choice
- > 54 per cent said this would motivate them to participate in the program and more than 40 per cent said this would 'maybe' motivate them
- > 75 per cent said they wanted to know the impact their donations were making in the community

The key insight for us was the potential to increase the number of employees participating and the amount of money donated, if we moved away from a model which supports a limited number of charities to an open model that provides employees with more choice.

This year we will implement a new approach to workplace giving which will respond to this feedback from our employees. We aim to increase participation to eight per cent of employees.

Since 2005, the Optus Workplace Giving Program has donated almost \$2.5 million to our 13 charity partners including employee donations and Optus matching. This year, 357 employees participated in the program donating a total of \$382,506 including Optus matching.

Measuring our community investment

Our total community investment for 2012-13 was \$9.4 million which includes:

- > Direct cash funding
- > Value of employee volunteer time
- > Value of in-kind support to charitable organisations
- > Value of support leveraged from our employees, customers, suppliers and franchisees
- > Management, publicity and communications costs
- > Value of products, services and community related customer initiatives

Our investment increased this year as a result of supporting two new community initiatives: the Optus RockCorps project and a digital education initiative which will be launched in late 2013. We also improved the capture of information across our business.

According to the London Benchmarking Group (LBG) methodology, we invested \$7.9 million in the community. In addition to this figure, we leveraged more than \$1 million in support from our people, customers, franchisees and suppliers and provided \$1.5 million in products, services and community related customer initiatives. This support included services such as zero rate calls to Kids Helpline's freecall 1800 number and mobile phones and sim cards which were provided to customers impacted by natural disasters.



Customer Operations spent the day volunteering their time with the YEAH organisation – Youth Empowerment Against HIV

This year we will implement a new approach to workplace giving which responds to employee feedback.

20,000

HOURS OF VOLUNTEERING
GENERATED BY OPTUS ROCKCORPS



Engaging youth in volunteering

Optus RockCorps is a partnership between Optus and RockCorps to engage, empower and celebrate youth giving back. The concept uses the power of music to inspire youth to volunteer in their communities. This year the program has generated more than 20,000 hours of volunteering in the community.

Participants give four hours of time to volunteer to an Optus RockCorps volunteering event through a participating charity partner. At the completion of their four hours, they were given a reward – a ticket to the Optus RockCorps Concert in Sydney.

The RockCorps volunteers have worked with organisations as diverse as Parramatta Park, Wesley Mission, Anglicare, Sutherland Shire Bushcare, Bankstown Police and Citizens Youth Club. Volunteers even refurbished a new Asylum Seekers Centre in Newtown.

Importantly, our research shows that 78 per cent of the Optus RockCorps participants are likely to volunteer or get involved in their community again without a reward and almost 60 per cent agreed that the experience had showed them how powerful volunteering can be.

The program is supported by marketing including a social media campaign.

The global RockCorps initiative has seen more than 130,000 volunteers attend over 40 live concert events across the world including the USA, UK and Europe.

Raising money for Tour de Cure

Optus was again a major sponsor for Tour de Cure, a bike ride from Brisbane to Mission Beach, which raises funds for cancer research, prevention and support programs.

Optus had a team of six full-time and eight guest riders and set a target of raising over \$250,000. Through our sponsorship and fundraising activities, we raised \$268,000.

The program is a unique way to build staff morale and encourage health and fitness, while also raising awareness and supporting our charity partners - The Cancer Council and The Nelune Foundation.

Key Performance Indicators	2013	2012	2011	2010	2009
Community investment \$ million	9.4	7.2	8.9	8.2	8.3
Workplace giving \$ 000	382	457	484	352	320
Volunteering hours Employees	6,835	10,461	12,694	18,000	14,200



2013/2014 Performance Targets

- > Explore new ways to educate and engage our customers and employees in the issues impacting vulnerable youth
- > Launch a new program to support digital education initiatives in schools with a focus on safe and responsible use of the internet and mobile phones
- > Work with The Smith Family to expand the mobile 'student2student' program to 525 students nationally
- > Launch an industry leading integrated online giving portal to increase employee volunteering from eight per cent to 15 per cent and workplace giving from 3.5 per cent to eight per cent
- > Introduce new ways for our employees to be involved in the 'yes' Community Grants program with a focus on increasing the number of applications endorsed by employees

Awards and Recognition

2012 NSW Corporate Games
Sports for Life Grand Award

2012 Customer Service Institute of Australia Award
for Customer Service Excellence
Service Excellence in a Help Desk: Optus Customer Web Chat Team

2012 Communications Alliance and CommsDay
(ACOMMS) Awards
> Innovation in Large Company: Optus' 3G Home Zone
> Community Contribution: Kids Helpline 'Make Cyber Space
a Better Place' campaign
> Commitment to Customer Service: Optus Consumer
Web Chat initiative

2012 Australian Business Awards
Service Excellence – Social Media Response Team
Community Contribution – Corporate Social Responsibility Team

Customer Service Institute of Australia award
Customer Service Manager of the Year - Mylie Snow

2013 Cycling Friendly Business Award
Recognition as a cycling friendly business



Global Reporting Initiative

Our full Index is published at
www.optus.com.au/gri.

Legend
FULL = ● PARTIAL = ◐ NOT REPORTED = ○

GRI	Disclosure	Level	Location of disclosure
1.1	Senior executive statement	●	SingTel 2013 Annual Report: Chairman's Message Chief Country Officer Message pg 3
1.2	Description of key impacts, risks, and opportunities.	●	Chief Country Officer Message pg 3 Our customers pg 10 Our people pg 18 Our environment pg 26 Our community pg 34
2.1	Name	●	About this report pg 2
2.2	Products and services	●	About us pg 4
2.3	Structure	●	About us pg 4
2.4	Location	●	Contact us pg 50
2.5	Countries	●	About us pg 4
2.6	Ownership	●	About us pg 4
2.7	Markets	●	About us pg 4
2.8	Scale	●	About us pg 4 Embedding responsible practices pg 7
2.9	Significant changes	●	Chief Country Officer Message pg 3
2.1	Awards received	●	Awards pg 42
3.1	Reporting period	●	About this Report pg 2
3.2	Most recent previous report	●	March 31 2012
3.3	Reporting cycle	●	Annual
3.4	Contact point	●	Contact us pg 50
3.5	Defining report content	●	About this Report pg 2 Prioritising material issues pg 7 Engaging with our stakeholders pg 8
3.6	Boundary of the report	●	About this Report pg 2
3.7	Specific limitations	●	About this Report pg 2
3.8	Basis for reporting	●	About this Report pg 2
3.9	Data measurement techniques	●	Where possible we have complied with the GRI Indicator protocols.

GRI	Disclosure	Level	Location of disclosure
3.1	Re-statements of information	●	Improving governance and energy management pg 28
3.11	Significant changes	●	Measuring customer experience pg 12 Measuring employee engagement pg 20
3.12	GRI Table	●	GRI Index
3.13	External assurance	●	Our Report is not externally assured. However we plan to explore this option in the future.
4.1	Governance structure	●	SingTel 2013 Annual Report: Organisation Structure
4.2	Chair of the highest governance body	●	SingTel 2013 Annual Report: Board of Directors
4.3	Members of the highest governance body	●	SingTel 2013 Annual Report: Board of Directors
4.4	Mechanisms for recommendations to highest governance body	●	SingTel 2013 Annual Report: Investor Relations
4.5	Compensation for governance body	●	SingTel 2013 Annual Report: Corporate Governance
4.6	Conflicts of interest	●	SingTel 2013 Annual Report: Corporate Governance
4.7	Qualifications and expertise of the governance body	●	SingTel 2013 Annual Report: Corporate Governance
4.8	Statements of mission or values	●	SingTel 2013 Annual Report: Corporate Governance About Us pg 4
4.9	Overseeing economic, environmental, and social performance	●	SingTel 2013 Annual Report: Corporate Governance Corporate Sustainability Embedding responsible practices pg 7
4.10	Evaluation of governance body	●	SingTel 2013 Annual Report: Corporate Governance
4.11	Precautionary approach	●	SingTel 2013 Annual Report: Corporate Governance Risk Management Prioritising material issues pg 7
4.12	Externally developed economic, environmental, and social charters	●	SingTel 2013 Annual Report: Corporate Sustainability About this Report pg 2 Protecting customer privacy pg 16 Updating our Disability Action Plan pg 15 Recycling mobile phones pg 29 Improving governance and energy management pg 28
4.13	Memberships in associations	●	Recycling mobile phones pg 29 Engaging with our stakeholders pg 8 Working with industry pg 28
4.14	Stakeholder groups engaged	●	Engaging with our stakeholders pg 8 Working with industry pg 28

GRI	Disclosure	Level	Location of disclosure
4.15	Identification and selection of stakeholders	●	Engaging with our stakeholders pg 8
4.16	Approaches to stakeholder engagement	●	Engaging with our stakeholders pg 8
4.17	Key topics and concerns	●	Engaging with our stakeholders pg 8 Prioritising material issues pg 7
DMA EC	Economic Management Approach	●	SingTel 2013 Annual Report Corporate Sustainability Our community pg 34
EC1	Direct economic value generated and distributed	●	SingTel Annual Report: Building a loved brand pg pg 6 Measuring our community investment pg 39
EC2	Financial implications of climate change	●	Managing energy consumption efficiently pg 28 Improving governance and energy management pg 28 Working with industry pg 28
EC3	Defined benefit plan obligations	●	Optus makes superannuation payments that comply with Australian law. These are based on defined benefit plans and the pensions liabilities are fully covered.
EC4	Financial assistance from government	●	No financial assistance
EC5	Entry level wage	●	Optus complies with Australian law regarding minimum wages.
EC6	Locally-based suppliers	●	Optus does not have a procurement policy explicitly preferring local suppliers.
EC7	Local hiring	●	Optus does not have an employment practice that grants preference to those in the local community. All personnel are selected based on ability to perform the specific role.
EC8	Infrastructure investments and services	●	Our Customers - Building a great mobile network pg 11 Measuring our community investment pg 39
EC9	Indirect economic impacts		Optus 2012 Sustainability Report: Our community - Identifying the social value of Kids Helpline
DMA EN	Environment Management Approach	●	Our Environment pg 26
EN1	Materials	●	Improving packaging of our products pg 29 Designing environmentally friendly retail stores pg 28 Minimising waste in our offices pg 28
EN2	Percentage of materials used that are recycled	●	Improving packaging of our products pg 29 Designing environmentally friendly retail stores pg 28 Minimising waste in our offices pg 28
EN3	Direct energy consumption	●	Managing energy consumption efficiently pg 28
EN4	Indirect energy	●	Managing energy consumption efficiently pg 28
EN5	Energy saved due	●	Managing energy consumption efficiently pg 28 Designing environmentally friendly retail stores pg 28 EEO Report Website
EN6	Energy-efficient or renewable energy based products and services	●	Improving free cooling in our exchanges pg 27 Designing environmentally friendly retail stores pg 28 Managing energy consumption efficiently pg 28
EN7	Initiatives to reduce indirect energy consumption	●	Managing energy consumption efficiently pg 28 EEO Report Website

GRI	Disclosure	Level	Location of disclosure
EN8	Total water withdrawal	🕒	Saving water pg 29
EN9	Water sources significantly affected	●	Optus does not use water sources that would be affected by the withdrawal of water.
EN10	Percentage and total volume of water recycled	●	Saving water pg 29
EN11	Areas of high biodiversity value	🕒	Protecting biodiversity pg 30
EN12	Significant impacts on biodiversity	●	No significant impacts on biodiversity. Protecting biodiversity pg 30
EN13	Habitats protected or restored	●	Protecting biodiversity pg 30
EN14	Managing impacts on biodiversity	●	Protecting biodiversity pg 30
EN15	IUCN Red List species	🕒	Protecting biodiversity pg 30 We avoid construction in areas likely to encounter flora or fauna considered at risk. In unavoidable cases, we work with relevant authorities to ensure appropriate measures are in place. We also appoint specialist consultants with an environmental management plan and monitoring.
EN16	Greenhouse gas emissions	●	Our Environment - Key Performance Indicators pg 32 Managing energy consumption efficiently pg 28
EN17	Indirect greenhouse gas emissions	🕒	Our Environment - Key Performance Indicators pg 32
EN18	Reduce greenhouse gas emissions	●	Managing energy consumption efficiently pg 28 Improving free cooling in our exchanges pg 27
EN19	Emissions of ozone-depleting substances by weight	●	Optus does not emit material quantities of ozone depleting substances (refer to last NGRS report). However, to provide an auditable data pathway it is the intention of Optus to provide some certainty around the proportion of refrigerants lost to the atmosphere in future NGRS reporting.
EN20	NOx, SOx, and other significant air emissions	●	Optus does not generate significant quantities of NOX and SOX. Refrigerant gas loss has also been estimated to be small.
EN21	Total water discharge	●	Optus operations and activities do not require extensive discharge of water. Main source for discharge is water used in bathrooms in our corporate offices. This water is discharged as part of the local sewage system.
EN22	Total weight of waste	🕒	Our Environment - Minimising waste in our offices pg 28
EN23	Significant spills	●	No significant spills
EN24	Hazardous waste	●	Recycling mobile phones pg 29 Minimising waste in our offices pg 28 Mobile Muster mobile phone collections are transported to licenced facilities for separation and resource recovery in Taiwan and Singapore. The only other Basel waste disposal were of industrial size batteries that were replaced and the failed batteries reprocessed in licenced facilities in Australia. We also reprocess our office electrical equipment
EN25	Biodiversity value of water bodies	●	No water bodies are significantly affected by Optus operations. The footprint of Optus' activities and operations are generally small and do not significantly affect biodiversity value of water bodies and related habitats as a result of disturbances of water and runoff. The typical size of our operations is a trench less than half a metre wide. The Optus Environmental Management System provides a series of Action Plans for managing stormwater, de-watering of work sites, soil erosion and sediment control.

GRI	Disclosure	Level	Location of disclosure
EN26	Initiatives to mitigate environmental impacts of products and services	●	Minimising waste in our offices pg 28 Designing environmentally friendly retail stores pg 28 Improving packaging of our products pg 29 Increasing online billing pg 29 Recycling mobile phones pg 29
EN27	Percentage of products sold and their packaging materials	🕒	Improving packaging of our products pg 29 Recycling mobile phones pg 29
EN28	Monetary value of significant fines	●	No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.
EN29	Significant environmental impacts of transporting products	●	No material transport losses.
EN30	Total environmental protection expenditures	🕒	Expenditures are not disclosed.
DMA LA	Labour Management Approach	●	Our people pg 18
LA1	Total workforce	●	Our People – Key Performance Indicator table pg 24 *Note – ‘full-time’ and ‘part-time’ includes permanent employees. ‘Casual’ includes temporary staff. All employees are located in Australia.
LA2	Total number and rate of employee turnover	●	Our People – Key Performance Indicator table g 24
LA3	Benefits provided to full-time employees	●	Benefits are made available to all Optus employees.
LA4	Collective bargaining agreements	●	Our People – Key Performance Indicator table g 24
LA5	Minimum notice period(s)	●	This is defined in our Employment Partnership Agreement and meets the requirements of Australian Law.
LA6	Formal joint management-worker health and safety committees	●	OHS Committee members are appointed from all levels and functions within Optus and depending on specific functional operations, represent OHS issues across the entire Optus workforce (100%).
LA7	Rates of injury	🕒	Focusing on health and safety pg 23 There were no fatalities in the reporting period.
LA8	Education, training, counseling, prevention, and risk-control programs	🕒	Contributing to employee wellbeing pg 23 No employees are involved in occupational activities that have a high incidence of specific diseases.
LA9	Health and safety topics in formal agreements	●	Updating our EPA pg 20 The Employment Partnership Agreement commits Optus to providing a working environment for its employees which is free of harassment and unlawful discrimination, which promotes equal opportunity and which is smoke free, and to ensuring that the working environment is both safe and healthy and in accordance with relevant legislation.
LA10	Average hours of training	●	Developing our employees pg 21
LA11	Programs for skills management and lifelong learning	●	Contributing to employee wellbeing pg 20 Supporting employees during a time of change pg 19
LA12	Regular performance and career development reviews	●	100% of Optus employees receive regular performance and career development reviews.
LA13	Composition of governance bodies	●	SingTel 2013 Annual Report: Board of Directors Our People – Key Performance Indicator table g 24 Website - Optus Management

GRI	Disclosure	Level	Location of disclosure
LA14	Ratio of basic salary of men to women	🕒	Optus has chosen not to disclose this information
DMA HR	Human Rights Management Approach	●	Encouraging a responsible supply chain pg 9 Updating key policies pg 23 Updating our EPA pg 20 Developing our people pg 21 Optus 2010 Sustainability Report: Key policies, codes and management systems
HR1	Investment agreements that include human rights clauses	🕒	Encouraging a responsible supply chain pg 9
HR2	Suppliers and contractors that have undergone screening on human rights	🕒	Encouraging a responsible supply chain pg 9
HR3	Total hours of employee training on human rights	●	100% of employees have completed EEO@Optus as per our compliance requirements - approximately 5,500 hours of training.
HR4	Total number of incidents of discrimination	●	Key Performance Indicator table pg 24 In 2012, a former Optus employee filed a statement of claim in the Federal Court of New South Wales relating to alleged bullying. Optus is vigorously defending the allegations.
HR5	Operations where freedom of association and collective bargaining may be at significant risk	●	Optus is in compliance with Australian law which prohibits child labour. Outsourced call centres in Asia go through our standard procurement process. Encouraging a responsible supply chain pg 9
HR6	Operations identified as having significant risk for incidents of child labor	●	Optus is in compliance with Australian law which prohibits child labour Outsourced call centres in Asia go through our standard procurement process Encouraging a responsible supply chain pg 9
HR7	Risk for incidents of forced or compulsory labor	●	None of our Australian operations have been identified in which the right to exercise freedom of association and collective bargaining is at significant risk. Outsourced call centres in Asia go through our standard procurement process. Encouraging a responsible supply chain pg 9
HR8	Security personnel trained in the organization's policies	●	Security personnel are outsourced and go through our Procurement policy and process. This includes meeting state and territory licensing requirements and regulations. Encouraging a responsible supply chain pg 9
HR9	Violations involving rights of indigenous people	●	No incidents of violations involving rights of indigenous people
DMA SO	Society Management Approach	●	Our community pg 34 Optus 2010 Sustainability Report: Key policies, codes and management systems Website
S02	Business units analyzed for risks related to corruption	●	Building an ethical culture pg 9 100% of business units were analysed for risk related to corruption. An paper on Fraud Risk Assessment that considers, inter alia, fraud & corruption risks across the group is submitted to SingTel Audit Committee annually.

GRI	Disclosure	Level	Location of disclosure
S03	Employees trained in organization's anti-corruption policies	●	Building an ethical culture pg 9 100% of management employees are trained in anti-corruption policies. On-line Fraud Awareness Training is compulsory for all management employees. On-line awareness training is now compulsory for all personnel, including non-management personnel. Course launched from 1 Dec 2011 and available to all personnel from that date.
S04	Actions taken in response to incidents of corruption	●	Building an ethical culture pg 9 We did not have any reported incidents of corruption in the reporting period
S05	Public policy positions	●	Engaging with our stakeholders pg 8 Disclosure on Optus' public policy positions can be found on our website
S06	Financial and in-kind contributions to political parties	●	Website
S07	Legal actions for anti-competitive behavior	●	No legal actions for anti-competitive behavior, anti-trust, or monopoly practices.
S08	Fines for non-compliance with laws and regulations	●	No significant fines or non-monetary sanctions for non-compliance with laws and regulations.
DMA PR	Product Responsibility Management Approach	●	Responding to community concerns pg 16 Protecting our children from cyberbullying pg 36 Being a responsible marketer pg 16 Protecting customer privacy pg 16 Website
PR1	Life cycle stages in which health and safety impacts of products and services are assessed	●	Responding to community concerns pg 16 Protecting our children from cyberbullying pg 36 Recycling mobile phones pg 29
PR2	Non-compliance with regulations and voluntary codes	●	No incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services
PR3	Product and service information required by procedures	🕒	Optus Website: Legal and Regulatory
PR4	Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	●	No incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling
PR5	Practices related to customer satisfaction	●	Measuring customer experience pg 12
PR6	Laws, standards, and voluntary codes related to marketing communications,	●	Protecting customer privacy pg 16 Being a responsible marketer pg 16
PR7	Non-compliance with regulations and voluntary codes concerning marketing communications	●	No incidents of non-compliance with regulations or voluntary codes concerning marketing communications
PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	●	We had no substantiated breaches or losses of customer data. We did receive notices of investigation from the Privacy Commission and all were resolved in our favour.
PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	●	No significant fines for non-compliance with laws or regulations concerning the provision and use of products and services.



Visit our website

to view all our reports optus.com.au/corporateresponsibility



Feedback

We welcome your feedback on our progress
and our Sustainability Report.

Please contact us at sustainability@optus.com.au



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