About this report

This is our 17th annual report on the sustainability performance of Singtel Optus Pty Ltd (Optus) (G4-30) (G4-3). The report covers our financial year 1 April 2015 to 31 March 2016 (G4-28).

This report and previous years’ sustainability reports can be found online here. The previous report was released on June 17th 2015 (G4-29).

Offshore ventures, franchised retail outlets and subsidiaries are not included in this report unless otherwise stated. This report has been prepared ‘in accordance’ with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines - Core option. The GRI Content Index can be found on page 88-89.

We use the London Benchmarking Group (LBG) methodology to measure and report on our contribution to the community. This year we sought external limited assurance under ISAE3000 for selected indicators in the report. The scope and basis for the assurance is provided in the Assurance Statement at the end of the report.

Ere-S Pte Ltd again provided the assurance as part of a wider engagement with Singtel, which provided assurance over the Singtel Sustainability Report. This helps to facilitate a consistent approach to sustainability assurance across the Group.

All information contained in the report was correct as at 23rd June 2016.

Our approach to sustainability, this report, and previous years’ reports can be found here.

Singtel has produced its second Singtel Group Sustainability Report which can be accessed online here.

We welcome your feedback or questions in relation to this report. Please contact sustainability@optus.com.au (G4-31).
A message from our CEO and Chairman

Optus was born to create new ideas and ways of using communications for Australians. We pride ourselves on being Australia’s leading Challenger Company and we extend this approach to how we help our nation be more sustainable.

Building a Smart Nation

At Optus our goal is to be Australia’s most loved, recommended and innovative service brand. Innovation underpins everything we do, and in the current year we brought this to life across our organisation with the establishment of the “Think Big” program. We actively encourage our people to think about innovation as part of their day to day roles, setting aside a weekly timeslot for collaborative brainstorming. Ideas are rewarded through individual grants as well as an innovation fund allocated to each division, and the most promising concepts are developed through to a ready-for-market product.

By embedding innovation across the organisation we’re delivering solutions better and faster to our customers. We’ve also identified an opportunity to increase the impact of our efforts on the community. To demonstrate our commitment to youth focused innovation, we proudly partnered with the Foundation for Young Australians’ Innovation Nation – a youth led conversation about innovation and entrepreneurship in Australia. We also sponsored 10 places and provided seed funding in the Young Social Pioneers program which is open to 18-29 year olds who have great ideas around the big question “How can we build a better Australia?”

We’ve made good progress in understanding these impacts following a climate change modelling review across our infrastructure. We’ve been busy making upgrades across our operations to protect against natural disasters, such as improving redundancy and energy supply self-sufficiency. This is a key requirement during times of natural disasters as energy grids often go down even while our networks need to remain operational. Optus is also a founding member of the Australian Business Roundtable for Disaster Resilience and Safer Communities, which has undertaken research, assessments and advocacy on infrastructure adaptation.

Innovation underpins everything we do

We’ve also introduced this year and represents a step change for innovation in the CSR space. We’re looking for people and ideas that will change the future for vulnerable youth. The program will provide participants with an accelerator program and access to industry mentors and networks, and six winners will receive funding up to $50,000 and guidance over the next 18 months to progress their ideas further.

Helping Australia meet the Climate Challenge

As we continue to invest to create a leading customer experience, this has simultaneously increased the importance of managing our customers growing energy needs and carbon footprint. We’ve invested over $1 billion a year for the last decade in expanding and improving our networks for our customers. We’ve improved mobile coverage and increased data allowances, with our superfast 4G Plus network now reaching 94% of Australians. We announced our partnership with the Australian Olympic, Paralympic and Cricket teams. We’ve simplified our pricing, made data sharing and rollover possible, and consistently rank Number 1 on the Netflix ISP speed index.

We have a comprehensive energy efficiency review of our network operations underway, and this will play a critical role in helping us establish long term carbon intensity reduction targets. With our network investment we are adapting the latest mobile technologies which are more energy efficient, to understand our material environmental impacts, not only within our organisation but also across our extended supply chain, following a climate change modelling review across our infrastructure.

Chairman Paul O’Sullivan (left)  CEO Allen Lew (right)

Optus is also a founding member of the Australian Business Community Network (ABCN) and, since 2005, over 26,000 volunteer hours in mainstream schooling. Optus is also a founding member company of the Australian Business Community Network (ABCN). Our current staff mentoring programs assists youth from vulnerable backgrounds, including refugees and asylum seekers, to successfully integrate into mainstream schooling. Optus is also a founding member company of the Australian Business Community Network (ABCN) and, since 2005, over 2,700 Optus staff have successfully mentored over 7,000 students across 13 mentoring programs nationally, contributing over 26,000 volunteer hours in company time.

The current international refugee crisis is expected to increase Australia’s refugee intake and so we...
are working closely with our partner ABCN to see how Australia can most effectively support this integration.

Making the cyber world safer

Optus has continued to build the capacity of our internal operations to protect customer data and privacy. We’ve extended these reviews to our critical suppliers and this year completed an assurance program on the systems, processes and policies of our contact centre partners.

On the community front, we’ve extended our volunteering program overseas and continued to focus our community strategy on the assistance of disadvantaged youth. We’ve invested heavily in our digital citizenship and cyber security programs. Our flagship Digital Thumbprint Program (DTP) continues to grow in strength, educating students on their online and social media behaviour. The program won the Security and Online Safety Award at the 2015 Australian and New Zealand Internet Awards, and also received recognition and provisional accreditation by the Australian Government’s eSafety Commissioner.

It has reached over 88,000 students since its launch in 2013, and the free program has been expanded beyond NSW and Victoria to now include schools in Queensland. Globe Telecom, the Philippines associate of our parent, Singtel, recently adopted and launched Globe Digital Thumbprint.

For our Enterprise customers, we’ve significantly strengthened our portfolio of cyber security solutions through a major USA company acquisition and a leading international partnership. Optus Business now offers a full suite of cyber security solutions. During 2016 we will open a new National Cyber Security Operations Centre at Macquarie Park – this will provide World Class detection, crisis management and rectification capabilities to Australia’s leading organizations.

These are just some of the ways that we’re promoting the importance of being responsible digital citizens and promoting cyber wellness and online safety for our people, customers and the broader community.

Strengthening Equality – Increasing Diversity – Building Our Talent

To be Australia’s leading Challenger Company, we need to have a workplace that attracts and fosters the best of our nation’s talent. At Optus we are committed to a workplace that provides equal opportunity and embraces individuals from all backgrounds. We continue to improve our enviable health, safety and wellbeing program, and are making further investment in the areas of gender and Indigenous equality.

We aim to attract the brightest and best, and give them all the tools they need to succeed. Our graduate scheme is now in its 11th year, and in 2015-16 we doubled our intake to 47 talented young graduates. 45% of this intake is female, up from 26% just three years ago. We also performed a thorough assessment of emerging skills requirements to identify the specialist skills we will need in our future leaders and so future proof the organisation in areas of growth such as cyber security and data analytics.

At Optus, we are excited that our industry and our technology will play an instrumental role in creating positive social, economic and environmental change. In this report, we’re pleased to be able to demonstrate our responses to some of these opportunities. While we’re still at the early stages in our journey, we look forward to working with you and all our stakeholders to continue finding ‘Challenger’ solutions to these issues.

Allen Lew
CEO

Paul O’Sullivan
Chairman
This past year was all about offering more ‘yes’ to our customers and leading the charge on our ambition to become Australia’s most loved, recommended and innovative service brand. As we focus on creating sustainable growth for our business, we have a great opportunity to also lead and shape positive changes for our customers, the communities we operate in, our people and the environment.

Paul O’Sullivan, Chairman Optus

Highlights from 2015 - 2016

- EBITDA margin increased to 30.4%
- Health & wellbeing score improved 8.8%
- Revenue grown by 3.7% to $9.1 billion
- Committed using the International Labour Organisation workplace health & safety statistics
- Nearly at total gender pay parity, improving salary ratio to 1:0.99

Lead and shape positive changes

- People engagement up again to 76%
- Improved NPS score
- Nearly at total gender pay parity, improving salary ratio to 1:0.99

Improved

- Life cycle impact assessment performed over 95% of our group’s total procurement spend assessed against new supplier code of conduct
- 75% of group’s total procurement spend assessed against new supplier code of conduct

- Reduced our carbon emissions intensity by 32%
- Doubled the number of our upgraded superfast 4G 700Mhz sites
- Implemented Sustainable Supply Chain Management strategy

- $8.7 million invested into the community
- Undertook complete cradle-to-grave Life Cycle Assessment of our operations
- +5 Market NPS: Optus remains the leading Tier 1 Telco

- 63 Yes Optus shops transformed to new Generation 6 design
- +29 People NPS: up again to +29
- $1.5M: Retired our community grants program to transition to Future Makers, having awarded more than $1.5 million to over 240 local community charities and organisations since 2007

- 47 talented young graduates joined Optus this year
- +90 base stations upgraded with smart meters
- 95% of students improved their literacy through the mobile student2student program

Highlights from 2015 - 2016

Awards:
- Frontline NPS Incentive program: at the Contact Centre World Awards
- Cisco Australia and New Zealand’s Services Partner of the Year and Community Contribution Award of the Year
- Digital Thumbprint Program: Security and Online Safety Award at the Australian and New Zealand Internet Awards
- ‘Cash by Optus’: Best Mobile Solution at the Communications Alliance and CommsDay Awards
- Kids Helpline @ School: NAPCAN’s National Play Your Part Award for ‘inspiring prevention initiatives’
- ‘Cash by Optus’: Best Mobile Solution at the Communications Alliance and CommsDay Awards
We are Australia’s second-largest telecommunications group with almost 9000 full time equivalent employees and 342 Optus Yes shops.

We serve more than ten million customers each day and are the only carrier in Australia to own and operate three types of network infrastructure—mobile, fixed and satellite.

We help businesses and people communicate anytime and in many ways. We make communications easier, faster, more economical and reliable by breaking the barriers of distance, price, time, technology and the unknown, and by building strong bonds among us, with our shareholders, customers and business partners.

We’ve been a wholly owned subsidiary of Singtel since 2001. We were originally listed on the Australian Stock Exchange on 10 September 2001, and delisted from the ASX on 5 June 2015 given the small base of retail shareholders in Australia. Singtel continues to be listed on the Singapore Exchange Securities Trading Limited (SGX).

The wider Singtel Group serves over 600 million mobile customers in 25 countries around the world, and is a major communications player throughout Asia and Africa.

We provide customers with a range of services including:

- mobile
- fixed and IP telephone
- business network and ICT services
- fixed and wireless broadband
- satellite services
- entertainment and subscription TV

We also deliver wholesale services to third parties for resale under their own brand. Our retail products and services are sold to customers via phone, internet or through our retail outlets.

Our head office is located at 1 Lynepark Rd, Macquarie Park, NSW 2113.

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We want to provide Australia’s most outstanding customer experience, and to become the most loved, recommended and innovative service brand in Australia (G4-5). In striving to achieve this, our five essential values guide everything we do: Customer Focus, Challenger Spirit, Teamwork, Integrity, and Personal Excellence.

We own and operate our network infrastructure which we wholesale to other providers. We also use the services of other providers to connect our customers. We have over 6,200 3G base stations reaching over 98.5% of the Australian population.

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Our sustainability framework (G4-14)

Sustainable business model
Our aim is to deeply embed sustainability in our culture, values, decision-making, operations, products and services to create a sustainable business that is positioned for long-term success. We continue to review and enhance our approach to sustainability to achieve this goal.

Our focus is on the areas we’ve determined to be material to Optus; where we have an opportunity to take a leadership role and where our skills, resources and expertise can make a positive difference on current and future generations.

We identify the areas we believe are important to both us and our key stakeholders through open and consistent communication, and we focus on shaping positive change in these key areas.

These areas of focus form the foundation of our sustainability strategy, which we use to build positive change across our four sustainability pillars: Marketplace & Customers, Community, Our People and the Environment.

Sustainability through innovation
We’re continually working to find new and innovative ways to transform the lives of the people we connect, and make a positive impact on our society. We do this by leveraging the power of communication and information at our disposal. We have the opportunity today to use our skills, resources and expertise to make a positive difference in the future.

Staying on track is critical to achieve our plan and vision so we’ve identified key performance indicators (KPIs) to measure how we’re going.

- EBITDA is our key measure of profitability
- Net Promoter Score (NPS) is our key measure of advocacy
- Your Voice is our key to unleashing the potential of our people
- We’ve identified a number of indicators that help us measure our performance and longer term objectives to bring about positive change for our people, community and the environment as outlined on page 14.

To keep us focused and accountable, each year we set annual goals for the coming 12 months, and report on how we’ve progressed at the end of the reporting period. We are also a member of the United Nations Global Compact (UNGC), with our areas of focus aligned to support the 10 principles of the UNGC and the UN’s 2030 Sustainable Development Goals.

To create sustainability and long-term growth for our business, while leading and shaping positive change for our marketplace & customer, the communities we operate in, our people and the environment.

<table>
<thead>
<tr>
<th>Marketplace and customers</th>
<th>Community</th>
<th>Our people</th>
<th>Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering superior customer experience and transforming the way our customers live and work with our innovative ICT products and services</td>
<td>Driving positive and sustainable changes to disadvantaged communities, especially vulnerable youth</td>
<td>To be an employer our people are proud to work for by providing care and equal opportunities in a workplace and culture that are diverse, inclusive and collaborative</td>
<td>Through understanding our impacts, we’re committed to minimising our environmental footprint across our value chain.</td>
</tr>
<tr>
<td>Adhering to the highest standards of corporate governance</td>
<td>Enabling the inclusion and well-being of young people and the broader community</td>
<td>Challenging and developing our people to reach their fullest potential</td>
<td></td>
</tr>
<tr>
<td>Embracing responsible business practice</td>
<td>Engaging our people to drive positive change, integrating the environment agenda across our value chain.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supporting the community through corporate workplace giving and volunteer programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Talent attraction and retention</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee health and safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Climate change and energy management</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We’re continually working to find new and innovative ways to transform the lives of the people we connect and make a positive impact on our society.

Optus Material Aspects

- Customer Data and Privacy Protection
- Supply Chain Management
- Regulatory compliance
- Customer satisfaction
- Product quality
- Innovation
- Customer health & safety
- Fair marketing communications
- Inclusion of vulnerable groups
- Cyber wellness and online safety
- Talent attraction and retention
- Employee health and safety
- Climate change and energy management

Alignment to UN Sustainable Development Goals

- SDG1 good health and well-being
- SDG9 industry, innovation and infrastructure
- SDG10 reduced inequalities
- SDG11 sustainable cities and communities
- SDG12 responsible consumption and production
- SDG13 climate action
- SDG17 partnerships for the goals
- SDG3 good health and well-being
- SDG4 quality education
- SDG8 decent work and economic growth
- SDG9 industry, innovation and infrastructure
- SDG10 reduced inequalities
- SDG11 sustainable cities and communities
- SDG12 responsible consumption and production
- SDG13 climate action
- SDG17 partnerships for the goals
- SDG5 gender equality
- SDG8 decent work and economic growth
- SDG9 industry, innovation and infrastructure
- SDG10 reduced inequalities
- SDG11 sustainable cities and communities
- SDG12 responsible consumption and production
- SDG13 climate action
- SDG17 partnerships for the goals

- SDG6 clean water and sanitation
- SDG12 responsible consumption and production
- SDG13 climate action
- SDG17 partnerships for the goals

- SDG1 good health and well-being
- SDG2 zero hunger
- SDG3 good health and well-being
- SDG4 quality education
- SDG5 gender equality
- SDG8 decent work and economic growth
- SDG9 industry, innovation and infrastructure
- SDG10 reduced inequalities
- SDG11 sustainable cities and communities
- SDG12 responsible consumption and production
- SDG13 climate action
- SDG17 partnerships for the goals

- SDG1 good health and well-being
- SDG2 zero hunger
- SDG3 good health and well-being
- SDG4 quality education
- SDG5 gender equality
- SDG8 decent work and economic growth
- SDG9 industry, innovation and infrastructure
- SDG10 reduced inequalities
- SDG11 sustainable cities and communities
- SDG12 responsible consumption and production
- SDG13 climate action
- SDG17 partnerships for the goals
Our sustainability scorecard

For the financial year ended 31 March 2016, we delivered another year of strong revenue and EBITDA growth, underpinned by the improved performance of our mobile operations. Operating revenue was up 4% to $912 billion. EBITDA grew 6% to $2.77 billion, while annual net profit grew 7% to $901 million. Underlying net profit grew 7% year-on-year to $931 million. EBITDA margin improved 0.6 points to 30.5%. Free cash flow for the full year declined by 37% to $67 million due to working capital movements.

<table>
<thead>
<tr>
<th>Category</th>
<th>Indicator</th>
<th>2015-16</th>
<th>2014-15</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic performance (GA-EC1)</td>
<td>Economic value generated ($million)</td>
<td>9,115</td>
<td>8,790</td>
<td>8,466</td>
</tr>
<tr>
<td></td>
<td>Economic value distributed ($million)</td>
<td>5,143</td>
<td>5,002</td>
<td>4,851</td>
</tr>
<tr>
<td></td>
<td>Operating costs</td>
<td>1,299</td>
<td>1,246</td>
<td>1,171</td>
</tr>
<tr>
<td></td>
<td>Staff costs</td>
<td>600</td>
<td>560</td>
<td>560</td>
</tr>
<tr>
<td></td>
<td>Dividends to shareholders</td>
<td>379</td>
<td>360</td>
<td>361</td>
</tr>
<tr>
<td></td>
<td>Economic value retained ($million)</td>
<td>1,685</td>
<td>1,613</td>
<td>1,513</td>
</tr>
<tr>
<td>Marketplace &amp; customers</td>
<td>Customer net promoter score (NPS)</td>
<td>+4</td>
<td>+4</td>
<td>+5</td>
</tr>
<tr>
<td></td>
<td>AG population coverage*</td>
<td>94%</td>
<td>88%</td>
<td>55%</td>
</tr>
<tr>
<td></td>
<td>4G base stations*</td>
<td>4,850</td>
<td>3,454</td>
<td>1,824</td>
</tr>
<tr>
<td></td>
<td>TID complaints/10,000 customers</td>
<td>2.5</td>
<td>1.9</td>
<td>1.8</td>
</tr>
<tr>
<td>People</td>
<td>Employee engagement score</td>
<td>76%</td>
<td>75%</td>
<td>73%</td>
</tr>
<tr>
<td></td>
<td>Employee advocacy - people NPS</td>
<td>+29</td>
<td>+28**</td>
<td>+20**</td>
</tr>
<tr>
<td></td>
<td>Voluntary staff turnover</td>
<td>8.2%</td>
<td>10%</td>
<td>8.4%</td>
</tr>
<tr>
<td></td>
<td>Women in executive management ***</td>
<td>20%</td>
<td>23%**</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td>Gender pay ratio</td>
<td>1.99</td>
<td>1.98</td>
<td>1.96</td>
</tr>
<tr>
<td></td>
<td>Accident frequency rate***</td>
<td>n/a</td>
<td>+8.8%</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Health &amp; wellbeing score</td>
<td>n/a</td>
<td>+20.9%</td>
<td>n/a</td>
</tr>
<tr>
<td>Community</td>
<td>Community investment ($million)</td>
<td>8.7</td>
<td>8.7</td>
<td>9.7</td>
</tr>
<tr>
<td></td>
<td>Children reached by cyber safety programs</td>
<td>51,728</td>
<td>44,362</td>
<td>29,866</td>
</tr>
<tr>
<td></td>
<td>Youth literacy rate improvement (%)</td>
<td>95%</td>
<td>94%</td>
<td>93%</td>
</tr>
<tr>
<td></td>
<td>Employee volunteering hours</td>
<td>16,194</td>
<td>11,505</td>
<td>8,724</td>
</tr>
<tr>
<td></td>
<td>Volunteering participation rate</td>
<td>27%</td>
<td>15%</td>
<td>11.5%</td>
</tr>
<tr>
<td>Environment</td>
<td>Energy consumption (gigajoule)</td>
<td>1,657,262</td>
<td>1,449,342</td>
<td>1,363,670</td>
</tr>
<tr>
<td></td>
<td>Direct &amp; indirect greenhouse gas (GHG) emissions (tonnes CO2-e)</td>
<td>396,863</td>
<td>377,519</td>
<td>346,192</td>
</tr>
<tr>
<td></td>
<td>Carbon emissions intensity (tonnes CO2-e/TFB)</td>
<td>0.26</td>
<td>0.39</td>
<td>0.49</td>
</tr>
</tbody>
</table>

*Scorecard as at April 1st of the reporting year, consistent with our annual reporting.
**In September 2014 we adopted the ILO methodology for calculating our safety performance statistics for the first time. In previous years we adopted the Singapore Ministry of Manpower methodology, but are unable to relate comparative data.
***In 2014-15 we changed our calculation methodology to include all executive positions. The 13-14 figure under this method would have been 16.

Sustainability governance (G4-2)

Our corporate governance framework ensures that we react responsibly to the evolving social and environmental landscape, and make the best decisions not just for our business but for our complete value chain.

We’re committed to the highest standards of corporate conduct. We’ve developed a robust set of well-defined corporate governance processes to strengthen our corporate performance and accountability. Our values of customer focus, challenger spirit, teamwork, integrity and personal excellence are embodied in our Code of Conduct.

But we think it’s important to do more than just comply – we want to challenge the status quo, show leadership and continually strive to minimise our negative impact and contribute positively to society.

As well as establishing a robust sustainability governance structure, one of the key ways we achieve this is through participating in a number of external forums and through supporting new industry standards and codes.

A listing of the externally developed economic, environmental and social initiatives we support can be found on page 84-85.

Goverance structure (G4-34)

We take our compliance standards seriously. Every year, our senior leaders and people must complete mandatory compliance modules such as fraud awareness and fraud risk indicators, information security, equal opportunity employment, conflict of interest declaration.

We've developed a robust set of risk indicators, information security, equal opportunity employment, conflict of interest declaration.

A listing of the externally developed economic, environmental and social initiatives we support can be found on page 84-85.

Board of Directors

Management Committee

Group CSR

Singtel

Optus

Associates

Regional Group CSR

Developing and implementing sustainability and programs

Close working relationship
Engaging our stakeholders

Listening to our stakeholders helps us identify the key issues, risks and opportunities which are important to them and also to our long term sustainability.

Our key stakeholder groups include customers, shareholders, employees, charity partners, local communities, Government and regulators, industry associations and suppliers. All of our stakeholder groups are impacted by our operations, products and services, and their actions can affect our ability to successfully implement our strategies and achieve our objectives. As such, we engage with them regularly to understand their interests and concerns so that we can work to meet their expectations, manage any potential risks to our business, continue to make a positive contribution to the community and importantly, identify future industry trends so that we can innovate products and services, stay ahead of our competitors and offer more ‘Yes’ to our customers.

The table on the next page outlines our stakeholder groups, our engagement activities and how we’re responding to stakeholder interests. As well as regular stakeholder engagement, last year we undertook a targeted survey of our stakeholders to hear their views on our sustainability reporting, and used this to guide the way that we structure and deliver our report to them.

We continue to enhance our sustainability reporting to fulfil the changing needs of our stakeholders

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Issues of interest</th>
<th>Engagement mechanism</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>• Easier and simpler products&lt;br&gt;- Better service&lt;br&gt;- Pricing&lt;br&gt;- Better network speeds and coverage where you need it</td>
<td>• Market NPS&lt;br&gt;- Touch point NPS to capture feedback from interactions such as Optus Shops, Care and Digital</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Shareholders 1</td>
<td>• Financial and operational performance&lt;br&gt;- Strategy&lt;br&gt;- Performance of various business units</td>
<td>• One-on-one meetings&lt;br&gt;- Investor conferences and roadshows&lt;br&gt;- Conference calls&lt;br&gt;- Email communications</td>
<td>Quarterly and as required</td>
</tr>
<tr>
<td>Employees</td>
<td>• Rewards and incentives&lt;br&gt;- Customer Service&lt;br&gt;- Culture&lt;br&gt;- Wellbeing&lt;br&gt;- Diversity &amp; Inclusion&lt;br&gt;- Learning &amp; development&lt;br&gt;- Our work with communities</td>
<td>• Employee roadshows&lt;br&gt;- Internal intranet&lt;br&gt;- Staff newsletters&lt;br&gt;- Emails&lt;br&gt;- People NPS Quarterly&lt;br&gt;- Annual Engagement Survey – “Your Voice”</td>
<td>Quarterly, annually and as required</td>
</tr>
<tr>
<td>Local communities</td>
<td>• Visual impacts&lt;br&gt;- Property values&lt;br&gt;- Perceived adverse health and safety impacts of electromagnetic energy (EME)&lt;br&gt;- Network outages&lt;br&gt;- Impact of natural disasters on network services</td>
<td>• Letter box drops&lt;br&gt;- Local newspaper articles&lt;br&gt;- Community consultation sessions or community drop in sessions&lt;br&gt;- Briefing with local councils and councillors&lt;br&gt;- Briefing Members of Parliament&lt;br&gt;- Web based consultation updates</td>
<td>As required</td>
</tr>
<tr>
<td>Charity partners and community organisations</td>
<td>• Safe &amp; secure digital online practices&lt;br&gt;- Community access to services&lt;br&gt;- Reducing environmental impact&lt;br&gt;- Social impact measurement</td>
<td>• Face-to-face meetings&lt;br&gt;- Workshops&lt;br&gt;- Online surveys</td>
<td>Depending on partner – from weekly to monthly</td>
</tr>
<tr>
<td>Industry associations</td>
<td>• Varies depending on industry topic and focus of information&lt;br&gt;- See section at back of report for a list of Optus' industry association memberships and other initiatives we support</td>
<td>• We are a member of a number of industry associations and engage in the development of self-regulatory codes and policy positions on a range of topics related to our industry (e.g. NBN, spectrum, copyright, marketing, privacy, environment, health and safety, packaging and reporting frameworks)</td>
<td>As required</td>
</tr>
<tr>
<td>Government on regulators</td>
<td>• We engage with all levels of government across Australia</td>
<td>• Participation in consultation papers</td>
<td>As required</td>
</tr>
<tr>
<td>Suppliers</td>
<td>• Corporate governance&lt;br&gt;- Occupational health and safety&lt;br&gt;- Environmental management&lt;br&gt;- Product stewardship&lt;br&gt;- Supplier management</td>
<td>• We have a supplier assessment that outlines governance and environmental issues&lt;br&gt;- Audits of suppliers as required in areas of Optus sustainability material issues</td>
<td>As required</td>
</tr>
</tbody>
</table>

1 Optus is a wholly-owned subsidiary of Singtel. “Shareholders” here refers to the shareholders of the broader Singtel Group, which is listed in the SGX.
Materiality assessment process

We consider external stakeholder perspectives and internal business perspectives to develop a long list of relevant topics, establish and apply rating criteria to determine the top 25 issues most important to both viewpoints, and then conduct a workshop to shortlist the issues considered to be most significant to us and our stakeholders.

The issues selected provide the starting point for informing the content of our sustainability reporting. We’ve validated these areas by cross checking them with the significant issues that arose across the business and in the media during the reporting period.

This helps make sure our report provides a balanced representation of our sustainability performance.

Our final set of material issues, referred to as ‘Aspects’ as defined by the GRI, have been aligned with our sustainability strategy pillars, and translated into the relevant G4 Standard Disclosures to guide our reporting of information and data this year.

Focusing on what matters most (G4-2)

Our business model and strategy focuses on the areas that present opportunities for us to create innovative and sustainable long term success for our business.

Underpinning this however, is the need to manage and mitigate risks to the business.

The identification and management of risks is key to reducing uncertainty over the execution of our business strategies. Risks take on many forms and have the potential to materially impact our reputation, operations, human resources and financial performance.

We’re committed to delivering value to our shareholders through sustained profitable growth, but we won’t compromise our integrity, values and reputation by risking brand damage, service delivery standards, severe network disruption or regulatory non-compliance to achieve this.

As a signatory of the United Nations Global Compact, we’ll also uphold the ten principles covering human rights, labour practices, environment and anti-corruption.

We undertake a continuous process of risk identification, monitoring, management and reporting of risks throughout the organisation to provide assurance to the Singtel Board and our relevant stakeholders.

Last year we also undertook a comprehensive materiality assessment to identify issues and other relevant topics considered important for reflecting our economic, environmental and social impacts and/or influencing the views of our key stakeholders. We will re-assess our material issues again this year to ensure that we’re constantly on top of the areas of most importance to our business and our stakeholders. (G4-DMA, G4-18)

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Our material issues and aspects

<table>
<thead>
<tr>
<th>Optus material issue</th>
<th>GRI G4 material aspects &amp; boundary</th>
<th>Boundary</th>
<th>Report chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction</td>
<td>Product &amp; service labelling – PR5</td>
<td>External (customers)</td>
<td>Marketplace &amp; Customer</td>
</tr>
<tr>
<td>Product quality / Regulatory compliance</td>
<td>Compliance – PR9</td>
<td>Internal &amp; external (customers, government and regulators)</td>
<td>Marketplace &amp; Customer</td>
</tr>
<tr>
<td>Innovation</td>
<td>Indirect economic impacts – EC7</td>
<td>External (customers, local communities)</td>
<td>Marketplace &amp; Customer</td>
</tr>
<tr>
<td>Consumer data and privacy</td>
<td>Customer privacy – PR8</td>
<td>Internal &amp; external (customers, regulators)</td>
<td>Marketplace &amp; Customer</td>
</tr>
<tr>
<td>Customer health &amp; safety</td>
<td>Customer health and safety – PR2</td>
<td>External (customers, local communities, regulators)</td>
<td>Marketplace &amp; Customer</td>
</tr>
<tr>
<td>Fair marketing communications</td>
<td>Marketing communications – PR7</td>
<td>External (customer, regulators)</td>
<td>Marketplace &amp; Customer</td>
</tr>
<tr>
<td>Cyber wellness and online safety</td>
<td>Local communities– SQ2</td>
<td>External (local communities, charity partners)</td>
<td>Community</td>
</tr>
<tr>
<td>Inclusion of vulnerable groups</td>
<td>Economic performance– EC1, Indirect economic impacts – EC8</td>
<td>Internal &amp; external (local communities, charity partners)</td>
<td>Community</td>
</tr>
<tr>
<td>Talent attraction and retention</td>
<td>Employment – LA1, Training &amp; education – LA9 &amp; LA11</td>
<td>Internal</td>
<td>Our people</td>
</tr>
<tr>
<td>Employee health &amp; safety</td>
<td>Occupational health &amp; safety – LA6</td>
<td>Internal</td>
<td>Our people</td>
</tr>
<tr>
<td>Climate change and energy management</td>
<td>Energy– EN3, Emissions – EN15, 16, 17 &amp; 18</td>
<td>Internal &amp; external (local communities, charity partners)</td>
<td>Environment</td>
</tr>
</tbody>
</table>

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*All the external impacts are deemed to be within Australia except for supply chain and the environment, where the impacts are global.*
Our customers are at the heart of everything we do. Our ambition is to be Australia’s most loved, recommended and innovative service brand. To achieve this, we’re making sure that we deliver the most innovative, high quality and secure customer experience.
**Progress against 2015-16 goals**

<table>
<thead>
<tr>
<th>Goal</th>
<th>Result</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue to drive the action we need to take to lift Market NPS and increase our lead on our major competitors</td>
<td>Completed</td>
<td>Our NPS score of +5 is an increase on last year, showing continued improvement in our customer advocacy. We remain the leading tier 1 Telco.</td>
</tr>
<tr>
<td>Continuously look for and understand our customer pain points so we can address them and create tangible reasons for them to be our advocates</td>
<td>Completed</td>
<td>Our dedicated Customer Experience team worked on a number of projects this year, targeted at known customer pain points</td>
</tr>
<tr>
<td>Continue to focus on supporting our frontline people and our people in the call centre</td>
<td>Completed</td>
<td>This year the My Life Hub, Psychological Risk Capability Workshops, and Healthy Body at Work program have all provided extra support to our frontline people</td>
</tr>
<tr>
<td>Developing larger flagship YES Optus shops which allow customers to touch and play with our products</td>
<td>Completed</td>
<td>This year we transformed 63 Yes Optus shops into new Generation 6 design</td>
</tr>
<tr>
<td>Appoint a dedicated privacy executive to oversee the strategy, policy and compliance relating to customer data privacy and protection in our operations and supply chain</td>
<td>Completed</td>
<td>Appointed in 2016</td>
</tr>
<tr>
<td>Reinforce the importance of information security and privacy at all levels in the organization and company retailers</td>
<td>Completed</td>
<td>This has been reinforced by initiatives put in place by our newly appointed privacy executive</td>
</tr>
<tr>
<td>Update the company data privacy framework to meet evolving legislative and customer expectations, and ensure information security and privacy compliance in relevant areas of our supply chain</td>
<td>Completed</td>
<td>As part of the Enforceable Undertaking we’re improving our privacy framework, with the introduction of a new privacy governance structure with a new Privacy Team at the hub, and Privacy Champions within the Business Units</td>
</tr>
<tr>
<td>Implement the new Sustainable Supply Chain Framework, which includes</td>
<td>Completed</td>
<td>Over 75% of our group procurement spend has been assessed against key material issues. All significant new contracts must adhere to our supplier code of conduct, and we undertook data privacy and cyber security audits on a number of key companies we work with</td>
</tr>
<tr>
<td>- 75% spend of suppliers will be assessed against key material issues</td>
<td></td>
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<tr>
<td>- 100% of new contracts will have the Supplier Code of Conduct applied</td>
<td></td>
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<tr>
<td>- Assurance review of relevant offshore/outsourced suppliers</td>
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</tbody>
</table>

**Our performance**

- **A$1.6 billion** invested in capital expenditure and network improvements
- **Top 50 suppliers** had risk assessments performed this year
- **33%** increase in number of 4G mobile subscribers
- **We’ve been launching satellites to connect Australia for 30 years**
- **Over 260 new mobile sites delivered into the network**
- **#1 on the Netflix ISP Speed Index for eight months running**
- **Australian population covered by 4G = 94%**

**Our approach**

We’re committed to constantly improving and preparing our network for the future.

That’s why this year we made the investment to acquire a number of new regional licences in the 1800 MHz spectrum band, the most popular spectrum globally for 4G Long Term Evolution (LTE) deployments.

“When combined with our existing assets, this additional spectrum allows Optus to support Australia’s growing demand for data services in regional Australia. Optus now has an expanded mix of spectrum to deliver extensive coverage and superfast speeds for more Australians.”

Allen Lew, Chief Executive Officer

We added over 260 new mobile sites into the network this year, enhancing the depth of coverage and capacity of our 3G and 4G Plus networks. We also continued with our 1000 national upgrade program, lighting up the Perth to Cairns network circuit with a 100 gigabit per second upgrade. This represents a ten-fold increase in the capacity of the link to meet increasing demand for high-speed connectivity.

We believe that this advancement in telecoms technology will be crucial in achieving a number of the UN’s 2030 Sustainable Development Goals, such as the development of Sustainable Cities and Communities, Innovation and Infrastructure, and No Hunger. (SDG11, SDG9)

Our 4G Plus subscribers increased by 33% to 4.68 million this year, and our market share of post-paid mobile subscribers increased by 2% – this is more than any other Telco.

Innovation underpins everything that we do, and all of our customer offerings. We’re striving to be at the cutting edge of our industry’s technological advancement. This year we helped to launch NBN’s first satellite, Sky Muster™, which will provide broadband services across rural Australian homes and businesses. We’re responsible for tracking and flying the satellite, and are proud to be able to partner NBN and of the global recognition of us as a respected satellite specialist. (SDG9, SDG17)

As well as investing in upgrading our technology, we’re also making good on our promise to become a major player in sports broadcasting. We secured the exclusive rights to the English Premier League for the next three years, as well as digital rights for the Australian cricket team and sponsorship of the Australian Olympic and Paralympic teams.

Our network is advanced, but also safe and reliable. This is one of the reasons our customers continue to give us the highest NPS of any tier 1 Telco.

We’re committed to protecting the privacy and data of our customers, and of staying on the front foot in the fight against cyber security threats. This year Singtel acquired Trustwave for $1 billion, the largest independent US based managed security services provider, to broaden our security portfolio and address the fast growing market need.

Trustwave has a mature, end to end product portfolio, incorporating their own intellectual property and home grown technologies with alliances with many of the industry’s leading Security technology companies. This Enterprise product will mean our customers have an unparalleled choice of services to build an intelligent and layered defence against today’s known and tomorrow’s unknown security threats.

“Optus is a huge investor in Australia’s mobile and fixed internet networks: $16 billion since 2001 and we’ve guided the market that we will spend $1.8 billion this financial year alone”

(G4-EC7)

Paul O’Sullivan, Singtel Optus Chairman
Putting customer experience first

We’re committed to constantly improving and preparing our network for the future.

We worked tirelessly this year to deliver a bigger, better customer experience. From faster speeds to improvements in call quality and the addition of exclusive content, we continued to invest in our network to bring our customers the very best out of their data.

4G in more places:
Using top notch 4G 700 MHz spectrum, we expanded our superb 4G Plus network to more places, especially in regional towns and highways, at the same time boasting our indoor coverage in the big cities. Our 4G Plus network is now available in all capital cities and over 700 regional cities, towns and holiday locations around Australia.

As well as expanding our 4G Plus coverage, we also upgraded our network speeds using the latest LTE Advanced technologies in selected metro and regional areas, providing those data hungry customers with the speed for even faster downloads. To get our network ready for the future, together with Huawei we’ve trialled 4.5G technology, achieving download speeds of 1.23 Gbps.

Introducing 3G HD Voice and Wi-Fi calling:
This year we became the first Australian Telco to introduce Wi-Fi calling with the launch of our Wi-Fi Talk app. This allows Optus users to make or receive calls and send and receive SMS on their smartphone via a Wi-Fi connection, meaning our customers can stay connected even when they’re in an area with limited mobile coverage. Our mobile voice call quality has also improved with the introduction of 3G High Definition (HD) voice technology across our network. This delivers sharper and clearer audio for Optus-to-Optus mobile calls when using HD Voice compatible devices.

Investing in winning content and partnerships:
• Olympics: 10 year agreement to become official telecoms partner of Australian Olympic and Paralympic teams.
• Usain Bolt: brought on as an ambassador for the Optus network, with a shared focus on relentless improvement.
• EPL: Optus has won broadcast and digital rights to all 380 premier league matches every season from August 2016 – another significant step to becoming a mobile-led multimedia company.
• Cricket Australia: Three year partnership announced with Cricket Australia to secure the digital rights.

Technology Deployment:
IVR to Chat and Visual IVR were introduced this year, which give customers the option of continuing their interaction with an agent using live chat when they call us. As well as allowing customers to interact in a more discrete way than voice calling, it also allows us to convey information visually, simplifying and maximising the information that can be conveyed. These technologies are being delivered to around 60,000 customers a month, providing them with flexibility and choice in how they interact with Optus.

Optus was also the first Australian Telco to launch a mobile contactless payment service, the award winning ‘Cash by Optus’. This allows our customers to use their smartphone to pay for goods and services instead of using cash or plastic debit and credit cards.

Major stadiums getting more Yes: With our focus on sports content and entertainment, we’re committed to improving our customers’ experience, at home or on the go. This includes keeping them connected when they’re watching live events so they can access and share digital content, faster.

Together with Nokia, we’re working on an innovative solution to improve our 4G Plus network in major stadiums. Beginning with Sydney’s ANZ Stadium, we’re running a trial that will significantly increase capacity of Optus’ 4G Plus network in and around the Stadium, boost upload and download speeds and reduce battery drain.

Enhanced coverage: We added hundreds of new mobile sites to our network, boosting coverage in big cities like Canberra and Wollongong. This investment hasn’t gone unnoticed. We’ve also been recognised for our network reliability by the leading independent network benchmark – 2015 P3 CommsDay Mobile Benchmark. In fact, we were ranked number one for data performance on highways.

“Optus improved substantially on its already solid performance last year, narrowing the gap between itself and Telstra, and in particular opened up the throttle on data speeds.”

“Optus scored an especially notable boost in performance in the more regional areas, on connecting roads and highways, to edge into the lead overall.”
Source: 2015 P3 CommsDay Mobile Benchmark

“4.5G and related technologies are the future of our increasingly digitalized world. Huawei together with Optus will strive to foster an open and a better connected Australia.”

David Wang, President Huawei Wireless Networks

Invested in winning partnerships
Olympics, Usain Bolt, EPL, Cricket Australia
Innovative solutions for business

We’re rolling out innovative product and solutions for our market across all arms of the Optus business.

We’ve helped large Australian companies to ditch their handsets for softphones, combine and integrate existing ICT services, and roll out national video calling capabilities.

Optus was named Cisco’s Top Australian partner at the Cisco partner summit 2015 as well as ‘Asia-Pacific & Japan Regional, and Global, Award for Architectural Excellence in Collaboration’ and ‘Revenue Marketer of the Year’. This is recognition of our position as a leader in ICT, and our credentials in delivering best of breed solutions to our customers.

We’re also looking for ways to collaborate with innovative partners to provide the best products and solutions to our customers. This year we announced a partnership with Cisco to accelerate the development of new technological capabilities to support Australian business and government to become more agile in the innovation economy. Over three years the partnership will invest $12 million in the local development of capabilities focused on cyber security, cloud, the Internet of Things (IoT) and the network of the future.

We’ve also struck a partnership with the innovative car riding service Uber, to run an in-car Wi-Fi trial across Sydney and Melbourne. We’ve set up prepaid Wi-Fi in 100 vehicles across their fleet, allowing up to 10 devices to be connected at the same time.

It’s not all about providing services to Australia’s big business either. One of our focus areas for this year has been to listen to the needs of the nearly 2 million small to medium businesses (SMBs) operating in Australia. We’ve tailored a range of flexible products and bundles for SMBs, discounts and dedicated customer service teams to assure them that we’ve got their back, and that they can focus on running their businesses.

For the second year running we were awarded the Canstar Blue award for ‘Most satisfied customers rating for Small Business mobile phone service providers’, a fantastic award recognised by Australian small businesses.

Case Study: Vision 2015

In its fifth year, Optus Business’ Vision event has become one of Australia’s top technology and thought-leadership gatherings, attracting influential speakers and esteemed leaders from government and industry. ‘Road to Growth’ was the theme for Vision 2015, focusing on how organisations can best prepare for, and facilitate change, while continuing to drive growth.

More than 1,200 people attended the event at the Sydney Town Hall with a further 462 virtual delegates participating online.

Vision supports Optus’ strategic goal of lifting our profile as a leading ICT organisation. ‘It’s an opportunity for us to thank customers and demonstrate to industry the value we deliver. Vision is also the platform for attracting influential speakers and esteemed leaders from government and industry and sets out Optus’ business agenda for the next 12 months.’

David Rowan Editor-in-Chief of WIRED Magazine UK, and Tan Le Founder and CEO of EMOTIV.

They talked about the rapid rate and power of change and the need for companies to be flexible and responsive to survive. Tan Le even spoke about “the power to redesign our own brains.”

“Companies with a high degree of change readiness are twice as likely to achieve their growth targets. So, the purpose of Vision 2015 is to learn more about what it takes to become highly change ready. We’re here to provide valuable insights, tools, advice and networking opportunities.”

David Rowan Editor-in-Chief of WIRED Magazine UK, and Tan Le Founder and CEO of EMOTIV.
Sustainable supply chain management

This year we started our journey of becoming an industry leader in sustainable supply chain management (SSCM) by 2020. We’ve set out our strategy and roadmap to achieve this vision, and have already taken significant steps in the right direction.

As well as having significant impacts to our business and partners, effective management of our supply chain plays a key role in a number of the UN’s 2030 Sustainable Development Goals, such as Responsible Consumption & Production, and Reduced Inequalities. (SDG12 & SDG10)

We want to partner with suppliers who share our values of transparency and social, and environmental responsibility. Our supply chain is complex and far reaching as it must be to service the needs of our network – this year as a group we contracted around 6,000 suppliers. Using life-cycle analysis (LCA) to inform us of our real impacts, the LCA demonstrated that carbon and climate change were the material issues requiring the most attention across the Optus business, as well as how we manage our equipment at the end of its useful life. Our strategy on climate change and waste management are discussed in more detail in the Environment section.

The initial focus of our supply chain reviews has been on our offshore outsourced centres, looking at the material areas of customer privacy, data protection and workplace health & safety. By focusing our attention on local partners where we have operations, we’re able to conduct structured and rigorous reviews of the operations as well as get more influence on their supply chain processes than for example a global equipment vendor.

The report found that around two thirds of the identified environmental and social impacts were outside our direct control. We’re implementing these findings methodically, and have already used the LCA to guide the transformation of our SSCM strategy.

The knowledge we’ve gained from this LCA will be used to feed back into our ongoing materiality assessments and will allow us to sharpen our focus on the activities that are most relevant to our business and our supply chain.

Our goal is to embed sustainability as part of our Supplier Performance assessment. We’ve worked with our parent company Singtel to align our supplier codes of conduct (SSC) into a single group code. The group SSC has been aligned with the UN Global Compact, and has allowed for more streamlined procurement across the group. The SSC has already been written into all new contracts over $5,000, where the supplier must agree to adhere to our code of conduct.

We’ve started scanning all of our new suppliers across a range of key areas including human rights, WH&S, and environmental management (G4-HR10, G4-EN32). This has been applied to all tenders above $200,000 since December in Singapore and February in Australia.

We’re working hard to share the lessons and examples of best practice supplier management across our value chain and our industry. This year we hosted a supply chain workshop in collaboration with CSR Asia, for businesses, NGOs and academics to discuss and work through some of the universal supply chain challenges facing Australian companies, both here and overseas.

Kaustubh Wadekar, Group Chief Procurement Officer

Crude To Grave

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Direct impacts</th>
<th>Indirect impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Phone</td>
<td>Manufacturing</td>
<td>Delivery, Sale, Use/Maintenance/Repair, Deconstruction, Waste/Repressuring</td>
</tr>
<tr>
<td>Product A</td>
<td>Raw Materials</td>
<td>Manufacturing, Distribution, Installation, Use/Maintenance/Repair, Deconstruction, Waste/Repressuring</td>
</tr>
<tr>
<td>Business Unit B</td>
<td>Raw Materials</td>
<td>Manufacturing, Distribution, Installation, Use/Maintenance/Repair, Deconstruction, Waste/Repressuring</td>
</tr>
<tr>
<td>Network equipment</td>
<td>Raw Materials</td>
<td>Manufacturing, Distribution, Installation, Use/Maintenance/Repair, Deconstruction, Waste/Repressuring</td>
</tr>
</tbody>
</table>

Transforming our supplier strategy

"Our 2020 vision is to become an industry leader in SSCM, working with our supply chain to protect the interest of the company, people and the environment while creating value for our business, suppliers and communities we work in.”

Kaustubh Wadekar, Group Chief Procurement Officer

"We have chosen to focus our initial supply chain reviews in our offshore outsourced centres as these are a form of extension of our labour force, and are also a major part of our vendor spend and business dependency.”

Andrew Bury VP Group CSR

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Andrew Bury VP Group CSR
We strive to conduct our business in full compliance with local laws and regulations, and hence implemented additional measures to protect our customers’ personal information. These include:

- Safeguards to prevent security breaches in our networks and database systems
- Limits on access to information in our systems and the systems of our business partners and vendors
- Verification processes to guard against unauthorised access to information

In 2014 we reported 3 data privacy incidents to the Office of the Australian Information Commissioner (OAIC), and in 2015 we entered into an enforceable undertaking to the OAIC.

In December 2015 we reported a privacy breach to the OAIC caused by one of our mercantile agents. The OAIC recognised Optus for independently notifying the affected individuals, an important mitigation strategy in data breach incidents. (G4-PR8)

Since the 2014 incidents we’ve implemented a number of additional measures to improve our data security. As part of the enforceable undertaking Optus has engaged PwC to conduct an independent review and certification of our privacy practices. We are implementing a number of significant changes including the establishment of a central Privacy Team and a network of Privacy Champions across the business.

We aspire to achieve a ‘privacy by design’ model to help ensure that privacy is front of mind when designing systems and business processes. We’re doing this through a robust privacy impact assessment process and enhanced privacy governance. We know that privacy is important to our customers and we strive to be open and transparent in how we serve them.

We have security mechanisms in place such as firewalls and encryption algorithms designed to minimise the risk of privacy breaches. We also implement and test antivirus or intrusion prevention systems, based on established security standards.

“Customer trust is a key aspect of what our brand stands for, and as such customer privacy and data protection is a big focus across our operations and our supply chain. This goes beyond just meeting regulatory and compliance issues, but embedding clear policies, systems, processes, and checks across our operations and in the supply chain.”

Andrew Buay
VP Group CSR

Customer and data privacy

MARKETPLACE & CUSTOMERS

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MARKETPLACE & CUSTOMERS
**Closing the cyber security gap**

Today’s increasingly digital world creates a level of risk to organisations that many are not prepared for.

Cybercrime continues to get more sophisticated, representing a challenge to Australian companies who lack the expertise, budget and time to effectively deal with these evolving threats.

Optus is establishing an Advanced Security Operations Centre (ASOC), and a number of new Managed Security Services offerings which will be delivered through the ASOC. These offerings will be powered by Trustwave, and will help Australian businesses mitigate that risk and maintain trust with their own customers. Ultimately this will free them up to safely embrace innovation in their operations, and maximise the advantages of doing business in the digital world.

The ASOC will provide 24x7 real time monitoring, alerting and incident response capability, giving us the ability to not only detect and alert our customers of the latest security threats, but to respond immediately to those threats. This will minimise the time a threat is loose in a customer’s network and the risk of data and IP exfiltration.

Optus is committed to supporting the Government’s National Innovation & Science Agenda by providing end-to-end managed security services capability for Australian customers. The Sydney based cyber security hub is aligned to the Government’s new cyber security strategy, delivering a centre of knowledge and collaboration across private and public sectors to strengthen their cyber defences.

For over 20 years Optus has said ‘Yes’ to new and innovative ideas, which can be seen in programs such as Optus-Innov8 and support of initiatives like Innovation Nation.

The ASOC is our latest commitment to fostering innovation, having recently made a multi-million dollar co-investment with Cisco to accelerate capabilities such as cybersecurity. It signals the beginning of a substantial investment in Australian Cyber Security, and effectively secures the foundational layer of an emerging Digital Economy – the Australian midmarket, while also bolstering the security capability of large enterprise and government.

**Data hungry habits**

As data usage goes up, so does the exposure to unexpectedly high bills or ‘bill shock’. This can lead to negative experiences and financial hardship for our customers. We’ve done a lot of work to help prevent bill shock – hardship services, customers alerts, roaming packs – which have significantly reduced the number of customers experiencing an unusually high spend.

Our Big Data initiative continued this year in response to research into what our customers wanted to see in their My Optus App. The outcome is an innovative data insights function within the app, which breaks down and classifies customer usage across apps and periods. This is another Australian first for Optus.

Providing this level of insight into their usage empowers customers to understand where their data is being used, and to manage their own data consumption.

Because demand for data continues to grow at such a rapid pace, we want to make sure that our customers are able to make the most of theirs. This year we launched data rollover for our prepaid mobile customers, allowing them to save up to 10GB of data from expiry each month. We also unveiled a new range of unlimited home broadband plans, and for the first time, the ability for families on post-paid mobile plans to pool and share their data allowances.

Today’s increasingly digital world creates a level of risk to organisations that many are not prepared for.

Cybercrime continues to get more sophisticated, representing a challenge to Australian companies who lack the expertise, budget and time to effectively deal with these evolving threats.

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We advertise and market our products and services widely across Australia so it’s important that the information represented is accurately stated otherwise it risks misleading customers and breaching fair marketing legislation.

We make every reasonable endeavour to ensure that our advertising and promotional materials comply with Australian legislation. Our employees undertake online compliance training annually. Employees that deal directly with our competitors have additional training on anti-competitive conduct. (G4-DMa)

There were no cases of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, or sponsorship this year. (G4-PR7)

Electromagnetic energy (EME)

We continue to monitor the potential health concerns of exposure to electromagnetic energy (EME) emissions through the use of mobiles or proximity to base stations. (SDG3)

While there is no substantiated evidence of public health risks from exposure to the levels of EME typically emitted from mobile phones, perceived health risks can be a concern for our customers, the community and regulators.

We regularly assess the health and safety impacts of our products and services, and we design and deploy our network to comply with the relevant Federal Government mandated Standards for exposure to EME. (G4-DMa). These Standards are formulated and regularly reviewed by the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA). ARPANSA is part of the Commonwealth Department of Health. ARPANSA’s Standards are based upon those recommended by the International Commission on Non-Ionizing Radiation Protection (ICNRP), which is a related agency of the World Health Organisation (WHO).

The ICNRP Standards are adopted by many countries around the world and are considered best practice. We conduct audits of base stations and undertake predictive EME modeling and testing to ensure compliance at our sites with Australian Standards. All of our sites have EME reports available to the public at www.rfnsa.com.au

Looking forward to 2016-17:

- Implement the recommendations arising from the independent review of our data privacy, to help us achieve a preventative, proactive privacy approach.
- Achieve a double digit customer NPS by the end of 2017
- Increase issue resolution rate from 65% to 80%
- First time right – focus on first call resolution of customer complaints
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Progress against 2015-16 goals

<table>
<thead>
<tr>
<th>Goal</th>
<th>Results</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing the number of reader and buddy pairs from 500 to 700 in the mobile student2student program</td>
<td>Partial</td>
<td>Optus supplied 700 pairs of mobile phones to the Smith Family for the activation of this program. 628 pairs completed the program.</td>
</tr>
<tr>
<td>Increase regional collaboration for Digital citizenship initiatives</td>
<td>Completed</td>
<td>We’re continuing to explore the feasibility of regional collaboration with various parties, with the objective of growing the reach and scale of our digital citizenship initiatives. The program was adopted this year by our regional associate, Globe Telecom, in the Philippines.</td>
</tr>
<tr>
<td>Build on existing overseas volunteering program by extending it to engage our Call Centre partners overseas</td>
<td>Completed</td>
<td>We engaged our call centre partner Convergys to rebuild a playground in an urban poverty area in Manila, Philippines.</td>
</tr>
<tr>
<td>Refresh the community grants program – fewer grants but with greater impact</td>
<td>Completed</td>
<td>Launched the Future Makers grants program, designed to leverage technology to address the big social issues affecting vulnerable Australian youth.</td>
</tr>
<tr>
<td>Expand our flagship digital Thumbprint school program in Queensland and include a student ambassador program in Victoria and New South Wales</td>
<td>Completed</td>
<td>Digital Thumbprint was expanded to Queensland in 2015, and the program continues to be successful. The student ambassador program was also launched in 2015 as the ‘Champions Program’, and will continue to be refined in 2016-17.</td>
</tr>
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</table>

Our approach

We believe in leveraging the reach and technology behind our network to connect and support our communities, and have been working towards this goal for a number of years. Our community mission is to connect vulnerable young people to their potential through our digital technologies and innovative programs.

Young people can be vulnerable for a number of reasons, such as family disconnection, educational disadvantage, poverty or mental health issues. As one of Australia’s largest Telcos we’re uniquely positioned to be able to reach Australia’s young individuals. We want to make the most of this position to drive positive change in the lives of our young digital citizens.

Optus supports vulnerable youth from primary school to tertiary studies, through work experience, mentoring and interview skills workshops which assist them in applying for their first jobs. We provide funding, education, skilled volunteering, scholarships and work experiences to help children and youths look forward to a brighter future. By enhancing their career prospects this way, we hope to empower young people with the tools to engage with the workforce and explore the career options open to them.

We continue to evolve our community initiatives and programs, with a heightened focus on the positive impact and outcomes for the community, rather than just how much money we contribute. We continue to integrate our community framework across the business, with decisions increasingly being made through a sustainability lens, and leveraging the resources of our partners to be active across our value chain.
Optus Community Framework

Our Community Framework has been designed to address the material risks identified by our stakeholders, and to identify the areas where we believe we can make the biggest difference. Our focus is across four key themes, with a particular emphasis on helping vulnerable youth to achieve, thrive and belong.

These themes are aligned to our core strategy and not only help to achieve our business objectives today, but importantly, will help us build trust with our customers, people and communities into the future.

Key CSR focus: Vulnerable youth - 4 key themes

Education and Employment

- Mobile student2student
- Community Grants
- ABCN scholarship

Digital citizenship

- Digital Thumbprint
- Kids Helpline @ school

Inclusion and wellbeing

- Future Makers
- Work experience
- Tour de Cure
- Indigenous Action Plan

Engaging our people

- yes4Good
- ABCN mentoring
- Skilled volunteering
- Disaster response

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The Optus Community Network

Optus staff build bikes for The Smith Family to distribute to children

Optus staff volunteer for tree planting day
Digital Citizenship

With the reach of the modern smartphone and with it the internet, we’re now connected in more ways and to more people than ever before. While this has brought immeasurable value to society as a whole, it also comes with risks and a growing social concern.

Today’s Generation Z (aged 7-21) is the first generation to have never known the world without the internet. The transition from Primary to Secondary school goes hand-in-hand with a significant increase in internet use, mobile phone access and social media uptake. As students continue to extend their personal, academic and professional presence within a rapidly changing online space, it leaves them facing unique challenges.

This generation increasingly have to learn how to cope with the risks of cyber bullying, phone addiction, loss of privacy and access to inappropriate content. Providing young people with the tools to deal with these risks and thrive will play a big part in achieving the UN’s 2030 Sustainable Development Goal of Good Health and Well-being (SDG3).

Guiding the digital citizens of tomorrow

We developed the Digital Thumbprint Program (DTP) as a free and innovative way to educate and support young people to be safe and savvy online. It was created in partnership with leading education experts as well as specialists in technology, internet security, data privacy and youth mental health.

The program is delivered free to secondary school students and consists of three fun, interactive, curriculum-aligned workshops, designed to match the online behaviours of different age groups. Since we commenced DTP in July 2013, we’ve held 3,000 face-to-face sessions, and reached over 88,000 students in 186 schools across New South Wales, Victoria and Queensland.

The quality and impact of the DTP is receiving industry and Government recognition, with the program winning the Security and Online Safety Award at the 2015 Australian and New Zealand Internet Awards, as well as receiving accreditation by the Australian Government’s eSafety Commissioner.

Wherever possible, we cross collaborate and share knowledge across our partners.

This year the DTP program has been replicated by our regional associate Globe Telecom in the Philippines, extending our promotion of digital citizenship across our group.

Feedback from teachers at the participating schools has shown that the course is having a positive impact on the students’ online behaviour. Over 96% of teachers said their students had learned important lessons during the session, and that it had helped them secure their data better and improve their online impact. The average advocacy score of all teachers was 8.6 out of 10.

Next year we aim to extend the program across even more states and regional Australia, and to reach a further 37,000 students.

Digital Thumbprint program to ensure that the lessons learned by children are taken back and applied within their families, so that parents are setting the right example at home. We’re also working to provide cyber security tools to parents and carers through in-store tips, tools and products, to ensure that our customers and communities are well educated and protected digital citizens, across all generations.

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1 in 10 (40%) of parents say that young people are not adequately informed about social media etiquette and the potential consequences of online safety

Concerns by parents about their child’s social media usage

- Viewing unsuitable material 57%
- Experience FOMO (fear of missing out) and feel the need to always be on 24%
- Have found it difficult to get over a past relationship 21%
- Risk of identity theft 15%
- Have lost friends 13%
- Have lost employment opportunities 2%
- Future opportunities affected by the content on their profile 19%
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Social media consequences and concerns

Young adults

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<th>Social media consequences and concerns</th>
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Young adults VS Parent

The presenter was great and knew how to relate to young people. Students were involved and I believe they all will look at social media differently and with more care.”

Teacher, Springfield Central State High School
“I’ve reduced my dependence on things like Facebook and texting and video calls. I’m actually seeing people face-to-face more and just hanging out with my friends.”

2015 Optus graduate

Case Study:
Digital Thumbprint Program

Students at Woolooware High School, south of Sydney, participated in Optus’ Digital Thumbprint workshops. We revisited the school in December 2015 to find out what the students had learned and more importantly, whether they had changed any of their online behaviours after being part of DTP.

Passwords:
We teach students how to be more aware of the impact of social media posts and security, including the unintended consequences that online messages can have.

“I am now much more mindful of what I post and who can see it,” one student said. “And I definitely changed my password!” - DTP student

Staying Safe Online: One of the most important parts of the program is flowing what to do if things go wrong, for example if your personal accounts are hacked, and the steps that can be taken to prevent it happening.

“Someone wrote all these things that I had supposedly done and wrote inappropriate things about other people. It was one of those shocking moments.” - DTP student

Real v Digital Life: Stressing to students the importance of being mindful of the difference between real world and interactions and existing in an online world.

“1 have family overseas and I really wanted to talk to them but I was concerned about social media security. Now I only add real friends, not just ‘randoms’ and I changed my password to be more secure. I can talk to my family online more.” - DTP student

Innovative early intervention
Our Kids Helpline @ School program is focused on primary school students, using technology to bring a virtual counsellor into the classroom to discuss a range of topics over video link. The program is intended to serve as an early intervention, to help children develop the skills to make the best decisions at an early age.

The innovative application of technology in this program means that it’s low cost and easy to deliver. This means that it has a much wider reach than traditional classroom based programs. This year we were able to deliver sessions to nearly 18,000 children in 185 schools across Australia.

Topics of discussion are aligned with the Federal E-Safety Commissioner’s messages to children, and are wide ranging and varied. The sessions cover topics from Family Arguments and Coping with Change through to the most frequently discussed areas of Developing Resilience and Staying Safe Online.

Feedback from the program shows that it’s having a really positive impact on the behaviours of the children who attend. More children than ever before are contacting the Kids Helpline as a result of the program, and 62% of the schools attended requested additional sessions in the year.

The quality of the program was recognised by the National Association for Prevention of Child Abuse and Neglect (NAPCAN) this year, which awarded it the National Play Your Part Award for ‘inspiring prevention initiatives’.

650 completed sessions
185 schools completed sessions
17,796 students completed sessions
Education and employment

Bringing Great Ideas to Life
Innovation is a key focus for Optus and we’re always looking for innovative solutions to improve the lives of Australian youth and support them to achieve their goals. For this reason, we proudly partnered with the Foundation for Young Australians’ (FYA) Innovation Nation - a youth-led conversation about innovation and entrepreneurship in Australia.

Optus sponsored 10 places in the “Digital Life” stream of the Young Social Pioneers (YSP) accelerator program which is open to 18-29 year olds who have great ideas around the big question “How can we build a better Australia?” We believe that supporting today’s social innovators with the resources to develop their ideas can be a catalyst for long standing social change. (SDG9)

After a six-month intensive YSP program, the Digital Life finalists pitched their ideas to an Optus and FYA panel and two winners were selected. They received $10,000 in seed funding to bring their ideas to life, as well as invaluable networking opportunities, mentoring, and promotion of their ideas by some of Australia’s leading organisations and leaders. The YSP program was also a chance for them to “meet other young extraordinary dreamers, innovators, doers and entrepreneurs.”

Witnessing the success, development and growth of the finalists through this program, we reviewed and refreshed our community grants program which was launched back in 2007. Our goal for our grants program is to harness the potential of innovation and collaboration, and to change the future for vulnerable youth.

The result was the Future Makers program, which is open to social entrepreneurs, enterprises and not-for-profits.

The program is designed to develop the technological ideas already out there which aim to address the social challenges faced by young people. A selection of applicants will be chosen to participate in a four month accelerator program, and provided with access to industry mentors and networking opportunities.

Following the accelerator program, the selected finalists will pitch their ideas to a selection panel, and six winners will each receive funding of up to $50,000 as well as guidance over the next 18 months to progress their ideas.

“As the technological landscape continues to shift and evolve, it’s essential that we provide support to those working hard to make a real difference in this area. Optus’ Future Makers program is a significant step towards enabling Australia’s innovative minds to make a positive social impact through the use of technology solutions.”

Helen Maisano, Associate Director, Corporate Social Responsibility

Case Study: Meet Optus’ young social innovators

Jay Boolkin (29) has a Masters of Development Studies, a Graduate Diploma of Project Management, and a Bachelor of Commerce. He’s worked with not-for-profits and non-government organisations in Australia, USA, and India.

His project, “Promise or Pay” is a website designed to motivate people to stick to their goals by donating money to charity if they don’t follow through, and encouraging others to donate if they reach their goal. The website is already up and running, and has attracted more than $50,000 in promised funds and $20,000 in actual donations for various charities.

Jay’s ambition is to take Promise or Pay to businesses to form part of their employee health and well-being programs.

“Working with Optus has been invaluable. I’ve received so much support and advice as well as introductions to people in other companies – and Optus is going to trial Promise or Pay with some of its employees, which will provide me with fantastic feedback.”

Jay Boolkin

“With the technological landscape continuing to shift and evolve, it’s essential that we provide support to those working hard to make a real difference in this area. Optus’ Future Makers program is a significant step towards enabling Australia’s innovative minds to make a positive social impact through the use of technology solutions.”

Helen Maisano, Associate Director, Corporate Social Responsibility
Partnering students through education

Our community mission is to connect vulnerable young people to their potential through our digital technologies and innovative programs. We’ve designed and implemented programs to help achieve this mission by partnering Australia’s youth from primary school through to the start of their career journey.

Quality education is the most valuable gift we can give Australia’s youth to successfully navigate their way to adulthood, and one of the key aspirations recognised by the UN in their 2030 Sustainable Development Goals (SDG4).

Connecting reading buddies
11.5% of disadvantaged students at Year 3 and 15% at Year 5 are below minimum standards in reading. This effect is even more pronounced for Aboriginal and Torres Strait Islander students. Our mobile student2student partnership is just one of the many ways that Optus are using technology to equip disadvantaged Australian children with the tools to succeed from childhood through to their early careers.

Opening doors for ABCN students
One of the many ways we help vulnerable youth in our community to ‘live more yes’ is through our mentoring and scholarships with the Australian Business and Community Network (ABCN). Optus was a founding member of the ABCN in 2005 (SDG17) and we’ve worked closely together ever since to achieve our mutual goal of improving opportunities and outcomes for youth in high needs schools (SDG7).

This year, over 500 volunteer positions were taken up by our staff to mentor nearly 900 students across the country, using their experience to raise the students’ aspirations and increase awareness of the educational and career choices available to them.

The ABCN mentoring program has proved to be a highly effective student support program, with 94% of the ABCN’s 2011 students currently in employment or tertiary study (SDG4).

A key principle of our ABCN partnership is the social integration of youth from disadvantaged backgrounds. Looking forward we expect that this group will include more young people from migrant backgrounds as Australia receives its intake of Syrian refugees.

In 2015 we launched an Optus ABCN perpetual scholarship, which gives recognition to vulnerable youth who have overcome adversity to excel at school. Scholars receive $7,000 towards their school fees, tuition and other resources from year 11 through to the first year of tertiary study, and are matched with an Optus leader who mentors and supports them throughout these three years. In 2015 100% of the ABCN’s inaugural scholars successfully secured entry to tertiary education.

Our plan with ABCN is a long term one. If we can support these students in their development and career options today, then hopefully we can ‘close the loop’ and offer them employment opportunities in the future (SDG8).

Meet our first Optus ABCN scholarship winner, Ghada. Ghada attends Chester Hill High School in NSW, and Elham Jalilzadeh, Head of Supply Chain with Optus, is her mentor.

Ghada migrated to Australia from Lebanon in 2013 and speaks emotionally about her difficult financial and family circumstances there, and her terror following an explosion at a nearby checkpoint. Just making her way to school each day was challenging and often dangerous. Ghada’s family moved to Australia, “seeking education, peace, stability and a better life.”

While Ghada admits that she struggled at first to fit in and learn English, she worked hard and seized every opportunity. Her mother encouraged her to apply for our Optus yes4Good ABCN Scholarship. The scholarship program has opened up a world of opportunity to Ghada and helped build her confidence. Ghada’s mentor, Elham describes the transformation she has seen.

“This program unlocked awareness of all the opportunities that are available to Ghada - that she might not have thought possible. It’s the difference between not being able to achieve and realising your dreams.”

As part of the program, Ghada meets fellow scholarship recipients and attends workshops hosted by ABCN and its partner organisations. One of her favourite experiences was a public speaking course. She now feels composed addressing any audience and is a wonderful spokesperson and role model for the scholarship program (SDG4).

Elham believes the Optus yes4Good ABCN Scholarship is unique and benefits the mentors, the scholars and our community. “It supports students for an extended period of time so you get to build a long-term relationship and to see the outcomes. The more young people who can reach their potential, the better positioned we are to meet the challenges collectively as a society.”

Change in reading age, post program compared with pre-program

Case Study: Our first ABCN scholar

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Connect reading buddies

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Case Study: Our first ABCN scholar
Engaging our people

At Optus, we encourage and enable our people to support communities where they live and work, and our one stop shop portal for workplace giving and volunteering – yes4Good, continues to be a great channel for our people to do this.

This year our total investment in the community was $8.7 million (G4-EC1), an increase on last year’s contribution, which we measure using the London Benchmarking Methodology. This investment includes cash, time, in-kind, management costs, and over $730,000 in ‘leverage’ supplied by our people, customers, franchisees and suppliers.

1,917 of our employees donated over 16,000 volunteer hours during work time to support their favourite charities or provide mentoring, 47% more than last year. Our people gave over $249,000 in cash donations through payroll giving, with Optus matching each person’s donation up to $300 and giving an additional $100 charity voucher for any volunteer leave taken.

2016 was the 10-year anniversary of the signature Tour de Cure ride for cancer research, and Optus was again a major sponsor. The ride commenced in Brisbane on 29 April and finished in Sydney on 8 May, with the Optus team contributing $423,000.

"With your workplace giving and your generosity to World Vision and lots of other organisations, I think that Optus is way out, leading the pack, in terms of its commitments and its moral seriousness. You say, as a big company, ‘We can do good. We can make a difference.’"

Tim Costello, CEO World Vision

We’ve contributed over $79 million through our community program in the last ten years. (G4-EC3)

Inclusion and wellbeing

We want the reach of our community mission to extend beyond our closest geographic and social boundaries, and to drive us towards achieving the UN’s 2030 Sustainable Development Goal of Reduced Inequalities (SDG10).

In 2015 we grew our long standing staff volunteering program overseas, joining colleagues from Globel Telecom and our call centre partners in the Philippines to build a state of the art playground at a Manila orphanage for children with disabilities. Optus employees raised over $40,000 and invested the time to construct the facility (SDG17) (G4-EC8). This project allowed us to extend our community reach along the Optus supply chain, through a volunteer initiative which aligns with the UN Sustainable Development Goals.

2015 also saw Optus coming together with Telstra and Vodafone as part of the Premium SMS donation pilot program to create a fundraising channel for local charities using text messages (SDG17). As well as giving existing supporters a new way to give, this is expected to unlock donations to charities from new and younger supporters. This is a first for Australia, and another demonstration of applying technology to provide innovative new ways of helping and including those that need it most.

We’ve stepped up our efforts to improve inclusion of Indigenous groups, and in 2015-2016 we developed the Optus Indigenous Action Plan, working in partnership to address issues in the areas of Indigenous Procurement, education, recruitment, and cultural awareness. Recognising that direct regional employment opportunities are limited, we partnered Diversity Dimensions, whose Retail Ready Program provides young Indigenous Australians with the skills and opportunity to apply for work in the retail sector. We will implement many more initiatives to support this plan in 2017. (SDG8, SDG11)

Looking forward to 2016-17

- Implement the Optus Indigenous Action Plan in 2016-17
- Increase Optus community participation across:
  - Volunteering hours
  - Mentoring numbers
  - Staff engagement scores
  - Volunteer numbers
- Run a pilot program of regional collaboration of the Optus Digital Thumbprint Program extending reach into new states across Australia
- Digital Thumbprint Program to run 1,350 sessions and reach over 37,000 students
- Reach 770 pairs of students through The Smith Family mobile student2student program
- Optus people volunteering at Assistance Dogs Australia
- Program provides young Indigenous Australians with the skills and opportunity to apply for work in the retail sector.
Our people

live 'Yes'
every day

Context:
We couldn’t do what we do without our people. They are our most valuable asset and they are what makes Yes possible today and into tomorrow. We believe in nurturing and growing our people, and finding new ways to give them the environment, tools and development they need to succeed.
### Progress against 2015-16 goals

<table>
<thead>
<tr>
<th>Goal</th>
<th>Results</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>The right capabilities – ‘one HR’ – new HR system being rolled out, supporting customers in regional Australia and small to medium business customers.</td>
<td>Completed</td>
<td>HR Central rolled out this year, allowing assessment of employee skills to prepare for technology drop, develop future network capabilities and strategic workforce.</td>
</tr>
<tr>
<td>Focus talent pipelines through university partnerships, graduate programs, internships and regional talent exchanges, targeting future capabilities and leadership.</td>
<td>Completed</td>
<td>All goals have been progressed through the year.</td>
</tr>
<tr>
<td>Focus on employee career development, including individual development plans and career pathways and for our people within technical, project and leadership roles.</td>
<td>Completed</td>
<td>Performance modules included in HR Central system, with learning module introduced to improve ease of access. Introducing the career development portal, including providing career workshops to people on a more targeted basis.</td>
</tr>
<tr>
<td>Embed leadership development solutions through blended learning solutions including online, feedback tools, coaching and leadership forums.</td>
<td>Completed</td>
<td>Implemented Leading at Optus portal for all leaders in the Business. Worked to simplify information to leaders and provide access to relevant learning videos on a range of topics. Implemented 360 feedback tool and made accessible to all employees. We continue to lead a range of targeted programs aligned to core leadership framework.</td>
</tr>
<tr>
<td>The traditional 'lag' indicator such as LTIFR don't effectively measure injury prevention and wellbeing so we will be developing new 'lead' indicators to report in the future.</td>
<td>Partial</td>
<td>We now use things such as Leadership Walks as lead indicators. Currently used as a measure of management engagement, with the hope that future year's data may be relevant to health and safety strategy.</td>
</tr>
<tr>
<td>Develop an employee education and support program focused on mental health issues.</td>
<td>Completed</td>
<td>Over 500 leaders attended Healthy Minds Psychological Capability for Leaders this year. De-escalation training developed for Retail staff to help with the issue of customer aggression – 100% trained this year.</td>
</tr>
</tbody>
</table>

### Our approach (G4-DMA)

The rapid evolution of technology is being matched by ever increasing customer expectations and market competition.

To respond to these conditions, we must make sure our workforce thinks bigger, bolder, and stands taller. We’re doing this by providing a workplace where innovation thrives, where thinking big is celebrated, and where our People don’t rest until we’ve found a better way.

We’re committed to becoming an irresistible place to work and to being a diverse and inclusive partner for people who think big. We’ve doubled our graduate intake with a renewed focus on the skill requirements of tomorrow’s workforce, and we’ve doubled our efforts at embedding innovation across our workforce.

It’s estimated that absenteeism in Australia costs the economy about $7 billion a year, while ‘presenteeism’, showing up to work unwell and unable to perform properly, costs a further $34 billion. At Optus we strive to provide our people with the support to enable them to be healthy, well, and present, every day of their lives.

This year we rolled out the My Life Hub to our people, bringing together all the home, work, life and health support services Optus provides to create a single holistic resource. This has broadened the focus of our employee assistance program to include preventative services rather than simply issue treatment and counselling. The hub also offers additional services such as My Financial, My Legal, Manager Assist, My Medical and My Diet & Nutrition – our employees are one call away from getting assistance on a wide variety of personal queries.

Our people are more engaged than ever in managing their own health and wellbeing, and more open to utilising the employee assistance programs available to them. We make sure that they’re encouraged to speak out, and we listen to what they have to say. This year our employee engagement score increased again, now standing at 76%.

### Our performance

- People Engagement increased to 76%
- Current Optus employees who came through the graduate program: 109
- People NPS score increased to +29
- 440 new referrals to the Employee Assist Program in 2015
- Overall health and wellbeing score improvement of 8.8%
- 86 nationalities represented by Optus/Singtel employees
- 1300 ideas in the first Think Big challenge

### Working at Optus

We’re committed to becoming an irresistible place to work, and to being a diverse and inclusive partner for people who think big.

More than 6,100 customer-facing employees transferred to a new way of working this year with the roll out of our Workforce Optimisation (WFO) planning system, helping us keep position as the customer’s wingman due to WFO’s near real time information on customers.

This will help us continue our goal to make Optus the best place to work for our people, and the most recommended, loved and innovative service brand.
Open innovation theory shows that only 20% of ideas in an organisation ever get heard. We’re doing our best to make sure that we inspire, support, showcase and celebrate big thinking.

In the openly connected world we live in, companies can no longer depend on the concepts and innovations generated internally by an R&D team. At Optus we’ve been embracing the concept of open innovation to harness the collective creativity of our 9,000 talented people (G4-10).

We didn’t just create a standalone innovation department to make this happen; we’ve deliberately fragmented our innovation team across the organisation to empower our people and democratise innovation. The best ideas are collaborative in nature and so we’ve planted the seeds of innovation across our business to organically grow our ‘Think Big’ mindset.

Regardless of a person’s role – whether it’s serving internal or external customers – we all come across opportunities to make improvements and innovate in the way we operate. We launched the Think Big Dropbox in 2015, initially as a digital platform for collecting ideas directly from our people. This has expanded to become the platform for hosting our Think Big Challenges, where we challenge our people to provide innovative solutions to improve the lives of our customers and employees.

Selected ideas are provided with the tools, workshops and coaching to collaboratively progress ideas into real business unit initiatives. The pilot challenge was entitled ‘How might we enhance people’s lives in their homes?’, with over 1,300 people participating to reach the top 5 innovative ideas. These are being prototyped and iterated with the business units into new customer propositions.

As part of our Customer Close up immersion program, 200 Optus executives spent a day in store, first as secret shoppers, and then serving customers for the remainder of the day. Bringing together our senior management, customer facing people, and the customers themselves, is central to ensuring that open innovation is effectively integrated across Optus. This program has successfully led to a significant number of successful real world changes as a result of these insights into our customers.
The Think Big Team are building the Optus innovation capability and culture. This includes developing and running training workshops using the tools and techniques applied on the platform, for a range of employees from innovation beginners to experts. The team is supported by Innovation Coaches from across the business, who leading the charge in generating awareness and participation across all Optus employees on innovation initiatives.

Thursdays have become ‘Heads Up Thursdays’, where teams get together and are encouraged to challenge their leaders and colleagues on things that we should be exploring, challenging or trialling. We make sure that our people are rewarded for bringing great ideas to light; this year we introduced the $500 employee grant for individuals to progress their ideas to a developed concept, and we established the annual CEO award for innovation, to recognise our biggest and brightest thinkers.

We also set up the Innovation Fund, providing each Optus Business division with a $30,000 allocation to be used on a single large innovation project, or across multiple smaller initiatives, to ensure that teams have the resources they need to deliver a service or solution better and faster to our customers. To date, three major innovation ideas have been given the green light through the fund.

This culture of innovative thinking is beginning to be recognised for the contribution it can make to our customers, our people and our environment. The Optus Clever Buoy research and development project was recognised with a gold award at the Cannes Lions International Festival of Creativity. The project brings to life the power of our network and taps into its potential to transform the way we live.

Optus has one of the largest mobile networks in Australia and we wanted to push the boundaries of what people think a network can do. Clever Buoy combines the creativity of people with the power of technology providing a bright idea that can benefit all Australians.”

Andrew Braithwaite, Director of Brand Ideas

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**Case Study: Think Big in action**

Stephen Douglas proves that innovation is alive and well at Optus, his personalised video idea has been incorporated into the Optus Cricket app. His idea is to use latent network capacity to make relevant video content available on a customer’s device, meaning content can be revealed instantly with no buffering needed.

Stephen’s idea stems from his experience with new mobile apps – he uses them a lot in the first few weeks and then he tends to forget about them over time. Having the right content delivered at the right time draws you back to the app and ensures the customer stays engaged longer.

The brilliant part of his product is the analytics that sit behind the app, which determine the content that’s most relevant to the customer as well as the perfect moment to reveal the video, such as when you’re commuting to work on a train but not while you’re on a call.

The idea had been percolating around in Stephen’s brain for about two years before Allen Lew spoke about Optus’ great push for innovation with Think Big. Heads up Thursday sessions and a focus on video content. With support from Think Big to progress things with IT, things started accelerating. Partnering with a number of parties both internal and external to Optus, Stephen spent almost nine months working to bring his idea into reality, overcoming numerous hurdles along the way.

Stephen is now working to complete proofs of concept and implement his idea within a number of different projects around the business, both internal facing and for our enterprise clients.

Allen Lew spending a day working in Customer Service as part of our Customer Close up immersion program

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Laying the foundations for innovation
Thrusting talented people

The rapid evolution of technology is being matched by ever increasing customer expectations and market competition.

Our people are at the heart of what makes us different from our competitors. We aim to recruit and retain the brightest talent, and to provide a workplace where they can be the very best version of themselves.

Good Jobs and Economic Growth is one of the UN’s identified Sustainable Development Goals, and we’re striving to provide both. Our Sustainable Development Goals, and is one of the UN’s identified Good Jobs and Economic Growth.

One of the ways in which we embrace this change is through our innovative graduate development program, which we’ve been running since 2004. Today’s graduates are tomorrow’s business leaders, and are the generation most fluent in the language of our industry.

This year we evolved our graduate program to increase the emphasis on future capabilities and growing talent from the ground up, doubling our graduate intake in the process to 47.

The two year accelerated development program focuses on technical specialists and leadership capabilities, with graduates rotating through a number of placements within the Optus and Singtel group. This program has produced some of our very best wingmen, such as the two in the case study across the page.

Learning and Development hours

<table>
<thead>
<tr>
<th>Employee category</th>
<th>Average hours</th>
<th>Average hours - Women</th>
<th>Average hours - Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>15.0</td>
<td>12.9</td>
<td>16.6</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>27.9</td>
<td>32.0</td>
<td>26.5</td>
</tr>
<tr>
<td>Manager</td>
<td>24.6</td>
<td>24.8</td>
<td>24.3</td>
</tr>
<tr>
<td>Associate / Consultant</td>
<td>17.8</td>
<td>18.8</td>
<td>15.1</td>
</tr>
<tr>
<td>Operational Support</td>
<td>23.2</td>
<td>23.1</td>
<td>25.2</td>
</tr>
</tbody>
</table>
Looking after our people (G4-DMA)

Good Health and Wellbeing is recognised by the UN as one of the 2030 Goals for a sustainable future. (SDG3)

Being well is about more than just avoiding illness. It’s about finding the healthy balance of mind, body and spirit, and this is what we strive to achieve at Optus with our health and wellbeing program. When our people are safe and well they’re able to make great things happen in their personal and work lives.

Our current health and wellbeing program was launched in 2014 and is recognised as industry leading. We were asked to share it at the 2016 Corporate Health & Wellbeing Summit, presenting a case study on how to implement a flourishing workplace health and safety program.

We are pioneering developments in the health and safety space, and in 2015 we co-authored a research piece published in Preventative Medicine Reports on the productivity impacts of introducing sit-stand desks to a sedentary workforce.

The eight week Happy Body at Work program continued throughout the business this year, with people being encouraged to focus on improving either their activity, stress or sleep levels. The program provides a holistic approach to multiple wellbeing risk factors, and again returned fantastic results, with significant improvements in participants’ reported levels of tiredness and ability to cope with workload stress.

Innovative and forward looking measures of this nature are necessary to ensure we’re on the front foot at keeping our people well and fulfilled.

Healthy Body at work results

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Productivity</strong></td>
<td></td>
</tr>
<tr>
<td>Feel more energised</td>
<td>61%</td>
</tr>
<tr>
<td>Say they are coping better</td>
<td>70%</td>
</tr>
<tr>
<td>More aware of things that</td>
<td>82%</td>
</tr>
<tr>
<td>Affect mood and energy</td>
<td></td>
</tr>
<tr>
<td>Feel less tired</td>
<td>23%</td>
</tr>
</tbody>
</table>

| **Staff satisfaction**      |        |
| Found the program relevant  | 86%    |
| Work and home life          |        |
| Feel the organisation       | 70%    |
| Cared about them as people  |        |
| Thought the strategies were | 91%    |
| Beneficial                  |        |
| Shared things learnt        | 80%    |
| With family, friends and    |        |
| Colleagues                  |        |

| **Decreased risk**          |        |
| More aware of stress        | 71%    |
|Signals                     |        |
| Have strategies to improve  | 69%    |
|Sleep                       |        |
| Have strategies to ease     | 78%    |
|Aches and pains              |        |
| Sitting less                | 84%    |
|Moving more                  | 84%    |

"With more than 12,000 people scattered around the country, it’s really important to us that the five people in Darwin have the same access to information as the 5,000 people in Sydney."

Megan Kingham, Health and Wellbeing Manager, Optus

Happy, Healthy Minds

Optus recognises the critical importance of identifying mental illness, and creating a work environment where people are encouraged and able to talk freely about their mental health. We’re building an open culture which encourages this discussion, as well as increasing the capability of our senior leadership team with regard to psychological risk.

Over the last year, over 500 Customer People Leaders have undertaken and been involved in the Healthy Minds Psychological Capability Training program, run in partnership with Communicorp. This program raises awareness & understanding of the mental health and psychological risks faced within the workplace. Within their respective teams, scenario role playing exercises build exposure to a number of psychological risks, and the appropriate actions to manage potential mental health events.

We also know that everyone may need support from time to time to maintain a healthy mind and in 2015 we launched My Life Hub, a support and coaching service for our people and their families.

We extended our onsite counselling service to Melbourne, with free and confidential consultations available with trained psychologists available once a week. At our Sydney campus, we increased the availability of our on-site trained psychologist to three days a week, and saw utilisation of the service increase by 30% in 2015. We also commenced an onsite GP service so that our people have access to a doctor every day of the week.

Keeping our People safe

The safety and wellbeing of our people is our number one priority, and so in November when store staff in Casula NSW received threats relating to a poster featuring Arabic language, we removed the posters immediately. We’re committed to eliminating discrimination wherever we can through our own corporate culture, marketing activities and the way we interact with the community. We are proud of our local marketing campaigns to engage Cantonese, Vietnamese and Arabic communities across Australia, and will continue to do so in ways which don’t jeopardise the safety of our people.
Employees say Yes

We actively encourage our people to embrace innovation in their working lives, and to feel comfortable putting forward ideas and solutions to problems without any fear of failure.

This was reflected in the results to our annual Your Voice people engagement survey in November, which showed a 5% annual increase in the respondents who feel that Optus has established a climate where innovative ideas can fail without blame.

The survey also showed that 92% of our people fully support the core values for which Optus stands, and 86% would recommend our products and services. This level of internal advocacy is absolutely key to achieving our goal of being Australia’s most loved, recommended and innovative service brand.

We make it a priority to listen to our people so that we hear and understand their views. This was reflected by our overall employee engagement score, which jumped this year to 76%. We run our people NPS survey every quarter to make sure that we’re effectively engaging our workforce. As at the end of March, our people NPS score stood at +29, an increase of 1 point from last year and a strong indicator that our people are proud to be with us.

To ensure that our people are protected and social media-savvy digital citizens, this year we developed a social media policy and rolled out social media training to our employees and contractors. By doing this, we’re giving our people many of the same skills that we provide externally through our Digital Thumbprint Program, so that they’re equipped with the tools to act safely and with integrity, one of Optus’ core values, at all times.

This year, after listening to our people, we also updated our employee partnership agreement with the Fair Work Commission. This came into effect in December, and provides a number of changes that will improve the work and home lives of our people.

Diversity – Driving Innovation

Optus is passionate about creating a diverse and inclusive workplace for everyone.

We recognise that this approach helps us understand and adapt to our diverse market and customers, and that embracing differences of background and opinion is one of the keys to unlocking truly innovative ideas.

This year we celebrated International Women’s Day by hosting the Diversity Council Australia for a special presentation at our Sydney campus on the business case for diversity and inclusion. Our people are encouraged to say Yes to diversity and inclusion, whether it be helping women achieve their ambitions, calling for gender balanced leadership, creating awareness of unconscious bias in the workplace, or simply respecting and valuing differences.

Gender diversity, and in particular supporting women in leadership, is an area of opportunity for Optus. In support of building a pipeline of female talent and potential leaders, we recently hosted roundtables and dialogue sessions for our female talent with other Optus leaders and prominent Australian leaders to share their career experiences, and views of how women can be more successful in Corporate Australia.

More of our female talent has been supported with leadership and career coaching, and participated in the Females in IT and Technology mentoring program. Recognising the importance of expanding our female talent pool early in our pipeline, we increased the proportion of women in the Optus Graduate Program to 45%, up from 26% three years ago.

Our goal is to continue to create a diverse and equal workplace for our people, and to be at the head of the pack working towards the UN Sustainable Development Goals of Gender Equality and Reduced Inequality.
### 2015-16 People performance indicators (G4-T1, G4-LA1, G4-LA5)

<table>
<thead>
<tr>
<th>Priority</th>
<th>Indicator</th>
<th>15/16</th>
<th>14/15</th>
<th>13/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce</td>
<td>Full time equivalent</td>
<td>8,934</td>
<td>9,220</td>
<td>9,088</td>
</tr>
<tr>
<td>Gender</td>
<td>Male %</td>
<td>69</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td></td>
<td>Female %</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Employment type</td>
<td>Full-time %</td>
<td>88</td>
<td>91</td>
<td>93</td>
</tr>
<tr>
<td></td>
<td>Part-time %</td>
<td>11</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Casual %</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Age Group</td>
<td>&lt;30 %</td>
<td>19</td>
<td>23</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>30-49 %</td>
<td>65</td>
<td>62</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>50+ %</td>
<td>16</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>New Employees</td>
<td>Male %</td>
<td>65</td>
<td>59</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Female %</td>
<td>65</td>
<td>41</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>&lt;30 %</td>
<td>42</td>
<td>51</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>30-49 %</td>
<td>52</td>
<td>45</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>50+ %</td>
<td>7</td>
<td>4</td>
<td>N/A</td>
</tr>
<tr>
<td>Turnover</td>
<td>Voluntary Attrition %</td>
<td>8</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Male %</td>
<td>5</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Female %</td>
<td>15</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>&lt;35 %</td>
<td>19</td>
<td>17</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>30-49 %</td>
<td>7</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>50+ %</td>
<td>4</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Diversity</td>
<td>Ratio of basic salary men to women</td>
<td>1.099</td>
<td>1.00.98</td>
<td>1.00.90</td>
</tr>
<tr>
<td></td>
<td>Females in executive positions*</td>
<td>20</td>
<td>23*</td>
<td>11</td>
</tr>
<tr>
<td>Discrimination</td>
<td>Claims for discrimination</td>
<td>0</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Flexibility</td>
<td>Employees utilizing flexible working arrangements %</td>
<td>62</td>
<td>65</td>
<td>63</td>
</tr>
<tr>
<td>Employee survey</td>
<td>Participation in employee satisfaction survey %</td>
<td>76</td>
<td>75</td>
<td>82</td>
</tr>
<tr>
<td>Collective bargaining agreement</td>
<td>Coverage of the Employee Partnership Agreement (EPA) %</td>
<td>57</td>
<td>59</td>
<td>58</td>
</tr>
<tr>
<td>Safety</td>
<td>Work injury rate**</td>
<td>126</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Accident Frequency Rate**</td>
<td>0.79</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Accident Severity Rate**</td>
<td>12.92</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*In 2014/15 we changed our calculation methodology to include all executive positions. The 13/14 figure under this method would have been 10.5.
**This year we adopted the International Labour Organisation (ILO) methodology for calculating our safety performance statistics for the first time. In previous years we adopted the Singapore Ministry of Manpower methodology, but are unable to produce comparative data.
Environment

Minimising our impact

Material Topics:
- Climate Change and Energy Management

Context:
We are utilising science and technology to understand, measure, and reduce the environmental footprint of our network and value chain.
Progress against 2015-2016 goals

<table>
<thead>
<tr>
<th>Goal</th>
<th>Results</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Committed to upgrading another 400-500 base stations and continue to improve our energy performance management.</td>
<td>Completed</td>
<td>Installed smart meters in 640 small sites in 2015-2016, and we’re using the data to track consumption trends and identify sites where we can implement energy management initiatives.</td>
</tr>
<tr>
<td>Implement the new environment and energy framework, which includes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Assessment of the long term impact of new procured technologies</td>
<td>Completed</td>
<td>Completed pilot procurement projects in Australia and Singapore and will continue to drive this deeper into 2017 through our SSCM program.</td>
</tr>
<tr>
<td>• Establish e-waste recycling capability for the broader scope of e-waste</td>
<td>Completed</td>
<td>We’re embedding an e-waste recycling strategy that takes into account our direct and indirect waste streams.</td>
</tr>
<tr>
<td>• Completion of environment life cycle impact and adaptation exercise</td>
<td>Completed</td>
<td>Group level LCA and Adaptation studies both completed in 2015-16.</td>
</tr>
</tbody>
</table>

Our approach

We operate in a dynamic and high-tech industry and we recognise the environmental challenges that this creates. However, we also believe this technology can provide the insights and capability to develop the environmental solutions for transitioning to a low carbon future.

Our environmental strategy is aligned as a Singtel Optus group approach, and is built on understanding and managing the environmental risks most important to our stakeholders and our communities. The strategy focuses on four key areas: addressing climate change, integrating the environment into our value chain, engaging our stakeholders on environmental issues, and product and resource responsibility. These areas of strategic focus are designed to address our material risks.

This year we’ve worked hard to develop an accurate understanding of the environmental impact of our activities, both of the Optus network itself but also along our value chain. To do this we’ve invested significant resources on research into the direct and indirect impact of our business. The findings from this research are being used to deepen our knowledge of our direct and indirect environmental impacts, and allow us to sharpen our focus on our environmental management approach.

The group wide Life Cycle Assessment (LCA) completed this year assessed our total environmental and social footprint, including suppliers upstream and consumers downstream. We’ve used the results of the LCA to improve our Sustainable Supply Chain Management program (SSCM), and have put in place our new SSCM strategy to make us an industry leader by 2020. These are discussed in more detail on page 28 and 29.

We’re in the process of working through a major energy intensity improvement program, and will be investing in more efficient equipment, trialling new technologies, and exploring options to increase our production of on-site renewable energy. (SDG7)

As well as looking at our current environmental footprint, we’ve undertaken research into the future impacts of climate change on Optus’ business. This has been used to identify the climate risk areas most critical to us, and how we can build resilient infrastructure in the future to protect our network for our customers and benefit the broader community.

Our performance

- 32% reduction in our carbon emission intensity
- 640 base stations upgraded with smart meters in FY 2015-16
- We diverted 72% of our waste away from landfill
- $2.9 million saved as a result of improved energy efficiency measures
- $2 million reinvested in sustainable transport solutions
- 75% of our group’s spend assessed for direct and indirect environmental impacts

We’ve worked hard to develop an accurate understanding of the environmental impact of our activities.
Climate change is one of the most significant issues being faced by companies, communities, and countries. In the year that the historic Paris climate deal was reached, the need to address the risks of climate change has become more apparent than ever before. Climate Action is identified by the UN as one of the 2030 Sustainable Development Goals, and we recognize the challenges we will need to face to help achieve this goal.

Our responsibility as a large energy consumer is taken seriously, and we are constantly seeking new ways to reduce our carbon footprint and operate more efficiently. In November 2015, we were one of 12 Australian companies who made formal climate commitments as part of the Australian Climate Leadership Conference, an initiative of the Carbon Disclosure Project (CDP).

We are focused on mitigating the effects of climate change through energy efficiency and performance improvements, and on identifying ways to continually adapt to the impacts of a changing environment.

Our Energy Use (GJ)

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Our Energy Use (GJ)
video on demand customers, and by the end of 2015 our data consumption had jumped 50% compared to a year ago. This explosion in our customers’ data demands is expected to continue as we pour significant resources into the growth of our mobile business. As the amount of data we handle continues to climb, and more and more customers outsource their server needs to us, our total energy need will keep growing. This is our greatest environmental challenge and one that we’re working hard to rise to.

### Targeting Energy Efficiency

To counter the continued increase in demand on our network, we’ve been busy implementing a number of energy efficiency measures and projects in the last year, including:

- Upgrading more than 640 base stations, including the installation of ‘smart meters’, exceeding our target by 8%. The ability to track consumption usage trends with these meters greatly enhances our ability to identify sites where we can effectively implement energy efficiency measures.
- Modernisation of our switching equipment has commenced in our exchanges, resulting in the removal of 250 cabinets across 4 exchanges and a big reduction in energy consumption of our fixed network.
- Replacing over 3,000 air conditioners in mobile phone base stations with thermostat controlled fans activated to provide ambient cooling when external temperatures drop.
- Upgrading our multi-function devices (combined printer, photocopier, fax, scanner) to more energy efficient equipment, reducing energy use by 80%.
- Relocating air flows within exchanges to maximise the benefits of air-conditioning.
- Installing movement sensors in corporate office meeting rooms.
- Changing to more fuel-efficient vehicles within our fleet.

As a result of these energy efficiency measures, this year we saved $2.9 million in electricity costs. We’re committed to continually improving our energy efficiency and this is evident via our participation in the Global Mobile Service Associations (GMSA) 2015 annual survey where we ranked on mid-point in energy for consumption per GB traffic across fixed network.

To improve our efficiency and build resilience into our network, this year we’re partnering with global consulting experts in a long term infrastructure optimisation drive. The objective is to significantly improve the energy efficiency across our mobile network, and to offset the expected growth in the number of base stations. This is a two year plan which will see a number of proofs of concept undertaken, with implementation planned throughout 2017 and 2018.

We’ve set ourselves a number of targets for the 2017 financial year to ensure that we remain on track and accountable for achieving these network improvements. See ‘Looking forward’ to 2016-17 on page 81 for more detail.
Our emissions intensity

Our carbon emissions are a product of the energy use of our network. It’s important that while our absolute carbon emissions keep growing as we grow our business, we focus on our network performance and efficiency while we step up our research into renewable technologies. We’ll continue to counter the growth in our network usage by implementing new and innovative ways to improve the emissions intensity of our network.

We are initially setting a kWh/TB intensity target as we continue to work on several indicators and targets internally. We will be working to determine the most relevant energy efficiency targets across the business over the next 12 months.

Each year we report publicly on our energy and emissions under the National Greenhouse and Energy Reporting (NGER) Act and voluntarily report to the Carbon Disclosure Project (CDP) with Singtel, achieving an improved score of 93C as part of the CDP Climate Performance Leadership Index. Both of these initiatives help us understand how we are mitigating and managing our emissions from year to year. (G4-DM1A)

Along with this efficiency drive, we’re working hard on setting internal energy efficiency and emissions targets for future periods, which will be informed by the targets set by the Carbon Disclosure Project. We’re investing significant resources internally to make sure that these target metrics are accurate and will effectively allow us to manage our future climate impacts. We expect to begin implementing these energy efficiency targets across the business over the next 12 months.

In Australia, just 25% of new infrastructure investment considers the impact of future natural disasters, with the subsequent cost of rebuilding estimated at $17 billion between now and 2050.

Investing in resilient and innovative infrastructure to develop sustainable cities and communities has been identified by the UN as one of the key 2030 Sustainable Development Goals (SDG9, SDG11).

At Optus, we’re integrating climate change resilience into our planning process for new infrastructure, and investigating in resilience education across the organisation to strengthen our technical capacity.

This year we undertook an in-depth study on the impacts of climate change across our operations, and have established an action plan to mitigate the major impacts to our critical infrastructure and to the communities we connect (G4-SO2).

Through hosting workshops across the business, and coupling these with climate modelling research undertaken by CSIRO, the key network vulnerabilities and interconnectedness of impacts were documented. These have been used to understand the future impact of occurrences such as changes in rainfall intensity and temperatures on our network, and to identify options for an adaptation action plan to respond to these risks.

We now have an adaptation roadmap and action tracker, which we are embedding into our corporate processes. We are using this to establish governance structure, policy and reporting framework specific to climate adaptation. We will be using the plan to quantify the financial cost of these climate externalities, and to develop and implement long term climate change resilience strategies.

There’s a lot more that Optus needs to do, but we’re committed to finding innovative ways to ensure we’re contributing to the goals being set by Australia and the rest of the world.

Our emissions intensity

<table>
<thead>
<tr>
<th>Year</th>
<th>Emissions intensity</th>
<th>Total emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>1.02</td>
<td>331,593</td>
</tr>
<tr>
<td>2012-13</td>
<td>0.70</td>
<td>344,097</td>
</tr>
<tr>
<td>2013-14</td>
<td>0.49</td>
<td>346,202</td>
</tr>
<tr>
<td>2014-15</td>
<td>0.39</td>
<td>377,569</td>
</tr>
<tr>
<td>2015-16</td>
<td>0.26</td>
<td>396,863</td>
</tr>
</tbody>
</table>

To date, our energy efficiency and capital expenditure program has effectively enabled us to reduce the emissions intensity of our network, while continuing to service the data needs of our customers (G4-EN18). This year our emissions intensity improved by 32%, and will continue to fall.

Futureproofing our infrastructure

At Optus, we’re integrating climate change resilience into our planning process for new infrastructure, and investing in resilience education across the organisation to strengthen our technical capacity.

Australian Business Roundtable for Disaster Resilience and Safer Communities

Optus is one of the founding members of the Business Roundtable for Disaster Resilience and Safer Communities. The Business Roundtable was formed in December 2012 by six of Australia’s leading CEOs (including Paul O’Sullivan, former Optus CEO, now chairman), who believe that it’s of national importance to have resilient communities that are able to respond to extreme weather events and natural disasters (G4-SO2).

The Business Roundtable has commissioned leading research and advocated policy changes for what governments and other key service providers need to do – focusing on building resilience and adaptation, instead of spending billions recovering from the damage of climate change related disasters.

This year with ongoing contribution from Optus, the Business Roundtable released publications looking at how to build climate change resilience: ‘The Economic Cost of the Social Impact of Natural Disasters’ and ‘Building Resilient Infrastructure’.

Developed in conjunction with the Optus Climate Adaptation and Resilience Plan, the Business Roundtable made a number of recommendations for reducing the impact of climate change:

1) Pre and post disaster funding should better reflect long term social impacts
2) Greater collaboration between government, business and community to address the medium and long term economic costs of social impacts
3) Government, business and community need to further invest in community resilience programs that drive behavioural change.

4) New research needed into how to quantify the medium and long term costs of social outcomes.

The economic costs of the social impact of natural disasters

It is estimated that the total cost of natural disaster in Australia in 2015 exceeded $9 billion. This is expected to double by 2030 and to reach an average of $33 billion annually by 2050.

Integrating the Environmental agenda into our value chain

We’re working hard to ensure that the sustainability principles we’ve committed to are applied along our supply chain. Our 2020 Sustainable Supply Chain Management strategy is designed to ensure that our business can continue to grow in harmony with our environment. For more information, please refer to the Sustainable Supply Chain Management section on pages 28 and 29.

Product and Resource Responsibility (SDG12)

Our commitment to product and resource sustainability extends to all aspects of our supply chain, as demonstrated by the Life Cycle Analysis performed this year and written about in detail on page 28. For our direct waste, we have a hierarchy in place which determines where we send our waste – reuse, resell, recycle, and we only send to landfill if the waste can’t be used in one of these ways.

We’re also committed to responsible packaging under the Australian Packaging Covenant (APC), and continue to work towards a best in class packaging solution following a detailed review. In our APC reporting we’ve seen continued progress in our approach and score, regularly rating higher than the majority of other signatories.

Case Study: Promoting sustainable transport (SDG11)

We’ve been promoting our Sustainable Transport Strategy for nearly a decade, with the aim of making our employees’ journeys to work as simple as possible, while reducing our impact on the environment and local communities. It’s all about increasing the travel choices and improving access to public transport and other sustainable transport modes.

At our Optus Campus in Sydney, all profits from the onsite car park are used to fund the Optus Express buses, providing free rides to work, as well as bike facilities, events and education programs. This year we reinvested $2million into Sustainable Transport, and over half of our Sydney employees now use Sustainable Transport to get to work, with only 43% driving alone.

Ride to Work Day

Each year Optus proudly supports the National Ride2Work Day and in 2015, more than 400 employees across Australia donned their bike helmets and made their way into work. Optus sites hosted healthy breakfasts and provided massages and bike repair experts, as well as giving novice riders the chance to learn a few tips from their more experienced colleagues.

“When my friend first got on his bike he was a little anxious, but we soon took a step up from Ride2Work day. After training for three months, eight of us completed Ride Around the Bay together and raised awareness, and over $4000 for The Australian Heart Foundation.”

Paul Ramsay, Optus Melbourne Network services manager

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Paul Ramsay, Optus Melbourne Network services manager
Engaging our stakeholders

We’re always on the lookout for ways to engage with our People, our customers, and the communities we connect. The Life Cycle Assessment completed this year has given us valuable insights into the direct and indirect environmental impacts of our operations, which we’re using to ensure we’re focusing on the most important areas to our stakeholders.

Optus hosted a CSR Asia conference in July 2015 at the Optus Campus to build capacity on Sustainable Supply Chain Management, and to further engage with other businesses on their experience and perspectives. We make sure our people have the opportunity to make a difference to the environment, whether it be through getting involved in Earth Hour, or volunteering for Clean Up Australia Day. This year, Optus teams from Melbourne, Brisbane, Perth and Canberra took to the bush to plant trees, collect rubbish, and clear toxic weeds across Australia.

Our business partners and customers are always looking for better environmental solutions to their businesses, so we make sure that we listen to their needs and deliver the efficient, green solutions they want. Our Cloud computing capability and security services are paramount to our customers and we’re working hard to provide the best service while optimising our environmental impacts.

2015-16 Environmental Performance Indicators (G4-EN3, G4-EN15, G4-EN16)

<table>
<thead>
<tr>
<th>Priority</th>
<th>Indicator</th>
<th>Unit</th>
<th>2015/16</th>
<th>2014/15</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy*</td>
<td>Electricity use</td>
<td>GJ</td>
<td>1,618,544</td>
<td>1,494,342</td>
<td>1,363,670</td>
</tr>
<tr>
<td>Fleet</td>
<td>Petrol use</td>
<td>Litres</td>
<td>110,449</td>
<td>163,635</td>
<td>255,939</td>
</tr>
<tr>
<td></td>
<td>Diesel use</td>
<td>Litres</td>
<td>770,074</td>
<td>770,784</td>
<td>665,347</td>
</tr>
<tr>
<td>Air travel</td>
<td>Flights</td>
<td>tCO2e</td>
<td>9,442</td>
<td>8,564</td>
<td>10,078</td>
</tr>
<tr>
<td>GHG emissions*</td>
<td>Scope 1 and 2 emissions</td>
<td>tCO2e</td>
<td>396,863</td>
<td>377,519</td>
<td>346,102</td>
</tr>
<tr>
<td></td>
<td>Emissions intensity</td>
<td>tCO2e/TB</td>
<td>0.26</td>
<td>0.39</td>
<td>0.49</td>
</tr>
<tr>
<td>Water use</td>
<td>Macquarie Park campus</td>
<td>Kilolitres</td>
<td>70,254</td>
<td>60,422</td>
<td>91,955</td>
</tr>
<tr>
<td>Waste and recycling</td>
<td>National recycling rate</td>
<td>% Diversion</td>
<td>72</td>
<td>71</td>
<td>86</td>
</tr>
<tr>
<td></td>
<td>Mobile muster</td>
<td>Tonnes</td>
<td>3.6</td>
<td>3.7</td>
<td>4.8</td>
</tr>
</tbody>
</table>

* We report our data and accounting in relation to greenhouse gas emissions and energy consumption in line with the National Greenhouse and Energy Reporting (NGER) Act. We use the National Greenhouse and Energy Reporting (Measurement) Determination 2008 for methods and criteria for calculating our greenhouse gas emissions and energy data.

Looking forward to 2016-17:

- Reduce our carbon emissions intensity of kWh/TB by 30% by 2020, and 50% by 2030, using 2015 as the baseline
- Perform site audits across the mobile network to identify opportunities to upgrade to more energy efficient technologies. Use this information to commence decommissioning of 2G equipment
- Continue to be leaders in the Sustainable Transport space:
  - Push mode share away from Drive Alone and towards Sustainable Transport
  - Work with other businesses in Macquarie Park to address congestion issues
  - Help other Macquarie Park businesses understand the benefits and strategy for implementing a Sustainable Transport strategy
- Conduct waste audit to set baseline waste separation data, and use this to implement programs to change our people’s approach to domestic waste
- Partner with external stakeholders to run pilots on battery technologies to assess the objective of allowing some mobile sites to go off the grid for periods during the day, and reduce the requirement for energy intensive cooling
- Implement solar trials in both WA and NT to evaluate the potential of rolling out a more expansive program.
- Achieve ISO 14001:2015 Environmental Management System accreditation across key parts of the business
- Achieve 100% of Year 1 targets set out in the Optus resilience action plan
UN Sustainable Development goals

With the launch of the United Nations Sustainable Development Goals (SDGs) 2030 in 2015, we’ve performed additional mapping to assess how our key focus areas and initiatives relate to these goals, and to highlight the areas where we believe we can have most impact as a business. In the table below we have summarised some of our key efforts and initiatives in relation to the SDGs where we are able to have a material impact.

<table>
<thead>
<tr>
<th>Sustainable Development Goal</th>
<th>Optus Position</th>
<th>Examples of Optus Efforts and Initiatives</th>
<th>Chapter/Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal 1: Good Health and Well-being</strong> (Ensure healthy lives and promote well-being for all ages)</td>
<td>Optus views any potential risk to the health and safety of our stakeholders seriously and we actively promote health and safety at the workplace.</td>
<td>EME: We monitor research findings on EME and comply with ICNIRP and ANZHPH standards. We design and deploy our network to comply with the relevant Federal Government mandated exposure standards. Cancer cause: We support the fight against cancer given its impact and personalisation in society. We have been supporting the Tour de Cure since 2011.</td>
<td>Community Chapter (Page 42) Our People Chapter (Page 62)</td>
</tr>
<tr>
<td><strong>Goal 2: Quality Education</strong> (Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all)</td>
<td>Optus has an important role in enabling the progress, development and inclusion of vulnerable segments of society through the support of education and skills development opportunities.</td>
<td>Vulnerable children and youth: We support the education of children with special needs, at-risk youth and young people transitioning into the workforce. Our initiatives include The Smith Family mobile student2istant program and the Australian Business and Community Network (ABCN) students mentoring program. Digital Citizenship: We actively promote responsible digital citizenship. Our Digital Thumbprint and Kids Helpline @ School programs educate vulnerable children and youth on responsible digital citizenship.</td>
<td>Community Chapter (Page 48, 49) Our People Chapter (Page 65)</td>
</tr>
<tr>
<td><strong>Goal 3: Gender Equality</strong> (Achieve gender equality and empower all women and girls)</td>
<td>Optus treats everyone with respect and consideration at all times, regardless of gender, age, ethnicity, language, cultural background, physical ability, religious belief and lifestyle choice. Gender equality: Female employees are well represented across all levels of the organisation. The Singtel Group has an equitable remuneration structure that has no gender bias and is based on work performance. The average salaries of our male and female employees across job grades are comparable. We established a Diversity Council to advance networking and mentoring support to female talent and created a ‘Women in Leadership’ series across the Group.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Goal 4: Affordable and Clean Energy</strong> (Ensure access to affordable, reliable, sustainable and clean energy for all)</td>
<td>Optus is committed to adopting cleaner energy to reduce our reliance on fossil fuels. Renewable Energy: Since 2009, we have been exploring opportunities to use alternative forms of energy for our operations in Singapore and Australia to reduce our reliance on electricity from the grid (see website for details).</td>
<td></td>
<td>Environment Chapter 8 (Pages 71, 75)</td>
</tr>
<tr>
<td><strong>Goal 5: Decent Work and Economic Growth</strong> (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all)</td>
<td>Optus is committed to growing with our people and making the company a vibrant workplace across all our global operations. Work support: The Optus ABCN program supports work experience and improves employability, to help create fair opportunities for the disadvantaged. Fair employment: We employ 9,000 people across Australia representing nearly 90 different nationalities. We strive to create an open and trusting workplace environment characterised by equal opportunity, as well as a diverse, inclusive, collaborative and learning culture. We enhance inclusion with our Indigenous Action Plan, and we partner Diversity Dimensions to promote young indigenous Australians with the skills and opportunities to work in the retail sector. We mentor vulnerable youth under the Optus ABCN programme to give them a better head start.</td>
<td>Community Chapter (Page 48, 51) Our People Chapter (Page 60)</td>
<td></td>
</tr>
<tr>
<td><strong>Goal 6: Industrial Innovation and Infrastructure</strong></td>
<td>Optus continues to stay at the forefront to bring the latest and the best services to our customers, and works with change makers to bring creative solutions to solve societal problems.</td>
<td>Infrastructure: We continuously invest in our fixed and mobile networks to offer a superior customer experience, and we partner our network vendors to conduct technology trials. Social innovation: Our social innovation accelerator programs aim to build an ecosystem to attract and develop innovators and change makers with solutions for the community segments we support.</td>
<td>Community Chapter (Page 46) Environment Chapter (Page 77)</td>
</tr>
<tr>
<td><strong>Goal 7: Responsible Consumption and Production</strong> (Ensure sustainable consumption and production patterns)</td>
<td>Optus is committed to creating equal opportunity for both our people and our communities.</td>
<td>Equal opportunity: We create an open and trusting workplace environment characterised by equal opportunity, as well as a diverse, inclusive, collaborative and learning culture. We enhance inclusion with our Indigenous Action Plan, and we partner Diversity Dimensions to promote young indigenous Australians with the skills and opportunities to work in the retail sector. We mentor vulnerable youth under the Optus ABCN programme to give them a better head start.</td>
<td>Community Chapter (Page 51) Our People Chapter (Page 65)</td>
</tr>
<tr>
<td><strong>Goal 8: Climate Action</strong> (Take urgent action to combat climate change and its impacts)</td>
<td>Optus is leveraging our ICT competence to develop solutions that improve quality of living, and focuses on building a resilient network infrastructure. Smart cities: We actively support Smart City and Smart Nation visions. We are also developing a suite of smart home solutions for our customers. We’re collaborating with Uber for an innovative in-car Wi-Fi trial across Sydney and Melbourne. We are a founding partner of the Resilient Australia Collaborative for Disaster Resilience &amp; Safer Communities.</td>
<td>Smart cities: We actively support Smart City and Smart Nation visions. We are also developing a suite of smart home solutions for our customers. We’re collaborating with Uber for an innovative in-car Wi-Fi trial across Sydney and Melbourne. We are a founding partner of the Resilient Australia Collaborative for Disaster Resilience &amp; Safer Communities.</td>
<td>Community Chapter (Page 50) Environment Chapter (Page 77, 78)</td>
</tr>
<tr>
<td><strong>Goal 9: Industry, innovation and infrastructure</strong> (Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation)</td>
<td>Optus actively monitors our waste management practices as part of our business operations and environmental conservation efforts.</td>
<td>Going green: We aim to reduce paper use in our business operations, and actively promote the 3Rs – Reduce, Reuse and Recycle - to our people. We provide recycling for customers to bring back products and accessories that have reached their end-of-life. We use profits from our onsite car park to fund the Optus Express buses, which provide free rides to work. We are committed to responsible packaging and have responsibilities under the Australian Packaging Covenant.</td>
<td>Community Chapter (Page 59) Environment Chapter (Page 78)</td>
</tr>
<tr>
<td><strong>Goal 10: Reduced Inequalities</strong> (Reduce inequality within and among countries)</td>
<td>Optus is committed to reducing inequality within and among countries.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Optus Position**

**Examples of Optus Efforts and Initiatives**

**Chapter/Page**

**Goal 17: Partnership for the goals** (Revitalise the global partnership for sustainable development) | Optus believes in the spirit of partnerships and collaboration to solve some of the most pressing social or sustainability needs, whether locally or globally. | Key partnerships: We have formed strong relationships with key partners for our strategic programmes targeting at meeting our sustainability and community needs. These partners include ABCN, Australian Business Roundtable for Disaster Resilience, Telco Together Foundation and our overseas business partners. | Community Chapter (Page 48, 51) Environment Chapter (Page 77) |
Memberships and industry associations we support (G4-15, G4-16)

### Industry associations

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet Australia</td>
<td>Not-for-profit organisation representing all Australian internet users, working to promote positive Internet developments for the benefit of the whole community</td>
</tr>
<tr>
<td>Association for Data-driven Marketing and Advertising (ADMA)</td>
<td>ADMA Direct Marketing Code of Practice set standards of conduct for direct marketers and applies to all direct marketing and data driven activities</td>
</tr>
<tr>
<td>Australian Information Industry Association (AIIA)</td>
<td>Peak representative body and advocacy group for the ICT industry</td>
</tr>
<tr>
<td>Australian Mobile Telecommunications Association (AMTA)</td>
<td>The peak body representing Australia’s mobile telecommunications industry. Including mobile Carriage Service Providers (CSPs), handset manufacturers, retail outlets, network equipment suppliers and other suppliers to the industry</td>
</tr>
<tr>
<td>Communications Alliance</td>
<td>The primary telecommunications industry body in Australia with a leadership role in facilitating industry-based solutions to sectoral issues and is taking steps to bring to fruition the broadband and digital era, including leading the industry’s involvement in the National Broadband Network implementation</td>
</tr>
</tbody>
</table>

### Key corporate memberships

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Business Roundtable for Disaster Resilience &amp; Safer Communities</td>
<td>The Roundtable works constructively with governments to improve the nation’s resilience against future natural hazards</td>
</tr>
<tr>
<td>Australian Israel Chamber of Commerce (AICC)</td>
<td>National business organisation of over 1000 leading companies promoting non-partisan business networking and bilateral trade</td>
</tr>
<tr>
<td>Australian Green Cross Business Adaptation Network</td>
<td>Network involving companies and research organisations that share an interest in advancing good climate adaptation practices</td>
</tr>
<tr>
<td>Diversity Council of Australia</td>
<td>Independent, not-for-profit workplace diversity advisor to business in Australia</td>
</tr>
<tr>
<td>Mobile Muster</td>
<td>Official product stewardship program for Australia’s mobile phone industry</td>
</tr>
<tr>
<td>National Safety Council of Australia</td>
<td>Assists to inspire, educate, inform and engage Australian business in best practice WHS and risk management.</td>
</tr>
<tr>
<td>NSW Equity and EEO Practitioners Association (NEEOPA)</td>
<td>A non-profit Association supporting HR and Diversity Practitioners to network, share best practice and to learn from functional and industry experts</td>
</tr>
</tbody>
</table>

### Other externally developed economic, environmental and social charters, principles, or other initiatives to which we subscribe or endorse.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Focus</th>
<th>Binding/voluntary</th>
<th>Date of adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Packaging Covenant (APC)</td>
<td>A sustainable packaging initiative which aims to change the culture of business to design more sustainable packaging, increase recycling rates and reduce packaging litter</td>
<td>Voluntary but underpinned by a co-regulatory arrangement</td>
<td>2007</td>
</tr>
<tr>
<td>Australian Stock Exchange (ASX) Governance Guidelines and Recommendations</td>
<td>Recommendations for ASX listed companies to disclose sustainability related risks. Singtel Group was listed on the ASX in 2011 and was delisted on 5 June 2015</td>
<td>Obligation to comply if risks are considered financially material</td>
<td>2011</td>
</tr>
<tr>
<td>Global Reporting Initiative (GRI)</td>
<td>Reporting guidelines for the preparation of sustainability reports</td>
<td>Voluntary</td>
<td>2002</td>
</tr>
<tr>
<td>London Benchmarking Group (LBG)</td>
<td>Methodology to measure and report on our contribution to the community</td>
<td>Voluntary</td>
<td>2009</td>
</tr>
<tr>
<td>National Greenhouse Emissions and Energy Reporting (NGER) Act</td>
<td>Australian legislation outlining requirements for companies to report their greenhouse gas emissions and energy consumption data</td>
<td>Binding</td>
<td>2002</td>
</tr>
<tr>
<td>United Nations (UN) Global Compact</td>
<td>A leadership platform for businesses committed to aligning their strategies and operations with ten universally accepted principles in human rights, labour, environment, and anti-corruption.</td>
<td>Voluntary</td>
<td>2016</td>
</tr>
</tbody>
</table>

### Key Community Groups that we engage with regularly

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karma Currency</td>
<td>An independent, charitable not-for-profit that connects those that can give with those in need</td>
</tr>
<tr>
<td>Australian Charities Fund</td>
<td>ACF is an architect, driver and thought leader of workplace giving as the most effective and efficient way to channel donations from both employees and employers to the charitable sector and increase their capacity to achieve social change</td>
</tr>
<tr>
<td>Charities Aid Foundation</td>
<td>Charities Aid Foundation (CAF) Australia is a not-for-profit committed to facilitating the most effective and efficient ways to connect donors to the causes that matter to them and for money to get where it’s needed</td>
</tr>
<tr>
<td>Telco Together</td>
<td>The Telco Together Foundation is a unified platform enabling the telecommunications industry to make a significant social contribution within Australia</td>
</tr>
<tr>
<td>Fundraising Institute of Australia</td>
<td>The Fundraising Institute Australia (FIA) is the national peak body representing professional fundraising in Australia</td>
</tr>
<tr>
<td>Macquarie School of Management (MGSM) CSR network</td>
<td>A local CSR network of companies and the University aimed at sharing best practice CSR activities and collaboration</td>
</tr>
</tbody>
</table>
Assurance Statement Summary

Ere-S Pte Ltd (Ere-S) has been engaged by Singtel Optus Pty Limited (Optus) to conduct an independent assurance on delimited sets of information found in the Optus Sustainability Report 2016 (the Report).

Scope and type of assurance

The scope of the assurance was restricted to the performance data of the material aspects listed below. Ere-S verified the statements and data sets according to the agreed scope and data ownership and type of evidence required for the verification process; (2) Carry out interviews by phone conferencing with key data owners based at Optus’s corporate offices in Sydney; (3) Assess the collected information and develop recommendations for immediate correction (where required) or future improvement of the Report content.

Findings and observations

Data sets and source documents provided during the assurance were sufficiently detailed to obtain a good assessment of the whole data collection and reporting processes. Benefitting from direct access to the sustainability data management portal, Ere-S assurance team was able to run a more systematic assessment of the calculation methods, formulas, conversion factors and units used to generate the final figures found in the Report.

Based on the assessed evidence and the sampling done, Ere-S did not find any errors or misstatements in the data calculations, estimations and aggregations of the figures on Energy use, GHG emissions and training hours. Statements on indirect economic impacts and supplier screening were also supported by strong evidence.

In some cases, upstream data collection still depends on manual merging and filtering of data sets that originated from diverse databases. Stronger reliability can be achieved with more standardisation and automation of the underlying calculation processes.

Material aspects

| Energy use within the organisation | G4-EN3 |
| GHG emissions scope 1, 2 and 3 | G4-EN15, G4-EN16, G4-EN17, G4-EN18 |
| Injury rates | G4-LA6 |
| Average training hours | G4-LA9 |
| Indirect economic impacts | G4-EC8 |
| Supplier screening on environment and human rights | G4-EN32, G4-HR10 |

Ere-S also evaluated engagement with reference to GRI materiality and stakeholder engagement with reference to GRI indicators G4-18 and G4-25.

The assurance process was conducted under a moderate (or limited) level of assurance in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). A moderate assurance is limited to desktop review and management-level evidence gathering and data verification with restricted sampling at lower levels in the organisation.

The assurance also conforms to the AA1000 Assurance Standard (2008) Type 2, which requires evaluating the company’s overall sustainability framework with regard to material issues assessment and stakeholder engagement and evaluating the quality of the reported sustainability performance information. This was conducted using the AA1000 AccountAbility Principles (AA1000APS 2008) GRI G4 Reporting Principles.

Assurance methodology

The assurance procedures and principles used for this engagement were organised into a methodology developed by Ere-S, which consists of (1) Identify and classify statements and data sets according to the scope, data ownership and type of evidence required for the verification process; (2) Carry out interviews by phone conferencing with key data owners based at

Assurance Practitioner

Jean-Pierre Dalla Palma
Director and Lead Certified Sustainability Assurance Practitioner
Ere-S Pte Ltd

Conclusion

On the basis of a moderate assurance engagement and according to the agreed scope and criteria, nothing has come to our attention that causes us not to believe that, in all material respects, Optus’s Sustainability Report 2016

- includes statements and figures relevant to the GRI indicators G4-EN3, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-LA6, G4-LA9, G4-EN32, G4-HR10 and G4-EC8 that achieve an adequate level of reliability and accuracy.
- provides a credible and fair representation of the organisation’s sustainability profile and a reasonable application of the AA1000 AccountAbility Principles.

The above findings and additional suggestions for improvement have been presented to the management of Optus in a more detailed assurance report.

Singapore, 20th June 2016
Jean-Pierre Dalla Palma
Director and Lead Certified Sustainability Assurance Practitioner
Ere-S Pte Ltd


The complete version of this assurance statement can be downloaded at:
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Report Section / Disclosure</th>
<th>Page</th>
<th>External Assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy and Analysis</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-1</td>
<td>Statement from Chairman and the CEO</td>
<td>A Message from our CEO and Chairman</td>
<td>4-7</td>
<td></td>
</tr>
<tr>
<td><strong>Organisational Profile</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-3</td>
<td>Name of the organisation</td>
<td>About This Report</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>G4-4</td>
<td>Primary brands, products, and/or services</td>
<td>About Us</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>G4-5</td>
<td>Location of headquarters</td>
<td>About Us</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>G4-6</td>
<td>Countries of operation</td>
<td>About Us</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>G4-7</td>
<td>Nature of ownership and legal form</td>
<td>About Us</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>G4-8</td>
<td>Markets served</td>
<td>About Us</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>G4-9</td>
<td>Scale of the organisation</td>
<td>About Us</td>
<td>10, 11</td>
<td></td>
</tr>
<tr>
<td>G4-10</td>
<td>Size of workforce</td>
<td>About Us, Our People</td>
<td>10, 66</td>
<td></td>
</tr>
<tr>
<td>G4-11</td>
<td>Employees covered by collective bargaining agreements</td>
<td>Our People</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>G4-12</td>
<td>Organisation’s supply chain</td>
<td>Sustainable Supply Chain Management</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>G4-13</td>
<td>Change in organisation’s size, structure, ownership, or its supply chain</td>
<td>Transforming our Supplier Strategy</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>G4-14</td>
<td>How precautionary approach is addressed</td>
<td>Our Sustainability Framework, Environmental Management System</td>
<td>12, 72</td>
<td></td>
</tr>
<tr>
<td>G4-15</td>
<td>Externally developed charters, principles, or other initiatives to which the organisation subscribes</td>
<td>Memberships and Industry Initiatives we Support</td>
<td>84, 85</td>
<td></td>
</tr>
<tr>
<td>G4-16</td>
<td>Membership of associations</td>
<td>Memberships and Industry Initiatives we Support</td>
<td>84, 85</td>
<td></td>
</tr>
<tr>
<td><strong>Identified Material Aspects and Boundaries</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-17</td>
<td>Entities included in the organisation’s consolidated financial statements</td>
<td>Singtel Annual Report - Notes to the Financial Statements</td>
<td>P1-AR</td>
<td></td>
</tr>
<tr>
<td>G4-18</td>
<td>Process for defining the report content and the aspect boundaries</td>
<td>Focusing on what matters the most</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>G4-19</td>
<td>List of identified material aspects</td>
<td>Focusing on what matters the most</td>
<td>19</td>
<td></td>
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<tr>
<td>G4-20</td>
<td>Aspect Boundary of material aspect within the Organisation</td>
<td>Focusing on what matters the most</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>G4-21</td>
<td>Aspect Boundary of material aspect outside the Organisation</td>
<td>Focusing on what matters the most</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>G4-22</td>
<td>Restatement of information</td>
<td>No restatements</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>G4-23</td>
<td>Significant changes from previous reporting periods in the Scope and Aspect Boundaries</td>
<td>No significant changes</td>
<td>n/a</td>
<td></td>
</tr>
</tbody>
</table>

**Stakeholder Engagement**

- G4-24: List of stakeholder groups engaged (How we engage our stakeholders) Page 17
- G4-25: Basis for identification and selection of stakeholders with whom to engage (How we engage our stakeholders) Page 17
- G4-26: Approach to stakeholder’s engagement (How we engage our stakeholders) Page 17
- G4-27: Key topics and concerns raised through stakeholder engagement (How we engage our stakeholders) Page 17

**Report Profile**

- G4-28: Reporting period (About this report) Page 3
- G4-29: Date of most recent previous report (About this report) Page 3
- G4-30: Reporting cycle (About this report) Page 3
- G4-31: Contact point for questions regarding the report or its contents (About this report) Page 3
- G4-32: GRI Content Index (The tables in this chapter) Pages 88-90
- G4-33: External assurance (Assurance Report) Pages 86-87

**Governance**

- G4-34: Governance structure (Sustainability Governance) Page 15

**Ethics and Integrity**

- G4-56: Values, principles, standards and norms (Our vision, Sustainability Governance) Pages 11-15
Specific Standard Disclosures

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Indicator</th>
<th>Disclosure</th>
<th>Page</th>
<th>External Assurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product &amp; service labelling</td>
<td>DMA</td>
<td>Yes to customer satisfaction</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PR5</td>
<td>Yes to customer satisfaction</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Compliance</td>
<td>DMA</td>
<td>Sustainability governance, responsible products &amp; services</td>
<td>15/30</td>
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</tr>
<tr>
<td></td>
<td>PR9</td>
<td>No significant fines</td>
<td>n/a</td>
<td></td>
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<tr>
<td>Indirect economic impacts</td>
<td>DMA</td>
<td>Our approach, partnering students through education, inclusion and wellbeing</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EC7</td>
<td></td>
<td>23</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EC8</td>
<td></td>
<td>48, 51</td>
<td></td>
</tr>
<tr>
<td>Customer privacy</td>
<td>DMA</td>
<td>Customer &amp; data privacy</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PR8</td>
<td>Customer &amp; data privacy</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Customer health &amp; safety</td>
<td>DMA</td>
<td>Electromagnetic energy</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PR2</td>
<td>Optus has not received any non-compliance from the regulator, Comcare, in the last 12 months</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>Marketing communications</td>
<td>DMA</td>
<td>Fair marketing</td>
<td>35</td>
<td></td>
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<tr>
<td></td>
<td>PR7</td>
<td>None</td>
<td>n/a</td>
<td></td>
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<tr>
<td>Supplier human rights assessment</td>
<td>DMA</td>
<td>Sustainable supply chain management, transforming</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HR10</td>
<td>Our supplier strategy</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Local communities</td>
<td>DMA</td>
<td>Responsible products and services, futureproofing our infrastructure</td>
<td>30, 77</td>
<td></td>
</tr>
<tr>
<td>Economic performance</td>
<td>DMA</td>
<td>Our sustainability scorecard, engaging our people</td>
<td>14, 50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EC1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td>DMA</td>
<td>Our people</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LA1</td>
<td>People performance indicators</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>Training &amp; education</td>
<td>DMA</td>
<td>Thriving, talented people</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LA9</td>
<td></td>
<td>60</td>
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</tr>
<tr>
<td></td>
<td>LA11</td>
<td></td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Occupational health &amp; safety</td>
<td>DMA</td>
<td>Looking after our people</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LA6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>DMA</td>
<td>Targeting energy efficiency</td>
<td>75</td>
<td></td>
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<tr>
<td></td>
<td>EN3</td>
<td>Environmental performance indicators</td>
<td>80</td>
<td></td>
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<tr>
<td>Emissions</td>
<td>DMA</td>
<td>Our emissions intensity</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EN15</td>
<td>Environmental performance indicators</td>
<td>80</td>
<td></td>
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<tr>
<td></td>
<td>EN16</td>
<td></td>
<td>80</td>
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<td></td>
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<td>80</td>
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<tr>
<td></td>
<td>EN18</td>
<td></td>
<td>80</td>
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<tr>
<td>Supplier environmental assessment</td>
<td>DMA</td>
<td>Using life-cycle analysis (LCA) to inform us of our real impacts</td>
<td>28</td>
<td></td>
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<tr>
<td></td>
<td>EN32</td>
<td>Using life-cycle analysis (LCA) to inform us of our real impacts</td>
<td>28, 29, 86</td>
<td></td>
</tr>
</tbody>
</table>

Visit our website
To view our reports visit optus.com.au/about/sustainability/reports

Feedback
We welcome your feedback on our progress and our Sustainability Report. Please contact us at sustainabillity@optus.com.au

Head Office
Our head office is located at 1 Lyonpark Road, Macquarie Park NSW 2113