



The Smallest Footprint



We're taking action to leave the smallest environmental footprint possible, even while our business and networks continue to grow. That includes working to reduce our environmental impacts and to consider potential environmental consequences across our value chain, including our business operations, suppliers and customers. Our Environment Policy outlines our preventative approach and commitment to the environment.

The key elements of our policy are:

- A commitment to understanding, managing and minimising the environmental impact of our business operations, products and supply chain
- Continually improving our environmental performance and minimising impact through resource and energy management, pollution prevention and biodiversity protection
- Managing our carbon footprint and energy consumption through use of technology, process improvements, energy optimisation and other efficiency measures
- Adopting plans and measures throughout our operations and infrastructure to adapt to and build resilience to the longer-term risks of climate change.

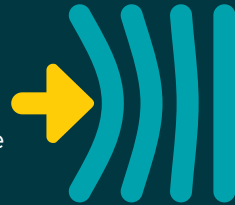
Our environmental footprint consists mainly of the carbon emissions generated by electricity consumption across our network, the waste associated with the packaging of our products as well as the disposal of the devices we sold when they reach their end of life (EoL).

Our Smallest Footprint Highlights for FY20

Committed to keeping global temperature increases within 1.5°C above pre-industrial levels by 2100 and reach

✓ **Net Zero**
emissions by 2050

We kept our communities and emergency services connected during the Black Summer last year and implemented new ways to increase the resilience of our infrastructure using innovative approaches



Diverted 3,728 kg of e-waste or

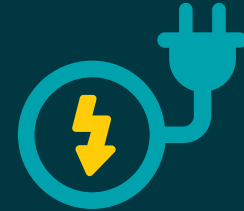
51,544

handsets, batteries and accessories from landfill



Our electricity intensity (kWh/TB) continues to decrease with a new record low of

✓ **133 kWh/TB**
(compared to 160 in FY19)



Achieved "leading" performance score in the Australian Packaging Covenant Organisation (APCO) assessment for calendar 2019



Decreased carbon intensity to a new record low of

0.1 ton CO2e/TB



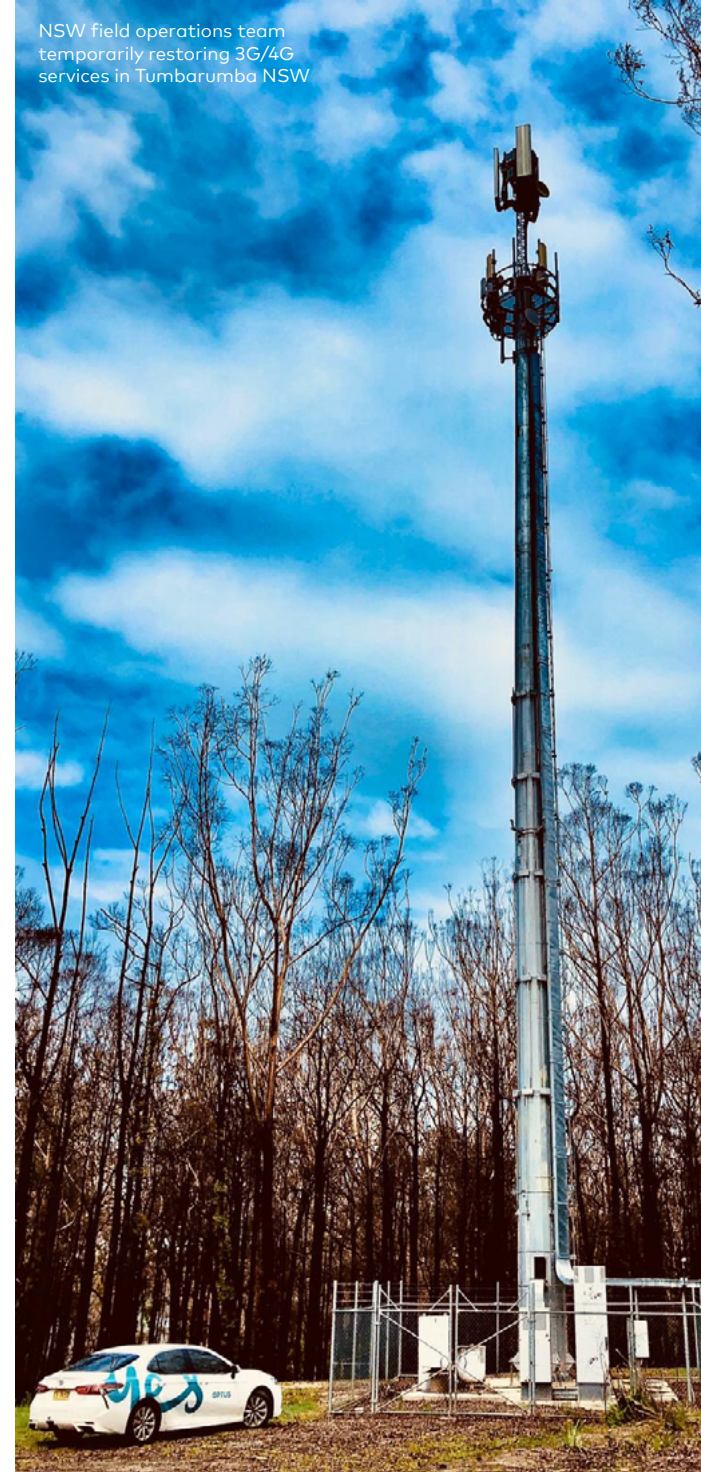
Climate and Carbon

We manage the impact of climate change proactively because this enables us to serve our customers when they need it most. For example, when extreme weather events affect our communities (e.g. bushfires), having resilient telecommunications infrastructure is vital to continue providing a critical service, ensuring families can stay in touch with their loved ones and emergency services are able to coordinate rescue and relief operations. We're also working to improve our energy efficiency and exploring ways to power our infrastructure with renewable energy to minimise our carbon footprint.

In July 2017, Optus and Singtel were part of a pioneering group of 28 global companies to commit to climate targets in alignment to the Paris Agreement. This group of companies is committed to keeping global temperature increases well below 2°C above pre-industrial levels by 2100. We have strengthened our contribution by moving towards a net-zero emissions organisation by 2050.

Climate change is a risk to businesses worldwide and we're striving to communicate the impacts to our business arising from climate change risks by benchmarking our progress towards the full disclosure of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Since 2017 we have progressively disclosed more information in relation to climate risks in our sustainability reports and continue to improve the incorporation of climate risks into decision making. For more details about our roadmap to net-zero, please see the [Singtel Group Sustainability Report](#).

NSW field operations team temporarily restoring 3G/4G services in Tumbarumba NSW



Climate and Carbon (continued)

Here's what we are doing:

Climate adaptation and resilience

We're continuing to integrate resilience and adaptation into our business and network operations. It's critical for us to review current and new climate related risks and trends in many regions of Australia that are prone to major cyclones and other natural disasters so we can take the necessary steps to prepare and respond to these risks.

At a policy and research level, we contribute as a founding member of the Australian Business Roundtable for Disaster Resilience and Safer Communities (ABR). ABR's recommendations to Government have been recognised through development of Australia's National Disaster Risk Reduction (NDRR) Framework, launched in April 2019. Through ABR we will continue to be actively involved in the National Disaster Risk Reduction (NDRR) Industry Advisory Forum, to shape implementation of the Framework.

At an operational level, we're continuing to invest in equipment and resources that enable a more effective response to natural disasters and emergencies. Our disaster management fleet utilises SATCATS (a Satellite Cell on a trailer that uses satellite transmissions for coverage in a limited range, without the need for infrastructure). During calendar 2019 our Operations Team explored the use of rapid deployment mobile solutions for disaster management and as a result, our current fleet of four SATCATS may be complemented by an additional investment of \$1.5 million on small cells. Small cells are lighter, easier to transport, provide instant access to the 4G platform and are cheaper than SATCATS. This investment will strengthen our disaster response capabilities by rapidly deploying mobile coverage solutions to affected zones.

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Optus small cell and SATCAT

Climate and Carbon (continued)

Taskforce on Climate Related Financial Disclosures (TCFD)

We endorsed the TCFD recommended framework in mid-2017. Since then, we have worked across our business to identify the impacts to the business arising from extreme weather events such as cyclones, bushfires and floods. Identifying climate risks requires developing scenarios associated with transitional (related to moving to a low-carbon economy) and physical risks. We are actively continuing to improve our understanding and disclosure of these risks in our annual reports.

After identifying the different physical, transitional and liability risks in our organisation and updating our corporate risk register, we began engagement with risk modelling experts to further refine our understanding of the impact of extreme weather events and incorporate them into our business planning processes.

We have also begun to scope our next steps which include linking the physical risk modelling results to the financial data to validate how material these indicators are to Optus/Singtel's long-term financial performance. A targeted area within our Australian network has been identified as the most suitable for physical risk modelling purposes and to help us better understand the variety of interdependencies with different stakeholders within the business as we continue improving our disclosures as part of our TCFD journey.

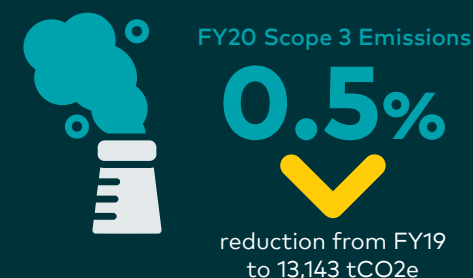
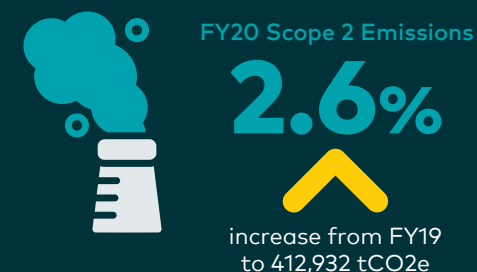
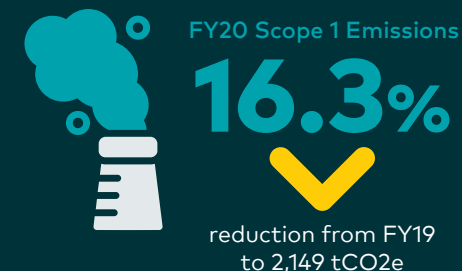
Please visit the [TCFD website](#) for more information about their framework.

Science Based Targets (SBT)

Science Based Targets are environmental best practice and use climate science to set GHG emissions reduction targets. We were the first Australian telecommunications company to adopt such targets and get them approved in 2017. Optus/Singtel is committed to reducing our scope 1 and 2 emissions by 42% and scope 3 emissions by 30% between 2015 and 2030.

In February 2020, the first science-based, sector-specific decarbonisation pathway to reduce Greenhouse Gas (GHG) emissions in alignment to the 1.5°C report, across the global telecommunications sector was announced. We supported this pathway from the very beginning and actively contributed with the SBTi (Science Based Targets initiative), GSMA (the global mobile operators' industry body), ITU (International Telecommunication Union) and GeSI (Global e-Sustainability Initiative) to make it a reality.

We continue implementing a range of energy efficiency initiatives within our business and exploring renewable energy options to power our infrastructure as well as a range of projects to better understand our supply chain risks.



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Climate and Carbon (continued)

Energy efficiency

The significant growth in network coverage across Australia and increased use of mobiles has increased our energy consumption as we expand capacity through our network, base stations and network facilities. We're continuing to improve the amount of energy used across our networks despite this significant increase. Our use of energy during the last year increased by less than 5% while the data traffic through our network increased by more than 25%.

We're also working on several initiatives targeting energy reduction across energy-intensive touch points of our operations, such as network infrastructure, data centres, satellite earth stations and office buildings. These include:

- Retrofitting energy-efficient LED lighting, saving 1,857 MWh/year (6,685 GJ/year) or 1,486 tCO₂e/year)
- Mobile shelter cooling initiative — a multi-year initiative to replace current fresh air fans with modern DC variable speed fans and larger intake units, with the capability of doubling the air intake and reducing the need to rely on air conditioners
- Deploying software enabling mobile equipment to shut down during periods of low traffic to reduce energy consumption



Mobile shelter cooling site installations completed:

FY20

279

FY19

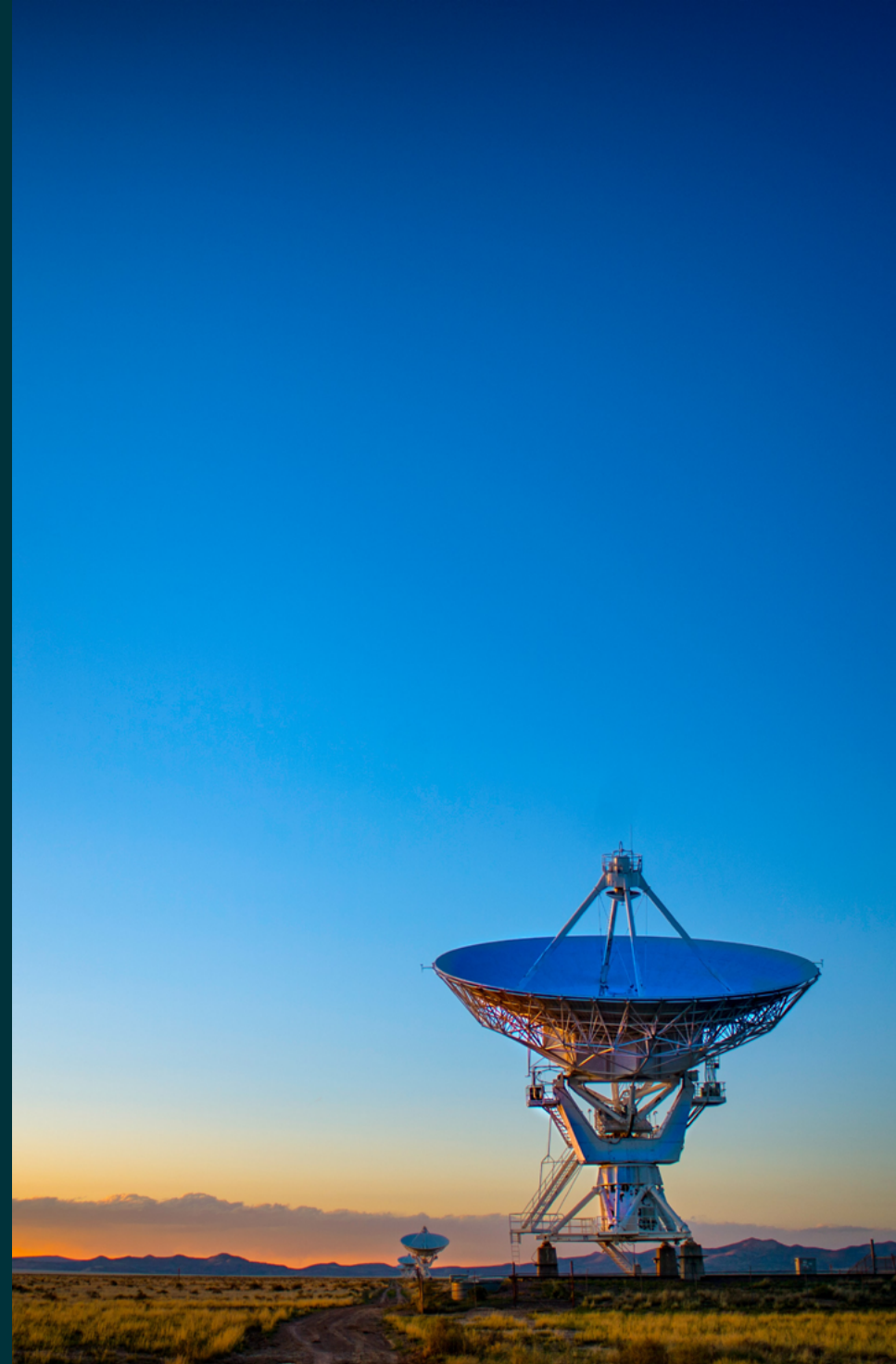
470

FY18

260

Total site installations completed

1,100



On track for more sustainable transport to work

The Optus Sustainable Transport Strategy is an award-winning program that focuses on reducing Optus' impact on the environment by encouraging public transport and reducing car dependency. When a key rail transport link to Optus Sydney campus was temporarily closed, we established 'On Track', to help manage the disruption for Optus employees by:

- **Reducing** the need to travel by encouraging flexible work
- **Retiming**, by shifting the peak to avoid congestion on the roads
- **Remoding**, by encouraging people to travel in different ways

As a result of our program we saw a 10.5% increase in people travelling by bus, and a 10% decrease in driving from 47% to 42%. The program resulted in a significant and lasting shift away from driving alone to public transport, took over 17,000 cars off the road during the rail closure period (September 2018-June 2019), achieved a dramatic reduction in employees arriving at peak hour and delivered a 67% increase in the number of employees working remotely on a regular basis.



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Product Stewardship

Governments, communities, customers and other stakeholders increasingly want to be assured that the goods and services they buy have minimised their negative environmental and social impacts.

Our product stewardship approach considers the impact of our products and services before products reach our stores, during our operations and activities and after their useful life. Our most significant impacts are in the packaging used for mobile phones and other electronic equipment that we sell, and the waste generated by our operations and our products.

Our waste streams include End of Life devices, waste associated with the expansion of our network, product packaging waste and municipal waste generation associated with the operation of our stores and offices. We have a range of initiatives in place to manage each of these waste streams, with a focus on reducing and recycling our own waste, collaborating with partners and suppliers, and redesigning our product offerings to minimise our impact in this area.

In FY20 we enhanced these efforts by:

- Improving our performance against Australia's packaging framework to be recognised as 'leading' by the Australian Packaging Covenant Organisation (APCO)
- Consolidating our Sustainable Packaging Strategy into ten targets for the period 2019-2021 and aligning it to our aspirational target to make all packaging 100% re-usable, recyclable or compostable by 2025
- Working closely with our waste management supplier to reduce the amount of waste sent to landfill by more than half from our previous year and continue to explore ways to eliminate disposal to landfill
- Beginning the process of having our waste management performance benchmarked using the NABERS national rating system
- Initiating supply chain sustainability risk assessment together with Singtel



Product Stewardship (continued)

Here's what we are doing:

Sustainable packaging

Sustainable packaging has a direct and indirect contribution in our environmental impact across the value chain, from resource utilisation, product packaging all the way to the generation of different waste streams.

Optus' Sustainable Packaging Goals were initially developed in FY19 and progressively refined during FY20 into a set of ten clear and concise targets. The targets outline sustainable packaging goals around weight reduction and optimisation, recyclability and recoverability of materials, Australasian Recycling Label (ARL) implementation, waste diversion from landfill, and other key improvement areas.

With Australian environmental ministers agreeing on an aspirational goal of having all packaging in Australia either reusable, recyclable or compostable by 2025, we have aligned our approach with this goal. As part of this journey, all foils, celloglaze and spot UV as well as finishes that make packaging not recyclable have been removed from our products this year. We have also included the FSC and recycling logos on the reverse of the packaging of all our prepaid SIM packaging. Finally, we launched a new online training module accessible to all Optus staff to support a range of sustainability initiatives including sustainable packaging.

We're committed to the principles of the Australian Packaging Covenant Organisation (APCO), a co-regulatory, not-for-profit organisation partnering

government and industry to reduce the environmental impact of packaging in Australian communities.

Our efforts were also recognised by the APCO award for the Telecommunications category last year, ranking us as a "Leading" Australian company in our sustainable packaging efforts and best practices. In calendar 2019 we achieved an APCO score of 72% (up from 55% in 2018), which helped us to move from the 'Advanced' to the 'Leading' category in sustainable packaging in Australia.

This is the third consecutive year we have been awarded by APCO, as well as being recognised as a high performing member since we joined in 2007.

APCO noted that Optus made significant improvements in the areas of Consumer Engagement, Packaging Design, Packaging Material Efficiency and Business to Business Packaging.



TELECOMMUNICATIONS
SECTOR



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A sustainable packaging partnership

As a member of Australian Packaging Covenant Organisation, Optus had already made progress towards realising the Australian environment ministers' target of 100% reusable, recyclable or compostable packaging by 2025. When Finsbury Green won Optus's long-term print management contract, their sustainability credentials played a large part in the decision.

Partnering with Finsbury Green means that Optus is working with one of the most sustainable printing solutions providers in the world. At the front line of this approach is the Finsbury Green Star Rating System* (FGSR) that all of FG suppliers must complete during the supplier accreditation process. FGSR is an environmental evaluation protocol that actively promotes sustainable practices within FG supply chain and include the completion of an online questionnaire resulting in a star rating and a calculated CO2 footprint which are independently audited. This enables Optus to ensure its second tier of suppliers adhere to the best environmental performance metrics, so the positive rippling effects move beyond our immediate interaction with tier 1 suppliers.



Product Stewardship (continued)

e-Waste management and recycling

We actively support initiatives to reduce e-waste and encourage recycling.

Australians are among the world's highest users of technology and produce around 25kg per person of electronic waste each year. Recycling electronic equipment such as mobile phones, enables consumers and businesses to avoid future greenhouse gas emissions, save energy, prevent potentially hazardous materials from entering the environment and conserve natural resources. In Australia, we recycle more than 98% of our own e-waste.

Our initiatives include:

- SIM card recycling — in calendar 2019 we recycled 246,426 SIM cards as part of our SIM expiry recall initiative, making a total of 4.29 tonnes of material diverted from landfill under this initiative
- Developing consumer education material on the correct way to recycle Optus packaging material
- A program to recycle unwanted television set top boxes. In calendar 2019 a total of 62,588 Fetch TV set top boxes were returned through a postal drop off service, avoiding associated courier packaging as well as transport emissions
- Mobile phone recycling in partnership with the national Mobile Muster scheme, a national industry-wide collaboration stewardship scheme that allows customers to recycle their old mobile phones at any Optus retail store

- Through these efforts, we diverted 3,728 kg of e-waste or 51,544 handsets, batteries and accessories from landfill in Australia in FY20, a slight decrease on FY19. The decrease mainly comes from a drop in collections coming from our stores and we have identified that there is a significant opportunity to increase collections by increasing the visibility of the program within our stores

Our efforts saved 8.3 tonnes of CO2 emissions and conserved 42.2 tonnes of mineral resources. Additionally, as part of the Mobile Muster program, around 339kgs of packaging was collected through the Mobile Muster for recycling.



E-waste drop-off at an Optus store



Project Less environment taskforce volunteering for Landcare

Staff engagement

In 2019, across Singtel and Optus we ran Project LESS which aims to promote a culture of LESS – Little Eco StepS – among our staff to raise awareness while engaging them to play a part in conserving the environment and protecting our planet. We hope to reduce our carbon footprint by spreading the ethos that little acts can collectively make a big difference. The initiative launched on World Environment Day on June 5 2019 and was promoted on our social media channels with the hashtag #YestoLess.

At La Perouse in Sydney as part of a Landcare activity, members of our Project Less environment taskforce helped to regenerate the coastline of Dharawal and Gadigal Aboriginal communities by removing non-native plants which block the sunlight reaching the smaller natives. The team also watered newly planted natives and rescued birds that had fallen from their nest.