

Singtel/Optus Group – Supplier Code of Conduct (SCC)

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1. Introduction

As a leading telecommunications organisation, Optus recognises that the social and environmental performance of our business, our customers and our suppliers plays a significant role in our long-term success. We are committed to understanding and minimising the social and environmental consequences of our business operations. This commitment extends to the procurement of products and services.

While we recognise that our suppliers are independent entities, the business conduct and actions of a supplier have the potential to reflect on Optus. Due to the nature of our relationship with our suppliers, it is Optus's expectation that our suppliers will adhere to the minimum standards as set out in this Optus Supplier Code of Conduct (SCC). Optus looks to collaborate with transparent, ethical, environmentally and socially responsible suppliers.

The provisions of this Code of Conduct set forth the expectations of all suppliers with whom Optus does business. Optus expects that these principles apply to suppliers, parent entities and subsidiary or affiliate entities, as well as all others with whom they do business including employees, subcontractors and other third-parties. Optus expects that suppliers ensure that this Code of Conduct is communicated to their employees, subcontractors and other relevant third parties, and that it is done in the local language and in a manner that is understood by all.

Optus expects that its suppliers will establish and maintain appropriate management systems whose scope is related to the content of this Code of Conduct, and that they actively review, monitor and modify their management processes and business operations to ensure alignment with the principles set forth in this Code of Conduct.

Optus will work with our Suppliers to ensure that we achieve an improved performance in each of the areas that are outlined below. All procurement decision making will favourably consider suppliers that have adopted these areas, or can demonstrate that they will work with us, to achieve the minimum standards as set out in this document.

The SCC is designed to:

- improve the environmental and social performance of Optus' procurement activities,
- reduce the environmental and social risks associated with Optus' business activities; and
- clearly detail the minimum standards we have of our supply chain; and
- ensure Optus's procurement activities are inclusive, allowing opportunity for business development with small to medium enterprises associated with regionally recognised social minority groups; and
- work with our suppliers to enhance their sustainability performance

Optus expects its suppliers to encourage and work with their own suppliers and subcontractors to ensure that they also strive to meet the principles of this Code of Conduct or equivalent set of principles.

2. Corporate Governance - critical areas

Optus embraces the core areas outlined in the UN Global Compact of human rights, labour standards, and the environment and anti-corruption, we have incorporated in the guidelines critical areas of Supplier operations that are central to our environmental and social performance.

For each of these areas we have a set of minimum requirements for our Suppliers. Compliance with these minimum standards, where they are relevant to the type of goods and/or services provided, is essential if Optus is to successfully minimise its social and environmental impact and achieve our stated objectives.

The critical areas detailed in this code of Conduct are:

- Human Rights
- Workplace Health and Safety
- Environmental Management
- Materiality
- Supplier Management

Optus expects that a Supplier's environmental and social risks and opportunities are integrated into its organisation's governance policies and risk management frameworks.

3. Human Rights

3.1 GENERAL

Comply with all local and national laws and international standards in regards to environmental practices, and labour laws and conditions. Optus recognises that its suppliers should uphold freedom of association and the effective right to collective bargaining for its employees.

Where work is done internationally, systems to demonstrate compliance with the International Labour Organization Conventions on Labour Standards *, The United Nations Universal Declaration of Human Rights**, and the UN Convention on the Rights of the Child***

* the core conventions relate to: equal opportunities, freedom of association/collective bargaining, forced labour and child labour, further information can be found at:

<http://www.ilo.org/declaration/lang--en/index.htm>

** <http://www.un.org/en/documents/udhr/index.shtml>

*** <http://www.unicef.org/crc/>

3.2 LABOUR RIGHTS

Optus expects its suppliers to prohibit any use of forced, bonded, indentured or involuntary labour, and embrace employment practices consistent with ILO conventions pertaining to forced labour. All work, including overtime work, will be voluntary and workers should be free to leave upon reasonable notice. Suppliers should also not mandate that workers hand over government-issued identification, passports or work permits as a condition of employment.

3.3 CHILD LABOUR

Child labour is strictly prohibited. Suppliers shall not employ children. The minimum age for employment or work shall be the minimum age for employment in that country, or the age for completing compulsory education in that country, whichever is higher. Optus expects its supplier not to engage in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, the ILO Minimum Age

Convention (C.138-1973) or the Prohibition and Immediate Elimination of the Worst Forms of Child Labour Convention (C. 182-1999).

3.4 ANTI-HARASSMENT & ABUSE

Optus expects its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses. Optus expects its suppliers to create and maintain an environment that treats all employees with dignity and respect and will not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse. No harsh or inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment.

3.5 ANTI-CORRUPTION

Have an internal system to remunerate employees fairly and responsibly. Have a complaints management process for employees, suppliers and customers. Optus expects its suppliers to adhere to the highest standard of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including extortion, fraud or bribery, at a minimum.

3.6 ANTI-DISCRIMINATION

It is expected that there should be no discrimination in respect to employment should in relation to race, colour, sex, religion, political opinion, age, sexual orientation or disability. Employment should negate these discrimination characteristics and be awarded on merit or the inherent requirements of the job.

4. Workplace Health and Safety

4.1 WORKFORCE POLICIES AND LABOUR PRACTICES

Optus' approach to Health, Safety and Security proactively supports the physical, emotional and financial wellbeing of our staff. Our commitment to creating a safe and healthy work environment for all staff is described in our occupational health and safety policy. We have a comprehensive Health and Safety Management system that includes annual Health, Safety and Environment Operational plans.

4.2 WELLBEING

In addition to its people, Optus have principles, policies and practices that create a positive environment for our customers and the communities in which we operate. We value open communication and seek to establish relationships that are based on integrity and trust.

5. Environmental Management

5.1 GENERAL

Optus asks our Suppliers to work with us to ensure Optus utilises best practice approaches in environmental management, which consider cost effective solutions, which take into account use of raw materials, and reduce waste. Optus also encourages Suppliers to give consideration to, and adoption of, effective environmental management practices.

5.2 PRECAUTIONARY PRINCIPLE

Optus expects its suppliers to comply with existing legislation and regulations regarding the protection of the environment in the countries where they operate. Suppliers should adopt a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environment friendly technologies implementing sound life-cycle practices.

5.3 CARBON EMISSIONS

All efforts should be made to reduce greenhouse gas outputs through performance and efficiency measures. Upon request (and where practicable) provide reporting data on third party transportation and distribution of products including transportation and distribution between a company's Tier 1 Suppliers and its own operations, and between the point-of-sale and the end-consumer (including retail and storage);

5.4 WASTE AND PACKAGING

Comply with local, national and international laws (i.e. Basel, Stockholm and Rotterdam Conventions) in relation to hazardous wastes, persistent organic pollutants and hazardous chemicals. In the production, maintenance and disposal of goods, and within the standard business practices of Optus, and Optus' Suppliers, Optus seeks to reduce and minimise waste of all types, and encourage and promote the recycling and re-use of materials. Optus expects our Suppliers to use the minimum packaging that is consistent with safe, hygienic and protective transport of goods. Having met those requirements it is expected the Supplier will identify and use packaging that will be recyclable and efficient.

5.5 PRODUCT STEWARDSHIP

Consider end-of-life treatment of products and provide information on: Supplier take-back scheme(s), feasibility and cost of removal/destruction of product;

Raw Materials, Smart Design, Fuel and Water Consumption, Emissions and Energy in Products
Throughout the end-to-end manufacturing, transportation, operation and maintenance of their product Suppliers are asked to undertake the manufacturing of the goods with due consideration to environmental responsibility in:

- (a) Raw material extraction and use;
- (b) Smart design of the product(s);
- (c) The consumption of fuel and water;
- (d) The amount of carbon emissions created; and
- (e) The energy required to extract, create, transport, operate and dispose of products.

6. Materiality

6.1 CONFLICT MINERALS

Optus will work to try and ensure that it takes all steps within its powers to ensure that metals from conflict areas do not enter its supply chain. Conflict minerals in the eastern DRC are generally defined (OECD due diligence guidance for responsible mineral supply chains) as cassiterite (tin), coltan (tantalum), wolframite (tungsten) and gold, or derivatives of these minerals.

6.2 DATA PRIVACY

As a supplier we take the responsibilities of our customers and staff very seriously. We expect that our suppliers to protect data and respect our privacy requirements and obligations. Through our whole value chain the expectation is that data privacy is of the highest priority and that any breaches should be reported immediately and transparently.

7. Supplier Management

7.1 PERFORMANCE REPORTING

Reporting on its environmental and social performance to key internal and external stakeholders in a transparent and honest manner, in keeping with best practice reporting standards and applicable regulatory requirements, is an expectation Optus has for all its supply chain. Suppliers' standard business operations are encouraged to incorporate management of, and reporting on, the progress of their internal sustainability plans, diversity initiatives and workplace practices and policies. These reports should be provided to Optus if available, and upon request.

7.2 INFORMATION SHARING

Optus' expectation of its Suppliers in the context of sustainability is that they use their influence to engage with their own Suppliers to achieve the objectives outlined in the SCC.

Optus has a framework in place to assess the social and environmental performance of our Suppliers. We ask Suppliers to provide us with information about how they manage the social and environmental issues associated with their business as a standard part of our tender process and conduct regular contract reviews. This includes how Suppliers identify and manage risks to their business, whether they have systems to minimise their environmental impact, details of their employment and health and safety practices and whether they engage with their internal management, customers and community.

Embed similar principles to manage their own Supplier's environmental and social performance to ensure they meet the minimum requirements as detailed in this document.

To the extent that a supplier has any concerns with the requirements of this code, or believes that they could potentially be in breach of any aspect, it is the supplier's obligation and responsibility to proactively inform Optus of these risks or issues. We expect our employees to meet the same standards as our Suppliers. Accordingly, Optus will provide channels for suppliers to report concerns over Optus employee actions.

7.3 MONITORING AND EVALUATION

In line with our own commitments, suppliers to Optus are required to engage and manage their own Suppliers regarding their social and environmental impacts and performance. When requested, provide honest and transparent responses to the Optus Supplier self-assessment. Optus may, from time to time, conduct onsite evaluations and inspections of its Supplier systems, processes, operations and/or facilities, and those of their subcontractors supporting Optus' operations, to review progress against the Supplier this Supplier Code of Conduct. Optus undertakes to conduct on-site evaluations no more than once in any two year period.

7.4 FURTHER INFORMATION

For policy direction, and/or updated information on internal initiatives that the Supplier has implemented, or will apply, that will assist Optus in our reporting, compliance to the SCC, and Supplier management, please contact the Optus Procurement (g-grpproc@singtel.com).

