

Company Profile

TPG Telecom Limited ('TPG', 'the Company') is the ultimate parent company of a group of companies operating in the telecommunications industry ('the Group'). The Company is listed on the Australian Securities Exchange (ASX code: TPM). Its head office is in Sydney, Australia. The Group's principal operations are in Australia where it has widespread telecommunications network infrastructure and over two million customers, but it is also currently in the process of building a mobile network in Singapore. The Group has over 5,000 employees based in Australia, New Zealand, the Philippines and Singapore.

Sustainability Statement

TPG recognises the importance of social, corporate and environmentally sustainable business practices to the long-term economic success of its business. This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

Stakeholders

TPG recognises that effective engagement with key stakeholders within the business is important to the Company's success and is committed to maintaining the highest standards in dealing with all of its stakeholders, both externally and internally. The Company's principal external stakeholders are its customers, suppliers, shareholders and regulators.

Customers

The Group has a number of established recognisable brands in the Australian market.



The reputation of all Group companies and their brands with their customers is a high priority for the Company. An important practice in this regard is the wide use of Net Promoter Score ('NPS') across the Group to measure customer satisfaction.

NPS results achieved in FY18 are shown over the page.

The average NPS achieved in the key three divisions during FY18 were as follows:

TPG Consumer	+38.8
iiNet	+51.0
TPG/AAPT Corporate	+73.8

Each of the above results represents an improvement compared to last year and are strong results in the context of the telecommunications industry.

The Company is proud that iiNet has continued to be recognised for its excellence in customer service. In 2018, iiNet was awarded the Canstar Most Satisfied Customers - NBN Providers award, the Canstar Most Satisfied Small Business award (for the 5th consecutive year) and also an international award for Contact Centre of the Year. In addition, iiNet was rated as 'Best NBN provider in Australia' between January and June 2018, according to consumer advocacy group Choice which ranked companies based on speed and customer satisfaction.



Internode won the Roy Morgan Home Broadband Service Provider of the Year, 2017 award for the second year running, and the 6th time in the past 7 years.



These awards are great achievements that reflect our passion for the internet and giving our customers the best possible service.

Suppliers

The Group recognises the importance of maintaining strong relationships with its key suppliers. In order to ensure the utmost objectivity in dealing with suppliers, the Group has a general policy of not permitting acceptance by employees of gifts and entertainment offered by suppliers and relevant Group employees are required to test the market in respect of all purchases.

Where suppliers are involved in representing the Group in dealing with external stakeholders, particularly for construction and other projects that may be of interest to the community, the Group has procurement arrangements that are designed to ensure that high standards and sustainability objectives are met.

Shareholders

The Board aims to ensure that shareholders are informed of all major developments affecting the Company. The Company posts its annual report and major announcements on its website under the Investor Relations section www.tpg.com.au/about/investorrelations and provides a link via the website to the ASX website so that all ASX releases, including notices of meetings, presentations, and analyst and media briefings, can be accessed.

Historical information is also available to shareholders on the Company's website, including prior years' Annual Reports.

In addition to the above, the Company pro-actively arranges investor briefings at least twice a year following the release of the Group's full-year and half-year financial results.

Regulators

Notwithstanding the industry self-regulation model, the telecommunications industry in Australia has a relatively high degree of regulatory input. The Group is a member of the industry self-regulatory association, Comms Alliance and contributes to that organisation when it considers it appropriate.

The Group actively engages with other industry regulators on a regular basis concerning issues considered by the Board to be of particular importance to the Group, including by making submissions on policy matters, responding appropriately to requests for information by regulators and dealing promptly and effectively in respect of issues identified by regulators to be of concern.

Social sustainability

Workplace Diversity

The Company's principal internal stakeholders are its employees. TPG employs over 5,000 staff across over twenty offices in five countries. We acknowledge the numerous benefits that come from having a diverse range of individuals in our workforce. Diversity broadens the depth of skills and experience within the Group, helps balance business decision making by providing a range of perspectives, and ensures we attract key talent at all levels. We actively review and consider initiatives, tools and learning requirements to improve our diversity, including monthly engagement events linked to sustainability and diversity.

With regard to gender diversity, the Group has a healthy mix, with the proportion of female employees at the end of FY18 being 41%. The proportion of female employees in management positions is currently approximately 32%.

We continue to work towards improving TPG's gender profile and have implemented recruitment policies to actively encourage female applicants for non-traditional female roles. We are currently focused on reviewing a number of organisational practices to further enhance the diversity of our people and ensure our employees have equal access to opportunities and rewards for their achievements. We are also reviewing a referral scheme that awards successful recruitment of females into such roles.

There are currently no female directors on the Board. However, the composition of the Company's Board of directors has been very stable over a significant number of years and this stability has been an important contributor to the Group's success over the last decade. When in future a new director appointment is considered by the Board and Nomination Committee, diversity will be an important consideration alongside professional skills, experience, independence and expertise.

TPG's annual 'Workplace Gender Equality Report' lodged with the Workplace Gender Equality Agency is available on the Company's website at tpg.com.au/about/investorrelations.

Our Code

We are committed to providing a workplace which ensures all employees and potential employees are treated fairly, with respect, and with equal opportunity. Our Code of Conduct, published on our Company website, recognises the value of having a workforce with diverse backgrounds, cultures and demographic characteristics. TPG will not permit discrimination, intimidation or harassment on the basis of race, religion, gender, sexual preference, age, marital status, disability, or of any other personal characteristics protected by law.

Employee Safety

The Group employs appropriate measures to minimise employee and social risks by providing a safe and comfortable working environment and suitable training. Most of the Group's employees work in office environments where industrial risks are minimal.

The Group has formal work, health and safety committees comprising management and employee representatives that help monitor and advise on occupational health and safety programs.

Employee Health and Wellness

We actively promote health and wellbeing programs to engage our workforce. We believe with healthier, happier staff, we'll have the capacity to achieve even greater things.

We also offer staff access to a free and confidential counselling service through our Employee Assistance Program. This support can be accessed online, over the phone, or face-to-face.

We also encourage staff, where appropriate, to make the most of our Flu Shot program, and corporate discounts with private health insurers and health professionals to keep them in prime health.

It's not always easy for everyone to lead a fit and healthy lifestyle, so to encourage staff to take simple steps towards a healthier lifestyle, we are focused on actively promoting wellness initiatives with our employees. Across our offices we are working to promote health initiatives such as healthy lunch days, 'Get on Track Challenges' and mental health awareness programs to ensure we support our staff to attain a balanced and healthy lifestyle.

Sometimes it's not easy for employees to access quick and easy medical assistance, so we try and make it as easy as possible. Our Manila sites, for example, are equipped with nurses who are able to attend to employees immediately and on site. This makes it easy to get general health advice and medical treatment.

Supporting Families

We have parental leave policies which encourage a smooth return to work for employees, with the right to request flexible working hours or arrangements, subject to operational requirements.

During FY18, we achieved a retention rate of 88% of employees who took parental leave, that is to say that only 12% of employees elected not to return to work.

TPG recognises the impact that Family and Domestic Violence (FDV) has for the community and the workplace. We are committed to supporting employees and their families who are affected by FDV and will be providing all employees in Australia and New Zealand access to five days of unpaid FDV leave. We have developed and will be providing specific training and resources for our HR professionals and managers so that we can play a proactive role in both supporting our employees and addressing this important social issue.

Our Employee Assistance Program also extends to the immediate family members and/or household members of our employees.

Training and Education

We continue to invest in training for employees across all areas of the business. To ensure employees can access training and development, we have adopted a range of training methods, including face-to-face, online e-modules, coaching, networking and mentoring, and on the job practice through work assignments and projects. We have recently adopted a Group-wide Learning Management System which allows employees across all sites to access various workplace modules.

Opportunities for growth and development are available to some staff through short-term secondments within another department or location within the Group. Through this exchange, both staff and the host department benefit through knowledge sharing and skills acquisition.

Community

Being part of a community is about doing what we can because we know we can make an impact. As a business and member of the community, we're committed to supporting communities in which we operate and sharing our journey towards a more sustainable future.

We provide opportunities for employees to give back to both the local and international community by supporting various local and global charity groups. This year alone the Group's employees made donations to the Cancer Council (AU), the Breast Cancer Foundation (NZ), WorldVision (AU), and various mental health providers. Our employees also chose for the Company to donate, in lieu of a scheduled staff event, \$10,000 to the global chapter of Doctors Without Borders as part of #actionagainstopoverty.

Our workforce reflects a diverse and multi-cultural community. The Group embraces our differences and welcomes employees to participate in various multi-cultural celebrations throughout the year.

Ethics, Integrity and Governance

During this reporting period, we have commenced a refresh of our anti-corruption and bribery training using our new Learning Management System to reinforce expected behavioural standards of our employees who engage with external stakeholders where this risk may exist. We have also launched an online Information Security and Privacy Principles course using this same system to ensure all employees are aware of their obligations in respect of protecting customer and other business sensitive data.

Corporate sustainability

The Group's approach to mitigating sustainability risks of a corporate nature is set out in the Group's corporate governance report which can be found on the Company's website at www.tpg.com.au/about/investorrelations.

Environmental sustainability

As our Company continues to grow, we're doing what we can to tread lightly on our planet. We know it takes a lot of energy to keep all our customers connected which is why we want to ensure that we're reducing the environmental impact of our business.

Examples of how we consider the environment in the design of our offices and data centres, include:

- Installation of sensor activated and energy efficient lighting,
- Installation of renewable energy solutions such as solar panels in a number of corporate buildings.
- Regular maintenance of our data centres to ensure they are operating efficiently.
- Sourcing office supplies through renewable sources and sustainable suppliers.
- Regular reporting on energy consumption across our offices and data centres with the aim to reduce our environmental footprint.
- Maintaining our ISO 4001 Environmental Management System certification ensuring we are meeting our environmental goals to this international standard.

The Company actively educates and encourages its staff to consider their environmental impact. We encourage staff to embrace technology and strive to be a paper free office and educate through initiatives like our recent Environmental Month (June 2018). Staff are encouraged to:

- Switch off electrical equipment including lighting and computer monitors when not being used.
- Minimise the amount of business travel and utilise our video conferencing facilities in lieu of travelling for meetings.
- Use our Human Resources Information System (HRIS) in place of paper processes, which has significantly reduced our environmental impact.

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- Deliver training and associated materials using our new Learning Management System (LMS) thereby reducing the amount of paper required for face-to-face learning.

We are also currently integrating all our Manila employees into the Group's HRIS and LMS, which will see a significant reduction in paper-based systems and processes.

We are also focused on developing sustainable interactions with our external stakeholders such as our customers and shareholders by:

- Maximising use of electronic customer invoicing.
- Use of recyclable packaging for shipping of equipment to customers.
- Offering shareholders the option of receiving communication from the Company by email instead of through regular mail.

During the year our Group has been rolling out a 4G small cell network. The network is being built in accordance with relevant Commonwealth, State and local legislation, codes and licence conditions to ensure that installations are lawful and operate within defined limits of electromagnetic energy (EME) safety. Government agencies set and regulate standards for mobile installations to ensure the health and wellbeing of the public. A condition of TPG's licence to operate radiocommunications transmitters (antenna) is that the EME from the antenna must operate below the limits imposed by the Australian Communications and Media Authority. All of our small cell sites are independently assessed for EME compliance and the EME reports and compliance certificates for each site are published on the Radio Frequency National Site Archive (RFNSA) website (www.rfnsa.com.au).