TPG Telecom Limited
Sustainability Report
Year ended 31 July 2019

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 currently has approximately 4,800 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.

The average NPS achieved in the key three divisions during FY19 were as follows:

TPG Consumer	+43.6
iiNet	+51.7
TPG/AAPT Corporate	+69.6

Both TPG Consumer and iiNet results represent an improvement compared to last year and are strong results in the context of the telecommunications industry.

The Company is proud that iiNet again achieved multiple recognitions for its excellent customer service over the past financial year. iiNet was named ISP of the Year in the 2018 Roy Morgan Customer Satisfaction Awards and Best NBN Provider 2018 by leading consumer advocacy group, Choice, with an overall score of 78% for both speed and customer satisfaction.

Additionally, iiNet Business received Canstar Blue's Most Satisfied Small Business Broadband Customers award for the sixth year running. iiNet, along with TPG, was awarded Most Satisfied Customers 2019 ADSL & Cable Internet by Canstar Blue.

Internode also received multiple awards, including an impressive 9 month winning streak for ISP of the Month in the 2019 Roy Morgan Customer Satisfaction Awards (December 2018 - August 2019 inclusive). The 2019 Choice ISP satisfaction survey found Internode to have the highest level of customer satisfaction with a score of 82%.

These awards are a clear reflection of our passion for the internet and our dedication to providing our customers with the best possible experience.

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 approximately 4,800 staff across over thirty offices in seven 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 FY19 being 43%. The proportion of management positions held by female employees is currently approximately 35%.

We continue to work towards improving TPG's gender profile and have recruitment policies to actively encourage female applicants for non-traditional female roles. We continue to focus on improving our organisational practices to further enhance the diversity of our people and to enhance our gender reporting data. We are committed to ensuring our employees have equal access to opportunities and rewards for their achievements.

While the Company's Board has long had a high degree of cultural diversity, the Board acknowledges that there is currently no female director on the Board, and this presents a source of consternation for shareholders who seek companies with Board level gender diversity. The planned merger with Vodafone Hutchison Australia ('VHA'), if it proceeds, will be a catalyst for an overhaul of the Board's composition, as part of which diversity will be an important consideration. Accordingly, at this time, no changes to the current Board composition are planned pending the outcome of the merger approval process.

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 General 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. All staff are required to complete an online Workplace Behaviour module to ensure our commitment to the General Code of Conduct.

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 (WHS) committees comprising management and employee representatives that help monitor and advise on occupational health and safety programs. Information regarding our WHS obligations and responsibilities are available to all staff on our Intranet and through online training modules.

We recently revamped and re-launched our Work, Health, Safety and Wellbeing eLearning module. All existing employees were required to complete the module as a reminder of the common risks they and others in the business face when carrying out their work.

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, heart and breast cancer awareness, mental health awareness programs and discounted health insurance to ensure we support our staff to attain a balanced and healthy lifestyle.

An employee satisfaction survey was completed during the year and we are currently reviewing the results to develop an action plan that will drive improvements across the business. Staff are also encouraged to provide feedback through our Employee Suggestion Program.

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 FY19, we achieved a retention rate of 91% of employees who took parental leave, that is to say that only 9% 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 we have developed and provided 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. Our Group-wide Learning Management System allows employees across all sites to access various workplace modules, including Stress Management, Resilience and Diversity.

We have commenced the development of a Leadership Program to support our managers and future leaders in building the skills required to be modern and adaptable leaders. Modules include such skills as emotional intelligence, team optimisation, and change management.

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. Notably, this year we asked our employees to take action against poverty as part of Mandela Day. Employees nominated Save The Children as the recipient of a $10,000 donation that would have ordinarily been spent on a staff event during the month of July.

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. Harmony Day is a popular event in our business with staff all around the country dressing up and uniting through food.

Ethics, Integrity and Governance

Within our Learning Management System is an anti-corruption and bribery training module which all new employees are required to complete in order to reinforce expected behavioural standards of our employees who engage with external stakeholders. An online Information Security and Privacy Principles course is also required to be completed 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 particularly during Environmental Month. 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.
- Deliver training and associated materials using our new Learning Management System (LMS) thereby reducing the amount of paper required for face-to-face learning.

Last year we reported ongoing work to integrate the Group's HRIS and LMS into our Manila offices. This significant project was completed during the reporting period. These systems have replaced several paper-based processes and as part of our continuous improvement culture we are constantly looking for ways to reduce the environmental impact of paper consumption in our largest workplace.

We continue to focus 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.