



Market Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Sydney, 26 March 2021

TPG Telecom Sustainability Report for the year ended 31 December 2020

Please find attached for immediate release to the market TPG Telecom's Sustainability Report for the year ended 31 December 2020.

Authorised for lodgement with the ASX by:

Trent Czinner
Company Secretary
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Public



Better Together

Sustainability Report
2020





Increasing customer connectivity, choice and value

▶ See page 8



Protecting our customers and communities

▶ See page 14



Helping our customers and communities in times of need

▶ See page 18

Our sustainability focus

About this report

This sustainability report covers the period 1 January 2020 to 31 December 2020 (the reporting period), with the inclusion of a number of developments since the reporting period, where these are considered significant.

This report covers the activities of TPG Telecom Limited (**TPG Telecom**), the entity that was created from the merger of Vodafone Hutchison Australia and TPG in July 2020.

The information in this report relates to TPG Telecom unless otherwise indicated. References to Vodafone Hutchison Australia are a reference to that company before the merger with TPG.

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Supporting inclusion, belonging and wellbeing of our people

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Aligning to pathway of green growth

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This highlights some of our progress and achievements during the past year, in relation to issues which are important to our business and our stakeholders, and outlines our sustainability priorities for the coming year.



Conducting our business ethically and responsibly

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Supporting smarter technology for a healthier Australia

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Message from the CEO

I am pleased to share with you our sustainability report for 2020 – our first as a newly merged business. It highlights some of our progress and achievements during 2020, in relation to issues that are important to our business and our stakeholders, and outlines our sustainability priorities for the coming year.

An opportunity and responsibility

Our greatest priority, and achievement this year has been the merger of Vodafone Hutchison Australia and TPG to create a leading full-service telecommunications provider – the second largest telecommunications company listed on the Australian Securities Exchange (**ASX**).

The merger combined two highly complementary businesses with a comprehensive portfolio of fixed and mobile products for consumers, small, medium and large enterprises. In taking this step, we now have the scale and financial strength to compete more effectively – with greater ability to invest and to drive innovation, service and product improvement to benefit Australian telecommunications customers.

We believe that with this scale and opportunity, comes an even greater accountability to act as a responsible and sustainable business, and that doing so will be fundamental to the creation and protection of long-term value. We aim to do business in a way which responds to the needs and expectations of all of our stakeholders – including our customers, employees, shareholders, regulators, and our wider society.

Our critical role

2020 was shaped for all of us by extraordinary, difficult events – the bushfires and the ongoing COVID-19 pandemic. I'm very proud of the way that all of our employees have responded, showing resilience, and care for our customers, communities, and each other. This includes our technology and operations teams that worked around the clock to restore services following extensive bushfire damage, as well as our customer-facing teams that helped our customers to access a range of support measures in the face of unprecedented and urgent need, for many months. The COVID-19 pandemic has highlighted the critical role that our sector plays in society – keeping families and friends connected, and businesses operating, when physical connection is not possible.

Our achievements

We have also successfully integrated our fixed and mobile assets following the merger, strengthening our network infrastructure and enabling faster speeds and better performance for our customers. For example, within two months of the merger, we had implemented 500 network upgrades with around 1.8 million Australians benefiting from the deployment of an additional 1800 MHz spectrum across 318 mobile sites.

Our 5G roll-out is now full steam ahead with customers in parts of Sydney, Melbourne, Brisbane, Canberra, Adelaide, Perth and the Gold Coast, all able to use 5G, and work currently underway on more than 1,600 sites. I'm particularly excited about the role that 5G will play in connecting things in sectors such as healthcare and logistics – enabling use of technologies in ways that we haven't yet imagined.

In this report you will read about many other achievements across our business. This includes the launch of felix – Australia's first telecommunications brand powered by 100 per cent renewable electricity, our industry leadership on mobile customer security to address the significant and growing issue of identity theft, the ongoing impact of the Vodafone Foundation including DreamLab – a distributed global smartphone super-computer assisting with research on COVID-19 and cancer, and our first-of-a-kind program to support Indigenous women and girls in science, technology, engineering and maths (**STEM**), reflecting our broader commitment to inclusion and belonging.

Looking ahead

But this is just the beginning. Building on the strengths of our newly merged company, we have significant plans for the year ahead. This includes more work on understanding and managing our impact on climate change and alignment of our business with the aims of the Paris Agreement and recommendations of the Task Force on Climate-Related Financial Disclosures. It also involves further progress on addressing human rights risks, with the publication of our first modern slavery statement. In late 2020, we appointed a new Head of Sustainability and in 2021, we will be launching our new Sustainability Strategy, reflecting our desire to make a positive difference for our stakeholders on issues where we are best placed to make a difference, and reflecting our role and responsibility as a leading Australian telecommunications company.

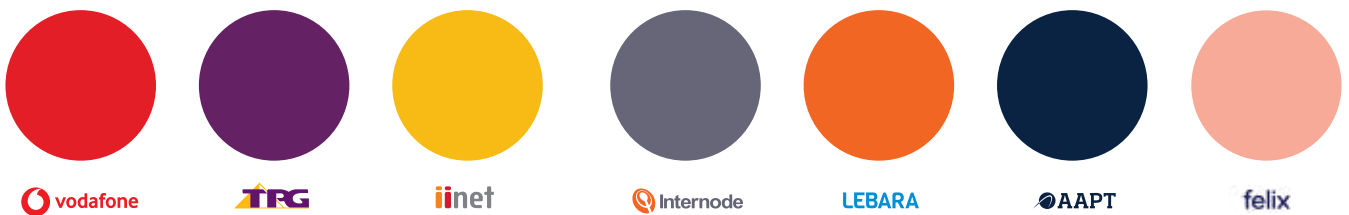
Iñaki Berroeta

Chief Executive Officer and Managing Director,
TPG Telecom

About TPG Telecom

TPG Telecom is a full-service telecommunications provider listed on the ASX. We operate a number of leading mobile and internet brands including Vodafone, TPG, iiNet, Internode, Lebara, AAPT and felix.

Our purpose is to build meaningful relationships and support vibrant, connected communities.



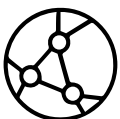
Our organisation at a glance:



Australia's second-largest fixed voice and data network



A leading mobile network comprising more than 5,600 sites covering over 23 million Australians



6,500km international subsea cable systems connecting Australia to major hubs in North America and Asia

5G

A 5G mobile network currently being rolled out in selected areas of Australia targeting 85 per cent population coverage in the six top cities by the end of 2021



A strategic portfolio of spectrum assets



27,000km+ metropolitan and inter-capital fibre networks in Australia



7 million+ customer subscriptions



1 million+ businesses able to access high speed symmetric fibre with nbn Enterprise Ethernet



5,975 employees

Our performance at a glance



\$1,391m
earnings before interest,
tax, depreciation and
amortisation



Reduced fraudulent
orders by
90%
in first month of
'two-way SMS'
implementation

Reduced fraudulent
ports by over
85%



Supported
>223k
customers
in financial difficulty to
stay connected during
COVID-19



Launched Australia's 1st
telco brand power by
100%
renewable electricity

Reduced
Telecommunications
Industry Ombudsman
complaints by over
30%¹



Matched
\$100,000
of customer and employee
donations for the Australian
Red Cross Disaster Relief
and Recovery appeal



42%
female representation
across the workforce in
Australia, New Zealand
and the Philippines

71
girls participated in
Dream Connection
STEM program



Over
\$876,000
donated to Vodafone
Foundation partners in 2020



107,500+
Australian lives improved
through our Foundation
partnerships during
2019/2020²



Committed to powering
our Australian
operations
with **100%**
renewable
electricity
by 2025

1. Based on October-December 2020 data against the same period in the prior year, for iiNet, TPG and Vodafone in aggregate

2. 'Lives Improved' comprises 'direct' lives improved (the target recipients of the program) and 'indirect' lives improved (individuals with a close relationship to the direct beneficiary who also experience an ancillary positive effect and those individuals who are employed to deliver or improve the program). This methodology was developed by Vodafone Group in collaboration with KPMG.



Our approach to sustainability

Sustainability governance

Our highest level of responsibility for sustainability sits with the TPG Telecom Board, which has overall responsibility for strategy, business performance and risk management, including in relation to sustainability. The TPG Telecom Audit and Risk Committee oversees disclosure by TPG Telecom relating to its economic, environmental and social sustainability risks and how it manages or intends to manage those risks. The TPG Telecom Governance, Remuneration and Nomination Committee oversees corporate governance.

Our newly formed Sustainability Council is comprised of senior leaders from across the TPG Telecom group, with strategic insight and influence across key business areas, including customer-facing business units, our network infrastructure, property and procurement, risk, finance and external affairs. This Council will meet on a quarterly basis and will be instrumental in developing and endorsing our forthcoming sustainability strategy. This Council is Chaired by the Group Executive Legal and External Affairs and is supported by our Head of Sustainability as Secretariat.

We have also initiated an Environmental Management Committee, with senior representation from teams that play a critical role in managing our environmental impacts.

Our Head of Sustainability and the Group Executive Legal and External Affairs, report to both the Executive Team and the Board on sustainability matters at least on a twice-yearly basis, and more frequently when aspects of the sustainability strategy or agenda require specific discussion at that level.

Stakeholder engagement and materiality

We place a strong emphasis on stakeholder engagement, recognising that effective engagement is crucial to our ongoing success and helping us to remain informed about our constantly evolving business context, as well as the needs and expectations of those with an interest in, or influence on, our business and its performance. We engage with our stakeholders through our membership of peak bodies and other industry collaborations and through individual meetings, as well as conducting research and using surveys.

Based on our ongoing stakeholder engagement, we have identified a range of topics which we consider to be most material to our business and our stakeholders. These topics are reflected in the content of this sustainability report.

Customer experience

This includes how we meet the needs of our customers in terms of connectivity, choice and value, as well as how we've helped our customers stay connected during the bushfires and the difficulties of COVID-19.

Information privacy and security

The arrangements we have in place to maintain the privacy and security of our customers' personal information including the changes we've made to combat identity theft.

Inclusion and belonging

Our people experience which places a strong emphasis on creating an inclusive workplace culture where all of our employees are able to be themselves at work and supported to be their best.

Health, safety and wellbeing

The arrangements we have in place to keep our employees and contractors safe and well.

Responsible and ethical business conduct

How we govern our business including the key frameworks and policies we have in place to support and drive responsible and ethical conduct.

Climate change

Our understanding and management of climate change risks, opportunities and impacts.

Waste management and product stewardship

How we are managing our waste and acting as a steward of our products across their lifecycle.

Community investment

Our contribution to the community, leveraging our technological capabilities and skills.

Sustainable Development Goals

The United Nations Sustainable Development Goals (**SDGs**) are recognised around the world as a blueprint to achieve a better and more sustainable future for all. We are committed to understanding the ways in which our business intersects with these goals, and how we can best contribute to their achievement. In this report we have mapped the SDGs to our areas of focus as a guide to where we are prioritising our efforts. We will further consider the SDGs as we develop our sustainability strategy, so that we can align our resources and attention to those areas of significant societal need.



The Vodafone Foundation

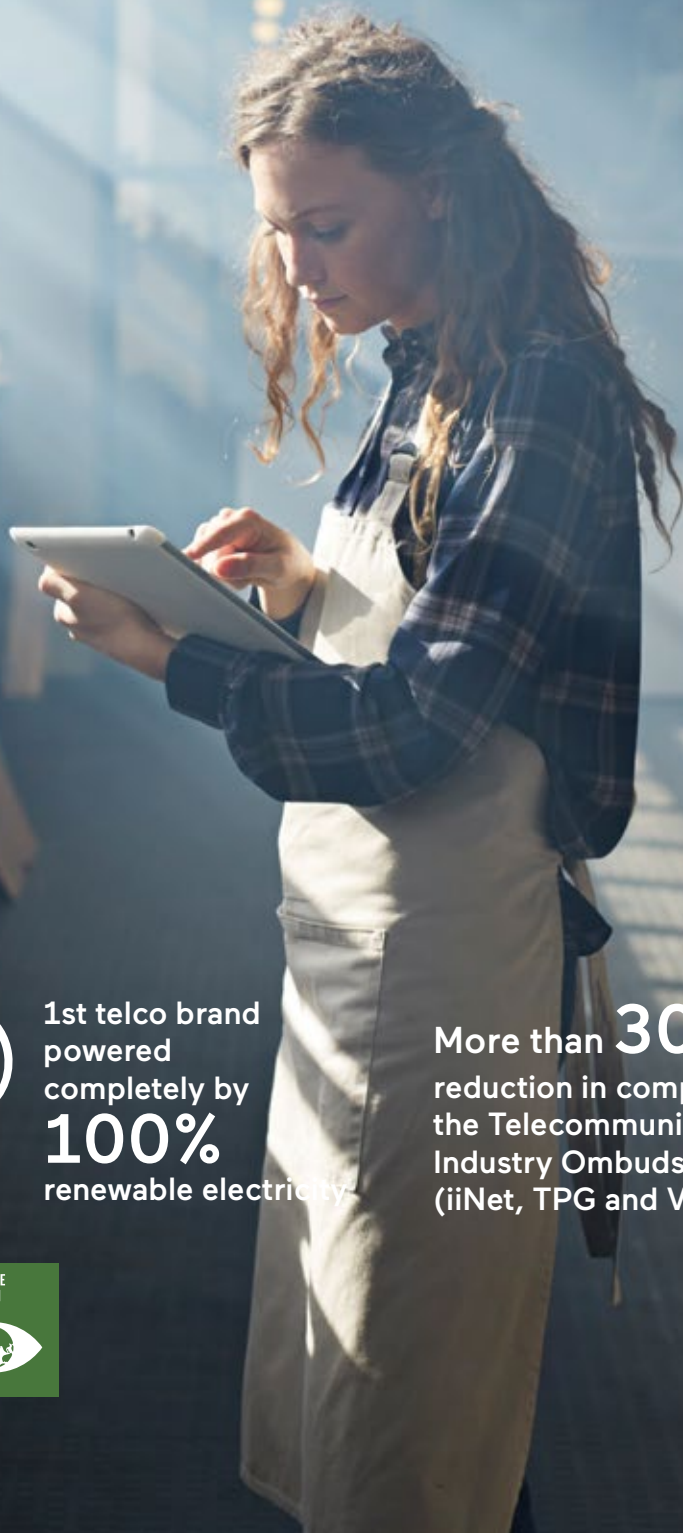
Our Vodafone Foundation (the **Foundation**) improves the health and wellbeing of Australians, through technology. Through the Foundation, we collaborate with, and provide grant funding to a number of strategic partners, in line with this goal. The Foundation also empowers our employees to support our charity partners and charities they are personally passionate about, through volunteering, matching staff fundraising and workplace giving.

The Foundation's Trustee Board is comprised of senior TPG Telecom employees and two independent directors. The Board is responsible for the governance and financial management of the Foundation, and ensures that the Foundation delivers on its purpose and goals.

Community investment through the Foundation plays an important part in our overall approach to building a sustainable business.



Increasing customer connectivity, choice and value



7.4m+
customer
subscriptions



1st telco brand
powered
completely by
100%
renewable electricity

More than **30%**
reduction in complaints to
the Telecommunications
Industry Ombudsman
(iiNet, TPG and Vodafone)

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



11 SUSTAINABLE CITIES
AND COMMUNITIES



13 CLIMATE
ACTION



Whether at home, at work, or on the move, our customers value a telecommunications service which is fast, reliable, and cost effective. At the same time, customer use of data is rapidly increasing due to the growth of video applications, and 5G-enabled devices are expected to be in use by over twenty per cent of Australians by the end of 2021.¹

At an industry level, mobile speeds, capacity and data inclusions have increased, while mobile prices have decreased, influencing a clear shift in the way consumers access the internet. Our customers are concerned less about whether their service is delivered over a fixed or mobile network. In essence, we are seeing a convergence of mobile and fixed services.

We are also seeing a continuing trend of increased demand for choice, flexibility and personalisation of services, including services which are environmentally and socially responsible, reflecting the values of many of our customers.

We are well positioned to meet changing customer expectations as we realise the network benefits of the merger to maximise speed and reliability, and offer converged service solutions for our consumer, business and government customers.

At the same time, we are focused on 5G implementation – staying at the forefront of technological and societal change, and the development of innovative products which allow our customers to choose a telecommunications service aligned to their individual needs.

Realising network synergies

Initial priorities as a merged company included the integration of TPG spectrum and small cell assets into the Vodafone mobile network, delivering greater mobile network capacity and a better customer experience.

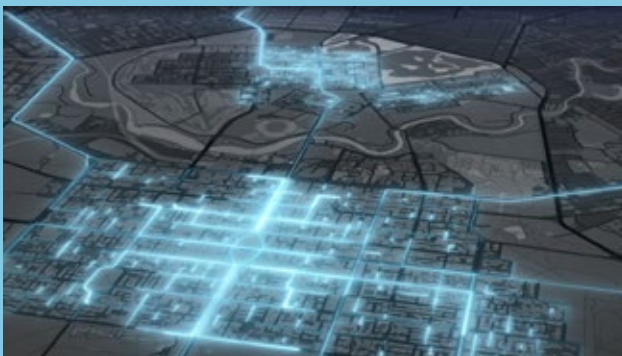
Since day one of the merger, we have deployed our 1800 MHz spectrum to 318 mobile sites to benefit around 1.8 million Australians. For example, customers in Canberra benefitted from a 20 per cent increase in capacity after we deployed additional 1800 MHz spectrum to 99 sites, and customers in busy areas such as Collins Street and Docklands benefitted from better network performance as we turned on small cells in the Melbourne central business district. We have also worked to leverage the extensive TPG fibre network to connect even more Vodafone mobile network sites, boosting network performance for more customers.

In addition to strengthening our network, we made changes to maximise the use of our technology assets for customers across our brands, for example migrating around 60 per cent of iiNet mobile customers to the Vodafone mobile network.

Going forward, we aim to offer some of our outstanding fibre products to more of our customers. For example, our Fibre to the Basement (**FTTB**) network, which delivers typical evening speeds of 90 megabits per second, is available to almost 3,000 multi-dwelling buildings and over 200,000 premises across major metropolitan areas. Previously available on TPG and iiNet only, we recently launched FTTB products on Internode. Later in 2021, the Vodafone brand will also offer FTTB services.

And for businesses, our Fibre1000 network offers ten gigabits per second to 1,000 commercial buildings. We also aim to leverage our recently completed rollout of Australia's first city-wide ten gigabit network in partnership with the City of Adelaide.

Ten Gigabit Adelaide



In 2018 the City of Adelaide partnered with TPG as the 'Official Network Provider' to install and operate one of the world's fastest fibre optic networks and provide a range of high-performance services for the business community. This landmark project represented

a significant strategic commitment by the City of Adelaide to provide businesses with world-class digital infrastructure that will help create jobs and boost the local economy.

In October 2020, the Ten Gigabit Adelaide project reached its target of connecting 1,000 buildings to the network, on time and on budget. The project included the installation of 82 kilometres of cable, 26,000 spliced fibres, 431 new joints and eight high-density 10G core sites.

The transformational network is expected to open up significant opportunities for industries such as health, education, video and media production, and IT and software engineering.

"We are proud to usher Adelaide into a new era of connectivity with 1000 buildings now connected to the Ten Gigabit Adelaide network – delivered with our official network provider TPG Telecom."
(Lord Mayor, Sandy Verschoor)

1. Internal forecast.

Delivering Australia's 5G future

5G is the next generation of mobile technology. With super-fast data speeds and low latency, it has the potential to make our lives smarter, safer, and more efficient, with exciting opportunities to support innovation and improve outcomes in sectors such as healthcare, education and agriculture.

In March 2020 we switched on our first 5G sites in Parramatta, and are now well progressed with our plan to progressively roll out 5G, with customers already able to use 5G in parts of Sydney, Melbourne, Brisbane, Adelaide, Perth, Canberra and the Gold Coast.

We are providing 5G network access at no extra charge to our customers that have 5G devices, and are aiming to cover 85 per cent of the population in Australia's top six cities by the end of 2021. We will also begin to offer 5G fixed wireless products in the first half of 2021, taking our fixed wireless offering to a new level and providing customers with further choice.

Enabling the internet of things

The internet of things (IoT) extends connectivity beyond smartphones and tablets, to objects and equipment such as industrial sensors, wearables, medical devices and vehicles. Embedded with technology, these devices can communicate and interact over the internet. They can also be remotely monitored and controlled.

The worldwide number of IoT devices is projected to grow to 43 billion by 2023, an almost threefold increase from 2018¹ – all requiring a fast and stable network on which to function. In combination with 5G technology, IoT offers the opportunity for businesses and governments to realise efficiencies and innovate with services and capabilities that were never before possible.

We already provide our communications technology to a wide range of innovative IoT device manufacturers, creating efficiencies for end users, for example, such as energy use, water use, and operational productivity.

Going forward, we intend to further explore the potential of our role as an enabler of natural resource efficiency and transition to a smarter, more sustainable society, and expand our partnerships with customers to support them in achieving their sustainability goals.

Enabling and empowering our enterprise and government customers

For our small business, enterprise and government customers, we are enabling fast and reliable use of cloud-based technologies such as Internet Protocol (IP) Voice, video conferencing and productivity tools like Microsoft Teams through our on-net fibre network along with high speed symmetric fibre now available to more than 1.5 million businesses nationally with nbn Enterprise Ethernet.

Every TPG Telecom customer choosing nbn Enterprise Ethernet or TPG Fast Fibre receives a Smart Network Termination Unit, providing the flexibility to dedicate bandwidth to superfast internet, or split their bandwidth across data, internet, voice, or cloud services. Frontier, our self-service portal, allows our customers to order new services, manage existing services, raise service requests, and monitor network status.

Donvale Christian College

In 2020, we partnered with Victoria's Donvale Christian College to meet the school's brief for a cheaper, faster, more sustainable technology solution to meet the school's anticipated future needs—and securely connect its Donvale and Warrandyte campuses.

Our private high-speed fibre connection between the campuses on TPG Fibre 1000 and nbn Enterprise Ethernet was especially important as COVID-19 forced schools to deliver on-line learning. It seamlessly enabled the school to run bandwidth-intensive video conferencing and provide access to digital content including on-line curriculum. As importantly for the school, it facilitated continued school connection between teachers, students, parents and the broader community.

A key driver for the school in choosing our solution was its flexibility and, in the event of disruption, continuous internet access provided by 4G back-up.



1. Gartner, 2017, Forecast: Internet of Things – Endpoints and Associated Services, Worldwide, 2017. In: McKinsey, 2019, Growing Opportunities in the Internet of Things. <https://www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/growing-opportunities-in-the-internet-of-things#>



Enhancing network coverage and resilience for rural and regional Australians

We are committed to providing more coverage and choice to regional Australians and are proud to have invested more than \$20 million to build mobile base stations in New South Wales, Tasmania, Queensland, Western Australia and Victoria, under the Commonwealth Government's Mobile Black Spot Program. Through this program, TPG Telecom has delivered approximately 36,600 square kilometres of new coverage for regional and rural Australians, extended 4G services to more than 16,000 additional homes and added more than 1,500 kilometres of 4G connectivity along regional transport routes.

Network resilience considerations are a fundamental part of our mobile network design and construction. This year, TPG Telecom has been awarded funding under the Commonwealth Government's Strengthening Telecommunications Against Natural Disasters (STAND) program to improve Vodafone mobile network resilience by deploying additional temporary portable coverage and power solutions to sites impacted by natural disasters, including bushfires. TPG Telecom has also been awarded funding to provide longer lasting battery backup power for base stations built under Rounds 1 and 2 of the Mobile Black Spot Program.

Changing the game through our product offerings

The Vodafone brand was transformed this year with a bold new identity, 'You Rule', reflecting its ongoing commitment to ensure that customers are at the heart of everything it does, and clearly letting Vodafone customers know that they are in control of their plans and services.

Over the years, Vodafone has developed plans and products that reflect consumers' changing behaviours and ensure they are empowered to connect how they want. This includes being the first Australian telecommunications brand to introduce game-changing offerings such as no lock-in contracts and unlimited mobile data plans, with a choice of high data speeds.

Building on our brand promise, and enabling our customers to realise the benefits of the merger, we introduced the Vodafone Bundle for eligible customers, combining multiple mobile SIMS and a discounted NBN plan with our Bundle & Save rewards program, with endless data at speeds of up to 1.5 megabits per second and overall savings to customers of up to \$222 in the first year. We also introduced Data Bank for our prepaid customers on select plans allowing customers to save up to 200GB unused data when they recharge on their plan before expiry

felix – Australia’s first telecommunications brand powered by 100 per cent renewable electricity

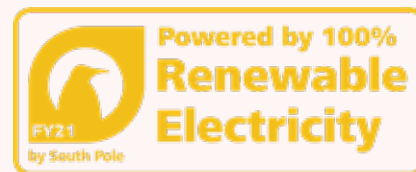
Responding to the growing demand from our customers for a mobile phone service that is simple and sustainable, in October we were proud to launch ‘felix’ – Australia’s first telco brand powered completely by 100 per cent renewable electricity. felix was certified as a carbon neutral service by the Australian Government’s Climate Active initiative. In addition, we have partnered with One Tree Planted to plant one tree for every month that one of our customers holds an active subscription with felix – supporting reforestation initiatives, and helping to regenerate our natural environment and sequester CO₂ emissions.

felix offers unlimited data at speeds of up to 20 megabits per second – great for streaming high definition video and music, scrolling and sharing to social media, and using cloud storage – offering an outstanding customer experience and value for customers.

It also offers an easy switching process, with the ability to connect with our Australian-based care team in moments via live chat, and an entirely digital

experience through the felix app, once a customer has received their SIM. This reflects a growing preference among consumers for a seamless digital interaction, removing the need to go to a retail store or call our contact centres.

felix



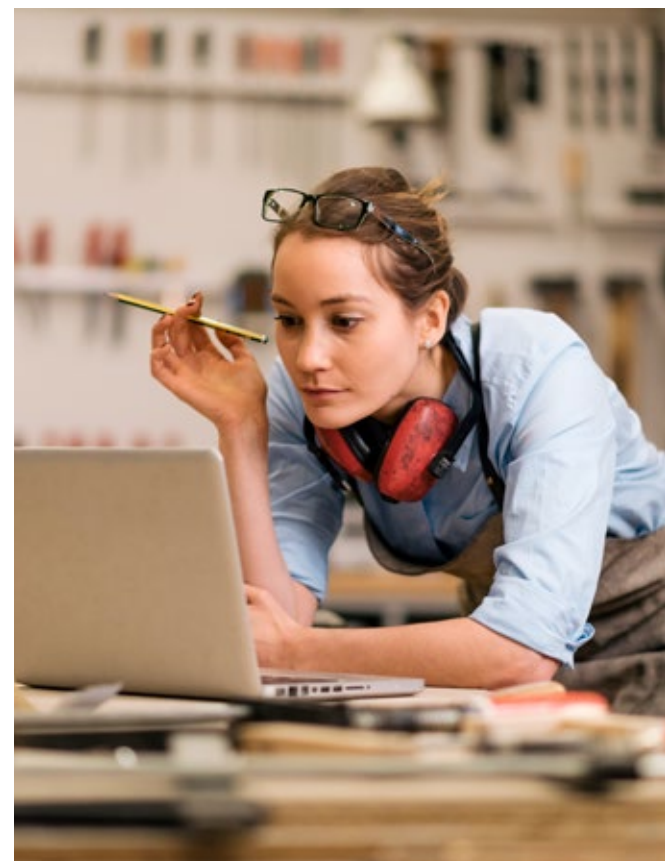
Enhancing and simplifying the customer experience

As consumer trends and COVID-19 continue to change the way customers want to interact with us, we are focused on transforming our digital infrastructure to enhance and simplify the customer experience.

In 2020, the number of Vodafone customer care enquiries that involved web chat increased by more than 75 per cent from 2019. Take-up of the MyVodafone app continues to increase, with the app now downloaded to more than 1.6 million active devices.

We refreshed our Vodafone website to improve the customer experience, with a particular focus on becoming more mobile-friendly. Improvements include enabling customers to compare plans more easily and a simplified check-out experience. We also launched a new My TPG app and an improved iiHelp self-support online tool for iiNet customers.

In 2021, we will continue to support the shift towards online activity across our brands to give customers more choice around how they engage with us and manage their account.



Excelling in customer satisfaction

For the third year running, iiNet was awarded Best NBN Provider for 2020 by leading consumer advocacy group, Choice, with an overall score of 79 per cent for speed and customer satisfaction. Additionally, iiNet was awarded second place in Canstar Blue's 2020 Best NBN for Business, recognised by Canstar Blue as maintaining impressive results across most review categories.



Vodafone was awarded first place in Canstar Blue's 2020 Best Internet Bundle award. Vodafone NBN was rated best for overall satisfaction, as well as for customer service, ease of setup, bill and cost clarity and for entertainment inclusions.

In 2020, Canstar Blue announced a number of Ten Year Awards as they celebrated ten years of helping Australian consumers make better-informed purchase decisions. Internode was delighted to receive this award, which recognised consistent delivery of outstanding service and value to the Australian public, in incredibly competitive markets.

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

Further, our major brands, Vodafone, TPG and iiNet, have achieved consistently high Net Promoter Score results and all recorded Telecommunication Industry Ombudsman (TIO) complaint rates below the industry average in the September and December quarters. The individual rate for Vodafone is less than half the industry average and the reduction for iiNet and TPG against the same period in the prior year represents a reduction of over 30 per cent overall. This is a result of our continuing efforts to deliver a positive customer experience and to reduce the reasons for customer complaints.

Customer subscriptions¹

| CUSTOMER SUBSCRIPTIONS ('000s) | 2020 | 2019 |
|----------------------------------|--------------|--------------|
| Postpay | 3,258 | 3,416 |
| Prepay (registered base) | 1,973 | 2,518 |
| Mobile virtual network operators | 23 | 57 |
| Total mobile | 5,254 | 5,991 |
| Fixed broadband | 2,167 | 2,051 |

Complaints lodged with the TIO²

| | OCT-DEC 2020 | OCT-DEC 2019 |
|------------------|--------------|--------------|
| iiNet | 5.7 | 10.4 |
| TPG | 3.8 | 4.6 |
| Vodafone | 2.7 | 2.7 |
| Industry average | 7.0 | 6.9 |

1. At each date the numbers include subscribers of both VHA and TPG Corporation. Post-paid and pre-paid subscriptions are consumer and business. Fixed broadband subscriptions are consumer only (i.e. excluding large corporate customers).

2. Based on 'Complaints in Context' data provided by the Communications Alliance.



Protecting our customers and communities

More than
85%
reduction in
fraudulent ports

90%
reduction in
fraudulent orders

3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



As a major telecommunications company we have an important role to play in protecting our customers and communities from associated risks, and in particular from the negative impacts of misuse and abuse of telecommunications services. We work actively with our industry partners to understand these risks and take action, individually and collaboratively to keep our customers and communities safe from harm.

Acting to reduce scam calls

Our society has transformed the way that it communicates and transacts, relying significantly on digital and telecommunications services. For example, only around 27 per cent of Australians still use cash for payments, down from 61 per cent in 2007¹. At the same time, scammers have proliferated, taking advantage of the digital world and harming individuals for financial gain.

In 2020, Australians lost more than \$175 million to scams with scam calls accounting for 47 per cent of scams, and causing losses of more than \$48 million².

We are determined to play our part in protecting people from scams. In recent years we have worked actively with other industry participants through the Communications Alliance, as a member of the Scam Telecommunications Action Taskforce, as well as with the Australian Communications and Media Authority (ACMA). Importantly, in December 2020, this resulted in the development and launch of the Reducing Scam Calls Code – new rules which require us and other telecommunications operators to detect, trace and block scam calls. As an industry, we have also been successfully piloting a range of initiatives, blocking over 30 million scam calls across 12 months prior to the launch of the Reducing Scam Calls Code. Our next priority is working on a new industry code to combat SMS scams.

Combatting identity theft and fraud

Identity theft is one of the most prevalent types of crime in Australia, affecting millions of individuals, businesses and government agencies. A survey of nearly 10,000 people by the Australian Institute of Criminology found that one in four Australians reported having been a victim of identity crime at some point in their lives³. Unfortunately, mobile services have become an important tool used in identity crime – with scammers porting mobile numbers to other providers, then using these new accounts to authorise bank transfers and steal money. The Australian Institute of Criminology found that incidents where misuse of personal information involved the opening of a mobile phone account, increased 57 per cent from 2018 to 2019.⁴

We're working hard to combat identify theft through a range of initiatives. Vodafone was the first Australian telecommunications operator to send alerts to customers warning of an impending port of their number, which commenced in 2012. More recently, Vodafone led the industry, through the Communications Alliance, to develop a new industry guideline process for pre-port verification whereby an SMS is sent to validate the port of a mobile number before the port can proceed. Vodafone introduced this capability in June 2019 based on a guideline we developed working with the industry. The industry guideline has since formed the basis of an Industry Standard applicable to all mobile service providers from early 2020. Since implementation, we have seen a more than 85 per cent reduction in fraudulent ports along with a large reduction in banking fraud and other types of fraud.

In 2020, we developed new standards for inbound customer authentication and outbound customer communication, requiring two factor authentication for key transactions, and raising awareness among our customers that we would not ask for, and they should not disclose, personal identification information to an unknown party. We also introduced a new two-way SMS arrangement requiring the account holder to verify all new product orders, reducing fraudulent orders by 90 per cent in the first month of implementation.

For customers who do fall victim to identity crime involving their mobile account, we have a specialist team in Hobart that supports them with aspects of reporting and recovery.

Supporting digital safety

As our digital world has grown, sadly so too has misuse of the internet, including posting and sharing of offensive, abusive and abhorrent content. Key issues include the rise of image-based abuse – with reports to the eSafety Commissioner increasing by 172 per cent between March and September 2020 as compared to the same period in 2019⁵. The internet can also be a vehicle for the rapid sharing of other harmful content, such as extreme violence and terrorism.

More generally, the safety of children online is a pressing issue, with huge numbers of young people using the internet and social media and exposed to risks of abuse and cyber-bullying.

As a telecommunications company, we have a responsibility to play our part in protecting our customers to the extent possible using the controls we have available, as well as supporting our customers to use the internet as safely as possible.

1. J Caddy, L Delaney, C Fisher and C Noone, Consumer Payment Behaviour in Australia, 2020, RBA Bulletin March <https://www.rba.gov.au/publications/bulletin/2020/mar/consumer-payment-behaviour-in-australia.html>

2. <https://www.scamwatch.gov.au/scam-statistics?scamid=all&date=2020>

3. Australian Institute of Criminology, 2019, Identity crime and misuse in Australia: Results of the 2020 online survey. At: <https://www.aic.gov.au/publications/sr/sr27>

4. Ibid.

5. NSW Department of Communities and Justice, 2020, NSW Government launches campaign to help stop image-based abuse. At: <https://www.dcj.nsw.gov.au/news-and-media/media-releases/nsw-government-launches-campaign-to-help-stop-image-based-abuse>

At the time of the 2019 terrorist event in Christchurch, New Zealand, Vodafone led the telecommunications industry in blocking access to abhorrent violent material. Working together with Vodafone New Zealand we assisted in keeping other service providers and government agencies updated with details of the sites that were distributing video or other material related to the event. The processes implemented by Vodafone and other major providers later led to a legislated protocol for responding to an 'online crisis event', developed by Australia's eSafety Commissioner and the Communications Alliance, with our active participation.

On an ongoing basis, we actively collaborate with authorities including the eSafety Commissioner, the ACMA, and the Australian Federal Police, to block websites associated with abhorrent, violent, seriously harmful and criminal activity.

We also provide information on our website to help consumers understand the steps they can take to stay safe online, including responsible parenting in a digital world, and have partnered with Norton™ enabling Vodafone customer access to a range of subscription-based Norton™ digital security and safety products.

Maintaining information privacy

We need to collect some personal information from our customers in order to provide products and services. We appreciate the trust that our customers place in us and have implemented comprehensive arrangements to keep their information protected. Our Privacy Policy is available on our website. It outlines how we collect, store, use and disclose personal information, and is aligned with our obligations under the *Privacy Act 1988* (Cth) and the *Telecommunications Act 1997* (Cth). Privacy and the confidentiality of information is a core component of our Code of Conduct. We only collect personal information which is necessary and relevant to the work we are doing. We protect the content of communications and the personal information we hold, we manage information carefully, and we take steps to ensure its integrity.

A comprehensive privacy program is in place which includes dedicated privacy specialists, privacy governance arrangements, policies, and physical and technical controls, as well as a detailed employee privacy training and awareness framework. The concept of 'privacy by design' is embedded across the organisation, with protection built into products, systems and services. Projects which involve handling of personal information pass through privacy assessments to review privacy risks associated with any proposed product or service.

Maintaining information security

Cybersecurity, or measures to protect the confidentiality, integrity and availability of systems and information, is an issue of significant and growing public concern as more of our nation's critical infrastructure comes online, with potential vulnerability to digital attacks and data breaches. Cybersecurity plays an essential role in protecting our privacy, rights, freedoms and safety – and is an issue we take very seriously.

We have a comprehensive cybersecurity program in place which supports us in providing a safe and secure service to our customers and the broader community. This includes a comprehensive set of policies, standards and guidelines, as well as an established Security Management Framework to monitor, identify and remediate any vulnerabilities that might exist in our infrastructure and systems. We conduct security awareness programs and security training for our employees and partners, relevant to their roles and access levels.

We maintain compliance with all relevant regulatory requirements, including those established through the Telecommunications Sector Security Reforms and the Payment Card Industry Data Security Standards.

We conduct regular penetration testing activities throughout the year and have an advanced threat protection platform which is used to proactively search for indicators of compromise.

Our Cyber Defence and Response Centre delivers monitoring, analysis and response services on a 24/7 basis, every day of the year, to help us in identifying incidents in a timely manner. We also have established incident management processes which guide us in cybersecurity incident management.

We maintain a range of formal partnerships to assist in the event of a cyber breach and to assist with managing communications to law enforcement, government agencies and the media. We are also a member of the Joint Cyber Security Centre – a platform for collaboration on national threat intelligence along with various government agencies and industry partners.



Ensuring health of local communities

Mobile phone networks and other wireless communications sources emit low-level radiofrequency (RF) electromagnetic energy (EME). Some members of the public have raised concerns about the effects of EME, and have escalated these concerns with the roll-out of 5G.

At TPG Telecom we operate strictly within the limits set by the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) safety standard. These limits have been set well below levels at which harm to people may occur.

At exposure levels below these limits, as assessed by ARPANSA, the World Health Organization and the International Commission on Non-Ionizing Radiation Protection, there is no established scientific evidence to support the potential for adverse health effects.

We are committed to the health and safety of the communities in which we operate and support independent research on mobiles and health. We contribute to the Australian Government's EME research program, established in 1999, through a carrier licence levy.

In 2020, with the onset of the COVID-19 pandemic, some members of the public were concerned about whether there could be a link between RF EME and vulnerability to COVID-19. These concerns are not supported by any credible scientific evidence. Unfortunately, misinformation on this issue was shared widely, including on social media. We have published information on our website to help the public understand this issue and address concerns based on scientific evidence.

Supporting victims of domestic and family violence

We want to help our customers and employees who are experiencing domestic and family violence. And we understand that in many domestic and family violence situations, having access to safe communications is critical.

Based on our experience, and consultation with domestic and family violence experts, we know that common problems for victims are: incurring additional debt through unauthorised use of their mobile phone account by the perpetrator; and attempts by the perpetrator to cut-off the victim's mobile phone service (particularly where the victim is not the account holder).

We help our customers at a practical level in a range of ways, including investigating unwelcome calls or messages, providing financial hardship support, and safely transferring their mobile number from another account holder into their own name.

For our employees who are experiencing family and domestic violence, we offer ten days per year of family and domestic violence leave, allowing them the time and space to take necessary steps towards safety and recovery.

At an industry level we chair the Domestic and Family Violence Working Group of the Communications Alliance, which is leading the industry on broadening capability to support customers and a common approach to solutions and training. In 2018, we led the development of the Assisting Customers Experiencing Domestic and Family Violence Industry Guideline, through the Communications Alliance. This guideline will be reviewed in 2021, exploring ways to further improve support arrangements.

The Vodafone Foundation also supports Ask Izzy, a platform powered by Infoxchange, which connects people in need with support services near them. Ask Izzy is free-rated on the Vodafone mobile network (see page 33 of this report for more information).



Helping our customers and communities in times of need

More than

>223k customers

in financial difficulty supported to stay connected during COVID-19¹

Matched

\$100,000

of customer and employee donations for the **Australian Red Cross Disaster Relief and Recovery appeal**



1. This includes customers on our Stay Connected plan, customers who requested financial hardship arrangements, and customers who received other payment arrangements and extensions since the start of COVID-19.

As a major telecommunications services provider, it is vital that we have arrangements in place to respond to emergencies and major incidents as quickly and effectively as possible. We have in place a Business Continuity Management Framework which is aligned with accepted international standards. This includes processes and requirements for business impact assessments, risk assessments, and business continuity strategies and plans which together cover both preventative measures as well as actions to be taken to respond to and recover from an incident.

Responding to the bushfires

We recognise the crucial role we play in helping our customers and communities respond to and recover from natural disasters. This year, during the devastating bushfire season, our Vodafone technology and operations teams worked around the clock with emergency services and relevant agencies to restore services following power outages and extensive damage to telecommunications infrastructure in parts of NSW and Victoria.

We offered a range of support measures for frontline volunteers and affected customers including crediting extra data to the accounts of customers in affected postcodes and offering two-months free mobile service to volunteer firefighters, frontline State Emergency Services personnel and wildlife rescue volunteers, to show our gratitude for those who gave their time and risked their lives to protect communities, homes and wildlife across Australia.

For those who suffered the tragedy of losing their homes, irrespective of whether they were a Vodafone customer, we offered a free Vodafone 4G Pocket WiFi Modem and three months' free mobile broadband service, enabling those affected to access the internet and continue to connect with their loved ones.

Recognising the importance of staying in touch and accessing emergency services information, Vodafone provided free access to a range of emergency services websites as well as increased data allowances for those in bushfire affected areas. We also temporarily suspended collections activity to assist customers who were impacted financially and offered additional extended support through our financial hardship assistance program.

Reflecting the concern of all of our employees for those affected, we established a donation program with the Red Cross, matching \$100,000 of customer and employee donations dollar for dollar, raising \$200,000 for the Australian Red Cross Disaster Relief and Recovery appeal.

Going forward, in addition to our operational response and the support we provide to our customers, we will continue to advocate for domestic roaming during emergency situations, or a government-funded Emergency Cell Broadcast Capability. This would enable people to receive an emergency alert even where there is no mobile coverage from their provider. We will also continue to actively participate in discussions towards a common system for network data sharing with jurisdictions to assist in disaster prevention and recovery.

Responding to COVID-19

In 2020, the onset of the COVID-19 pandemic led to a rapid and unprecedented change in the way our customers and communities use telecommunications, as a large proportion of Australia's workforce moved to remote working and many people lived under restrictions which left them unable to travel to see family and friends. At the same time, many of our customers experienced financial difficulty as a result of lost income. We played a crucial role in helping individuals, families and businesses stay connected and supporting them in the face of financial pressure.

During the course of the pandemic we introduced a range of support measures for Vodafone customers. These included the provision of additional data and reduced costs for customers not on endless data plans and an extension of unlimited standard national calls across our customer base, supporting customers at home to continue working, look for work, learn, and connect with family and friends online without the need to worry about their phone bill. We free-rated a range of government websites, including Federal and State health websites, so that all Vodafone customers could access the latest, essential information at no cost. We also supported low-income families through NBN Co's Education Assistance Package so school-aged children could access home schooling.

Recognising the financial difficulty our customers may be experiencing, we removed all late payment fees, ceased external debt recovery actions and avoided suspending services for an initial six-week period, as well as an additional four week period for Victorian customers during the second lockdown. We brought our customer care hardship functions onshore, increased resourcing to meet the demand for assistance, and updated our communications to our customers on the support available. For those customers requesting hardship assistance, we waived or provided credit for monthly access fees. We also introduced a temporary \$10 per month Stay Connected Cap Plan to help ease the financial pressure for those customers while staying connected to the people and services they needed. These support options continue today for customers who qualify for financial assistance under our ongoing hardship program.

As a 'thank you' to our frontline healthcare workers working in extraordinarily challenging conditions as they cared for Australians in need, we offered registered health practitioners a two-month credit on their monthly postpaid access fee or prepaid recharge.

Looking to the future, the telecommunications sector can play an important role in the social and economic recovery from COVID-19, building on the transformation which has already occurred as businesses have accelerated their digitisation capabilities. A report from the Australian Broadband Advisory Council highlights a range of opportunities to improve economic productivity and online participation of businesses, including small to medium sized businesses, and more vulnerable community groups¹. We will explore these themes and opportunities as we develop our forthcoming sustainability strategy, to be launched in 2021.

1. Australian Broadband Advisory Council, Nov 2020, Riding the Digital Wave: Report on COVID-19 Trends and Forward Work Program.



Supporting inclusion, belonging and wellbeing of our people

42%

female representation in the workforce in Australia, New Zealand and the Philippines

71

girls participated in Dream Connection STEM program

80

of our employees marched to demonstrate their support and to celebrate the LGBT+ community



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



Inclusion and belonging

At TPG Telecom we believe that everyone should feel comfortable in bringing their whole selves to work. We also recognise the benefits that come from an inclusive culture and a focus on the wellbeing of our employees, including more engaged employees, better customer service, more innovation, collaboration and better business performance.

We have a dedicated Head of Inclusion and Belonging to promote our inclusive culture and ensure that we have a strategy to bring this to life within our organisation. Our strategy places an emphasis on gender equality and inclusivity for LGBTQI+ and other communities. This includes initiatives which aim to address issues beyond our workforce, promoting the participation of women, and indigenous youth, in technology futures, ultimately growing the pipeline of talented youth from which the business can benefit in the future.

Moving forward, we will continue to enhance our performance on inclusivity within our workforce, including through proactive initiatives across a broader range of groups, and aim to explore new initiatives and partnerships which leverage our role as a telecommunications provider in helping to address inclusivity and belonging within the wider Australian community.

Supporting financial independence of our female workforce

We acknowledge the imbalance of superannuation between women and men. According to analysis using the Treasury's Model of Australian Retirement Incomes and Assets (MARIA), in 2020, the average balance at retirement for women was expected to be around 30 per cent less than men¹. Factors such as the gender pay gap in the Australian workforce, women generally working in lower paid occupations, women taking more time out of the paid workforce than their male counterparts and having a higher likelihood of working casually or part time, adversely affect women's superannuation balances – leaving them with less to live on during retirement.

Vodafone has been helping to address this inequality since 2017 through its Super Bump program for female employees, which provides two extra payments of \$250 per year for female employees who have been with the company for more than 12 months, as a practical step towards more financial independence for women. In 2021, we plan to extend this benefit across our TPG Telecom workforce in Australia.

Supporting our working parents and carers

We aim to ensure our employees are supported throughout their career as a working parent or carer at TPG Telecom and acknowledge the importance of parental and caring responsibilities. We also recognise the challenges of returning to work after a period of parental leave.

One example of the practical support we provide, is our '4 for 5' benefit for full-time permanent Australia employees who are returning from a period of parental leave. This benefit assists employees to manage their transition back to work by providing greater flexibility without financial detriment during their return period. Eligible employees can work four days per week and be paid for five days for the first six months of returning to work from Primary Carer parental leave. In 2021, we plan to extend this benefit across our TPG Telecom workforce in Australia.

Supporting our LGBTQI+ employees

We are proud of our active Pride Network 'Connect', which runs a variety of programs in support of our LGBTQI+ employees throughout the year. Vodafone is a Major Partner and has been the Official and Exclusive Mobile Services Sponsor of the Sydney Gay and Lesbian Mardi Gras for 2019, 2020 and 2021. In 2020, 80 of our employees marched to demonstrate their support and to celebrate LGBTQI+ communities. As part of Mardi Gras, Vodafone participated in Fair Day – a landmark of the festival where LGBTQI+ communities shine brightly together, with all of our employees encouraged to show their support. We also launched a 'Be the One' campaign focusing on the challenges of LGBTQI+ people, including impacts on mental health, and sharing the message that every person has the potential to 'be the one' that makes a big difference to someone else's life by showing their support.

We made more than 1,000 red ribbons and raised over \$13,000 in donations for our partner Bobby Goldsmith Foundation in support of their World Aids Day appeal.

1. Trinh et al (2019) Superannuation Balances at Retirement. At: <http://research.treasury.gov.au/sites/research.treasury.gov.au/files/2019-11/Superannuation%20balances%20at%20retirement.docx>



Promoting science, technology, engineering and maths (STEM) careers for Indigenous, female youth

Building on our earlier success in creating an award winning, technology-centric STEM program for girls in Sydney schools, during 2020 we were proud to launch a new program – Dream Connection – in partnership with Goanna Solutions. Goanna Solutions is committed to working in collaboration with government, academia and industry partners to identify and support STEM opportunities for Indigenous students to address the issue of exclusion from emerging opportunities in STEM fields.

The Dream Connection program was conceived and co-designed through meaningful, thoughtful engagement of TPG Telecom with the First Nations community in order to inspire young Indigenous women in high school to consider a career in STEM. The theme of the program is ‘connection’ – encompassing connections between ancient Indigenous science and modern science, elders and young people in community, STEM and storytelling, and the vital need for the value of these connections to be recognised and appreciated by the broader society. The program includes female technology employees from TPG Telecom, and strong Indigenous role models, speaking with students. In its inaugural year, 71 girls from years 7-10 across nine schools have participated in the program, with extremely positive feedback.

“Just to let you know all the kids and staff are so in love with the program. It has been the buzz of the school”.

Shallan Foster, Indigenous Engagement Officer, Matraville High School .

Setting the direction on workforce culture

One of the key priorities following our merger was to integrate our legacy organisations from a people perspective, and to determine the workforce culture that we want for our combined organisation. We conducted a Ways of Working Survey, and a range of employee interviews, providing a pulse check of employee views and

expectations on matters related to culture and employee experience. The results of this survey demonstrated a shared focus on the customer, adaptability to change, and passion for work, right across our new business. It also highlighted opportunities for alignment and focus which will guide our people integration plans moving forward, including a focus on consistency of employee experience, promoting collaboration, and streamlining of processes to create better ways of working.

Promoting flexible working and employee wellbeing

Studies have shown that employees with greater flexibility choices at work are more engaged, have lower levels of absenteeism and feel a greater sense of wellbeing at work and at home. Organisations that want to attract and retain high-performing employees understand the benefits of workplace flexibility – increasing employee effectiveness and productivity.

Our Way We Work Framework sets out our aim to work flexibly, collaboratively and creatively to deliver exceptional and innovative solutions for our customers, supported by our technology, our work environment and our culture. Flexible working will continue to form a fundamental part of our employee experience and workforce culture as an integrated organisation. Our Flexible Working Policy offers a range of formal and informal working options to employees and managers, supported by employee resources. We also promote flexible working through the My One Thing campaign which encourages employees to identify one priority outside of work that they will make time for, so as to support a better balance between work and home life.

Within our Vodafone operations, we take a holistic approach to promoting employee wellbeing – with support and guidance on digital balance, emotional and mental wellbeing, connections and community, financial wellbeing, purpose and growth, and physical wellbeing. We encourage our employees to be proactive about their wellbeing so that they can be their best selves for their family, friends, colleagues and customers.

We offer free and confidential services to our employees and their immediate family members through our Employee Assistance Provider, Benestar. This includes confidential counselling, nutritional advice, financial advice, legal advice, and health and wellbeing resources, as well as a service for managers seeking advice. Within our Manila customer care sites, we have nurses available to attend to employees immediately and on site, making it easier to get general health advice and medical treatment.

Focusing on occupational health and safety

TPG Telecom manages varied levels of inherent risk within our occupational health, safety and wellbeing management system. These risks are both direct and indirect in nature and include inappropriate behaviour towards front line staff by customers in our retail stores, risks during construction and maintenance activities, particularly during the deployment of 5G, and employee wellbeing. We adopt a risk-based approach to actively monitoring and managing our obligations and are aware that any failure to manage these risks could cause harm to our people, partners or members of the public.

During 2020 we faced new challenges including our ongoing response to COVID-19 and support for our employees and customers through the pandemic, managing multiple safety management systems, and supporting our communities through the 2019/2020 summer bushfire season.

We have commenced the integration of our workplace health and safety management systems. This has included establishment of combined governance arrangements including an updated Workplace Health and Safety Policy, due diligence framework, safety committees, and workplace health and safety reporting. In addition, our fibre operations department has successfully transitioned its certification against the AS/NZ 4801:2001 Occupational Health and Safety Management Systems standard to the ISO 45001:2018 standard. Progress on integration is reported to the Executive Team on a quarterly basis.

During the period since the merger, TPG Telecom has an injury frequency rate of 0.18². There were zero fatalities for the reporting year across the TPG Telecom group of companies³.

Covid-19 Response for our Workforce



The safety and wellbeing of our employees has been a top priority as we have supported our employees throughout the COVID-19 pandemic. At all times we have kept our employees regularly informed of changes impacting them or the business. We have enabled over 700 Australian office-based employees to work from home in 2020 and will continue to support this initiative during 2021. We have put in place COVIDSafe plans for our office, retail, contact centre and network locations, including additional protocols upon entry, increased cleaning regimes, capacity limits, provision of personal protective equipment such as masks, sanitiser and alcohol wipes, and signage for social distancing and hygiene. We have also provided our employees with access to a wide range of learning material and seminars to help support their mental health and wellbeing.

Within Vodafone, we also launched a COVIDSafe Workplace from Facebook page to connect with our employees. Through this platform, we ran a wellness campaign involving five days of initiatives, seminars, challenges, and key messages from around the business focusing on body and mind. We also had several keynote speakers, including professional racing driver Jamie Whincup and Australian international cricketer Steve Smith, providing advice on how to keep fit while in isolation as well as live sessions with our Executives during the lockdown.

2. TPG Telecom employees only.

3. TPG Telecom employees and contractors while performing work for TPG Telecom.

We will continue to evolve our approach to occupational health and safety in 2021 as we further embed our businesses with a consistent approach to systems, monitoring and compliance.

Employee numbers¹

| FEMALE | 2020 |
|----------------------|--------------|
| 18-27 | 787 |
| 28-37 | 1,146 |
| 38-47 | 448 |
| 48-57 | 106 |
| 58-67 | 22 |
| 68-77 | 3 |
| Female total | 2,512 |
| MALE | |
| 18-27 | 699 |
| 28-37 | 1,338 |
| 38-47 | 978 |
| 48-57 | 342 |
| 58-67 | 100 |
| 68-77 | 6 |
| Male total | 3,463 |
| Overall total | 5,975 |

1. This data measures headcount based on permanent employees and fixed term contractors, full-time and part time in Australia, New Zealand and the Philippines.





Aligning to a pathway of green growth

Launched Australia's
1st telco brand power by

100%

renewable electricity

Committed to powering
our organisation by

100%

renewable electricity
by 2025

More than

5%

reduction in GHG
emissions within
Vodafone business¹



1. Based on scope 1 and scope 2 emissions for the reporting period from 1 June to 30 June.

We are committed to managing the environmental impact of our business activities responsibly, and doing what we can to tread lightly on the planet, particularly as our business grows. As a major telecommunications services provider, our approach to environmental management focuses on our two most material environmental impacts – climate change and waste.

Tackling climate change

Globally, although the telecommunications sector accounts for only around 1.4 per cent of greenhouse gas emissions, this figure could grow to around 14 per cent by 2040 – half the level of the entire transport sector¹. This increase will be driven to a large extent by the projected increase in demand for data, and its associated energy use. However, the application of 5G in mobile network enabled technologies offers enormous potential to help avoid emissions through smarter cities, transport, energy, buildings, agriculture and other industries. A 2019 study by the GSMA estimated that avoided emissions enabled by mobile communications technologies may be approximately ten times greater than the emissions of the mobile sector².

TPG Telecom recognises the threat of global climate change and is working towards aligning our business with the aims of the Paris Agreement. This includes reducing our emissions to help mitigate climate change, using our technologies to help reduce emissions within our wider society, understanding and building resilience to climate impacts, and being transparent in our disclosure of climate impacts, risks and opportunities. We will also work to bring our future reports in line with the requirements of the Taskforce on Climate-related Financial Disclosures.

In October 2020, we launched felix – Australia’s first telecommunications brand powered by 100% renewable electricity. In March 2021 we were proud to extend this across our organisation, committing to power our organisation with 100% renewable electricity by 2025.

This builds upon the work we’ve done to reduce energy use across our networks over a number of years, with a particular focus on our data centres and mobile base stations.

Energy efficiency in our data centres

Across our Vodafone mobile network, over the past six years we have replaced older Uninterrupted Power Supply (UPS) with more efficient equipment, and implemented direct current power systems, across all of our data centres (typically delivering approximately 2-3 per cent energy savings). Where it is technically feasible to do so, we have implemented other measures including the replacement of air conditioning chillers with Computer Room Air Conditioning units (typically delivering an estimated 25 per cent energy saving), cold aisle rack containment, power factor correction, and installation of Data Centre Infrastructure Management (DCIM) systems.

A similar program of data centre energy efficiency has been in place across our fibre networks. In 2020, this included replacement of UPS across eight sites. In our Dryburgh, NSW site alone we achieved savings of over 50,000 kilowatt hours per month from upgrades to UPS. We continued to implement hot and cold aisle rack containment as standard practice for new rack rows, with installations at five sites in 2020. This included all four data halls at London Road, Adelaide, achieving savings of approximately 60,000 kilowatt hours per month. Other measures have included free cooling, power factor correction, installation of DCIM systems, air conditioning management, and replacement of cooling towers for closed-loop chillers. We are also identifying opportunities to consolidate data centres for greater efficiency in our use of infrastructure and energy for data processing and storage.



Data centre at Glebe, NSW.

1. Macquarie, 2020, The Opportunity for Telcos to Act on Climate. At <https://www.macquarie.com/assets/macq/perspectives/macquarie-the-opportunity-for-telcos-to-act-on-climate.pdf>

2. GSMA, 2019, The Enablement Effect. At https://www.gsma.com/betterfuture/wp-content/uploads/2019/12/GSMA_Enablement_Effect.pdf

Energy efficiency at our mobile base stations



Zonecool™ shelter in use on site.

We have implemented a range of design solutions to improve energy efficiency and reduce greenhouse gas emissions associated with our mobile base stations, over recent years.

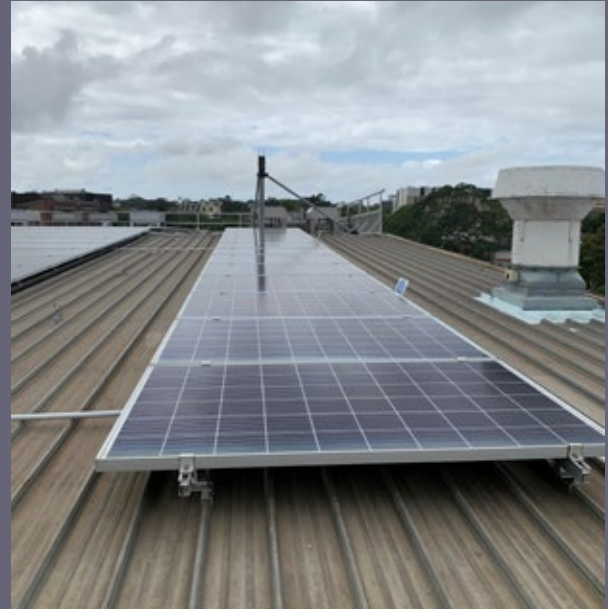
This includes free cooling across all base stations where practical (approximately 95 per cent of our network), significantly reducing the requirement for air conditioning. For example, at our Dean Park, NSW site, we saw a 90 per cent reduction in daily air conditioning use following the upgrade. We have seen reductions of close to 70 per cent daily air conditioning use, on average where this solution has been implemented.

In partnership with ICS Industries, we contributed funding which supported the development of the Zonecool™ shelter – a more efficient and cost-effective shelter solution than traditional air conditioning and fans, with high capacity racking enabling optimal use of space for future technologies. Testing at a Zonecool™ shelter site in Kingsbury, Melbourne showed that even on days where external temperatures exceeded 43 degrees, the Zonecool™ shelter was able to maintain the required equipment temperatures without the use of air conditioning, resulting in substantial energy and cost savings. The Zonecool™ solution was acknowledged as a short-listed finalist in the 2017 ACOMM awards for Innovation.

We have established reference site designs that require our vendors to design equipment for the outside location of shelters wherever practical, reducing the need for air conditioning. This applies to all of our sites as we upgrade to 5G.

We are also well advanced in the roll-out of smart meters, enabling us to better understand our energy profile and further explore potential energy efficiency opportunities.

Installed solar power at our data centres



Solar power on-site at Glebe, NSW.

In December 2017, we commissioned a 100 kilowatt solar power array at Labrador Mobile Telephone Exchange in Queensland, in partnership with Planet Ark Power.

The facility has performed in line with expectations, replacing 8 per cent of grid power consumption on average per month and is on track for a payback period of approximately three years.

We have also installed a 100 kilowatt solar power system our data centre in Glebe, NSW.

Our fibre operations department has attained ISO 14001:2015 International Standard for Environmental Management Systems.

We measure and report on our scope 1 and scope 2 greenhouse gas emissions in our Vodafone operations in line with our requirements under the *National Greenhouse and Energy Reporting Act (2007)* (Cth) and in 2020 we achieved a reduction of more than 5 per cent against the previous reporting year. In the next reporting year, we will integrate emissions measurement and reporting across TPG Telecom and will start to measure our scope 3 emissions as we work towards setting a science-based target for emissions reduction.

We will also explore the potential for strategies and partnerships with our customers to enable smarter ways of working using mobile technology – increasing efficiency and supporting behaviour change to reduce carbon emissions across the Australian economy.

Energy use and greenhouse gas emissions – Vodafone

| ENERGY USE (GJ) | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
|-----------------|----------------|----------------|----------------|----------------|----------------|
| Network | 619,973 | 630,682 | 635,925 | 624,626 | 595,051 |
| Retail | 7,185 | 8,488 | 8,300 | 8,506 | 6,997 |
| Corporate | 6,485 | 7,229 | 8,385 | 9,405 | 11,477 |
| MTX / switch | 45,280 | 52,892 | 67,910 | 83,407 | 89,528 |
| Data centres | 59,425 | 59,420 | 63,151 | 69,970 | 83,438 |
| Paging | 827 | 985 | 901 | 980 | 1,322 |
| Total | 739,175 | 759,696 | 784,572 | 796,894 | 787,813 |

| GREENHOUSE GAS EMISSIONS (T CO ₂ -E) | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
|---|----------------|----------------|----------------|----------------|----------------|
| Scope 1 | 382 | 39 | 37 | 92 | 88 |
| Scope 2 | 162,620 | 173,063 | 178,686 | 184,497 | 185,612 |
| Total CO₂-e(tonnes) | 163,002 | 173,102 | 178,723 | 184,589 | 185,700 |



Solar power on-site at Labrador, Queensland.



Managing our waste and product stewardship

Key waste streams for the telecommunications sector include packaging and e-waste. We understand our responsibility to manage our waste and to act as responsible product stewards – working with our partners to manage the impacts of our products across their lifecycle.

Our packaging waste relates to the use of materials for packaging SIMs, accessories, devices, and for logistics transportation. TPG Telecom is a member of the Australian Packaging Covenant Organisation (APCO), a not for profit organisation that works with businesses and government to co-regulate the environmental impact of packaging in Australian communities. As such, we have a responsibility to follow the APCO guidelines and play our part in meeting Australia's 2025 packaging targets. During 2020, we launched half-sized SIM punch outs – reducing future plastic use by 50 per cent for our SIMs. In 2019, we worked with our logistics vendor to reduce the size of the cartons to better fit non-standard sized products like Apple Watches and our tablet range.

E-waste is the fastest growing waste stream globally, and in Australia, with data from the Australian Bureau of Statistics suggesting it is growing at three times the rate of general waste. Mobile devices are a contributor to this waste stream. TPG Telecom is a member of Mobile Muster – the government accredited product stewardship program funded voluntarily by the mobile telecommunications industry, and we play a role in reducing mobile waste through in-store collection. In 2020, we collected 7,000 kg of mobile phone components for recycling by Mobile Muster. As an industry, through Mobile Muster, we are aiming to ensure mobile phone recycling is accessible to our customers and educate them on how and why to recycle them when they come to the end of their useful life. In the coming year, we are aiming to work with Mobile Muster on communication campaigns to increase the volume of waste collections and will be participating in

a trial related to the collection and recycling of other electronic items.

Total Mobile Phone Component Mobile Muster Collections

| | 2020 | 2019 | 2018 |
|---|-------|--------|-------|
| Mobile phone components ¹ collected (kg) | 7,000 | 14,281 | 7,866 |

1. Mobile phone components includes handsets, batteries, charges and accessories.

We also seek to manage the environmental impacts of our corporate offices and are members of City Switch – a leading Australian sustainability program which supports office-based businesses to improve their energy and waste efficiency. We've implemented a range of initiatives across our office portfolio including full roll-out of recycling options for paper, card, plastics, metal and printer cartridges across our Vodafone corporate offices, and battery and express post recycling in our TPG Telecom head office.

Waste (metric tonnes) total for all Vodafone office locations

| | 2020 | 2019 | 2018 |
|---------------|-------|-------|-------|
| General waste | 10.47 | 21.31 | 19.92 |
| Co-mingled | 3.16 | 9.06 | 5.41 |
| Organic | 0.43 | 1.08 | 1.75 |
| Paper | 2.06 | 3.17 | 4.04 |
| Batteries | 0.04 | 0.08 | 0.06 |



Conducting our business ethically and responsibly



A feature of the Australian business context in recent years has been a decline in trust of institutions amongst consumers, and greater societal expectations of businesses to behave ethically and responsibly. As one of Australia's leading telecommunications companies, and an ASX-listed company, we recognise that responsible business is paramount. How we go about our business, or the way we do business, is just as important as what we do. We believe that how we treat our colleagues, our customers and how we work with the community, is essential in building and maintaining trust.

Aligning our governance arrangements

Following the merger, we established new governance arrangements including a new Board, with the addition of two independent directors, and a new Executive Team. We refreshed our Code of Conduct which acts as our central policy, outlining requirements that every single person working for TPG Telecom must comply with, regardless of location or position. We also undertook a company-wide risk assessment, overseen by our new Audit and Risk Committee established by the Board.

We adopted several new policies consistent with our status as a listed entity, including a Market (Continuous) Disclosure Policy and a Securities Trading Policy. We also refreshed policies on grievance handling, whistleblowing, and anti-bribery, maintaining alignment with best practice and integrating the organisation under a common framework. TPG Telecom's corporate governance is overseen by the Governance, Remuneration and Nomination Committee which reports to the Board.

Protecting our customers

We consider consumer protection and better customer outcomes to be paramount, requiring an empathetic and flexible approach to understanding and meeting the needs of individual customers, in addition to compliance with regulatory requirements. In the context of the significant financial difficulty experienced by many Australians during the COVID-19 pandemic, this has become an even greater priority.

In 2020, a report released by the Consumer Action Law Centre, 'The Trouble with Telcos: Stories from 2020', highlighted a range of issues in the response of companies in the telecommunications sector to financial hardship during the pandemic, building on their earlier report, 'Consumer Issues Impacting Victorian Aboriginal Communities'.

At TPG Telecom, we take consumer protection extremely seriously. We comply with the Telecommunications Consumer Protections (**TCP Code**), revised by a Communications Alliance working committee, with representatives from industry, consumers, government, and regulators, and registered by the ACMA in July 2019. The revisions include a range of increased consumer protections, including in selling practices, credit assessment, financial hardship, and assistance for vulnerable consumers, in addition to revisions for clarity and updating provisions to accurately reflect the marketplace. We also base our practices and procedures on best practice as set out in the Australian Competition and Consumer Commission's Compliance Guide 'Don't take advantage of

disadvantage'. We perform a compliance self-assessment against the requirements of the TCP Code on an annual basis, addressing any potential issues to ensure that we maintain ongoing compliance.

We provide training to our employees in identifying and interacting with disadvantaged customers and customers experiencing vulnerability, which includes a focus on understanding a customer's individual needs and situation during the sales process. We have established mechanisms for monitoring and audit of sales to ensure quality and compliance with our internal policies.

During the COVID-19 pandemic, we implemented a range of customer support arrangements, including with respect to financial hardship arrangements. These are highlighted in the section of this report, 'Helping our customers and communities in times of need'.

We also provide financial and in-kind support for Accessible Telecoms – a nationwide disability telecommunications service that provides independent, up-to-date information on everyday telecommunication products and assistive technology suitable for people with disabilities, run by the Australian Communications Consumer Action Network.

Modern slavery and responsible sourcing

As outlined in our Code of Conduct, we support human rights consistent with the Universal Declaration of Human Rights and we respect those rights in conducting our operations in all locations. We stand behind local and international efforts to stop slavery and human trafficking and look for ways to promote these efforts. We have a zero-tolerance policy against trafficking and activities related to trafficking.

During 2019 and 2020 we worked with our industry peers on the issue of modern slavery through the Telco Together Foundation – a registered charity that brings together the telecommunications industry to make a significant social contribution within Australia. In December 2020, we signed an Australian Telecommunications Leadership Statement on Human Rights and Modern Slavery, committing to work cooperatively to eliminate modern slavery practices where they are identified and to share case studies of best practice. That statement includes a set of Telecommunications Industry Modern Slavery Leadership Principles, drawing on best practice standards for business conduct set out in the UN Guiding Principles on Business Principles and Human Rights.

In December 2020, we released our updated Supplier Code of Conduct, that contains enhanced requirements with respect to human rights and modern slavery, aligned to the Universal Declaration on Human Rights and the ten principles of the UN Global Compact.

We are currently in the process of preparing our first modern slavery statement which is due for submission before 30 June 2021. As part of this process, we are developing and implementing a modern slavery due diligence framework and completing our modern slavery risk assessments throughout all functional areas and brands of the business.



Supporting smarter technology for a healthier Australia

\$26M

donated since 2002

More than

\$876k

donated to Foundation partners in 2020

107,500+

Australian lives improved¹ through our Foundation partnerships during 2019/20



3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



17 PARTNERSHIPS FOR THE GOALS



1. 'Lives Improved' comprises 'direct' lives improved (the target recipients of the program) and 'indirect' lives improved (individuals with a close relationship to the direct beneficiary who also experience an ancillary positive effect and those individuals who are employed to deliver or improve the program). This methodology was developed by Vodafone Group in collaboration with KPMG.

Our Vodafone Foundation aims to improve the health and wellbeing of Australians. We call it 'connected for good' and since 2002, we have donated \$26 million to a range of important causes. In 2020, we distributed grants of \$876,178 to our Foundation partners and matched employee donations of \$123,790 – of which \$100,000 was given to the Australian Red Cross for the Bushfire Disaster Relief and Recovery Fund.

During the 2019/20 financial year for the Foundation¹, our partnerships helped to improve the lives of 107,594 Australians and the Foundation was the number one driver of engagement among our employees.

DreamLab



DreamLab is a multi-award-winning app which helps world-leading researchers at the Garvan Institute and Imperial College fight COVID-19 and cancer. DreamLab launched in 2015 in partnership with the Garvan Institute

of Medical Research (Garvan) and uses the processing power of idle smartphones to help fast track cancer research. The app allows mobile phone users to donate processing power to crunch research data while their phone is not being used – halving the time taken by Garvan's supercomputer. To date, the app has been launched in 17 of the global Vodafone Group markets and been downloaded over one million times, achieving four research discoveries, and forging a path towards personalised treatments for cancer. In parallel, our employees have raised almost \$300,000 for Garvan to support further medical research.

From April 2020, we refocused the efforts of DreamLab to speed up the discovery of anti-viral properties in existing medicines and anti-viral food molecules that could be used to treat patients with COVID-19, by supporting a research project of Imperial College London. With the help of DreamLab users across the globe, Imperial College London completed Phase 1 of its Corona-AI research project in only six months – significantly faster than would be possible with standard research methods.

Hello Sunday Morning

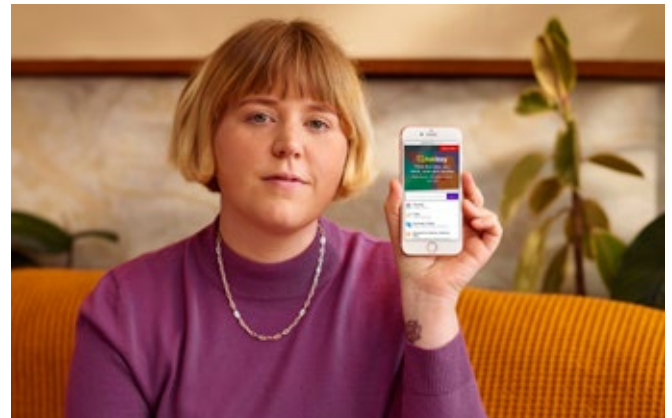
Since 2014 the Foundation has worked in partnership with Hello Sunday Morning to help change Australia's relationship with alcohol. With our support, Hello Sunday Morning launched the Daybreak app which combines the best in contemporary clinical research with the latest advancements in mobile technology, asking users a series of questions to define their relationship with alcohol, before delivering personalised, weekly challenges to help them change. Independent evaluation has shown that the Daybreak app delivers more than a 50 per cent reduction in harmful alcohol usage for users² and a social return of \$2.49 for every dollar invested.



Ask Izzy

In December 2019, the Foundation began a partnership with not-for-profit social enterprise Infoxchange with a shared vision to harness the power of mobile technology to change the face of family violence in Australia. Ask Izzy was developed by Infoxchange in partnership with Google, realestate.com.au and News Corp Australia, with support from us. It is a website that connects people in need with essential services such as shelter, food, money help and health care, with over 370,000 services listed across Australia.

Ask Izzy has played a valuable role in assisting vulnerable Australians during the COVID-19 pandemic. During the last financial year as a whole, Ask Izzy received two million searches for help. This included 450,000 searches for help across Australia during March and April 2020 – the peak of Australia's first wave of COVID-19. The pandemic saw searches for food more than double in a single week in March 2020 and searches for Centrelink locations nearly quadruple in the following week.



We have free-rated the Ask Izzy app on our network, promoted the app to our employees, and trained employees across our retail network and contact centre so that they are able to share this tool with our customers. Together with Infoxchange, we are aiming to facilitate earlier intervention for people at risk of, or experiencing violence, resulting in more timely and positive outcomes.

Vodafone Foundation (\$)¹

| | |
|--|---------|
| Cash donations – grants to Vodafone Foundation partners² | 876,179 |
| Cash donations – matched giving | 123,790 |
| Management costs | 179,670 |

1. Values stated reflect the reporting period for this report i.e. year to 31 Dec 2020.
2. The Vodafone Group made a contribution of \$372,165 towards grants to Vodafone Foundation partners.

1. The Vodafone Foundation financial year is from 1st April to 31st March.

2. Research evaluation results produced by the National Drug Research Institute (2019) found that people who use Daybreak for 3-months or more reduce their alcohol consumption from 37 standard drinks to 17 standard drinks per week.

