

Company Profile

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

Sustainability Statement

TPG recognises the importance of social, corporate and environmentally sustainable business practices to the long-term economic success of its business.

Stakeholders

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

Customers

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



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

NPS results achieved in FY17 are shown over the page.

The average NPS achieved in the key three divisions during FY17 were as follows:

TPG Consumer Broadband	+35.7
iiNet - All Brands	+47.0
TPG/AAPT Corporate	+77.8

In a mass market such as retail telecommunications these NPS results achieved by TPG Consumer Broadband and by the iiNet brands are relatively strong. They have, however, been adversely impacted somewhat during FY17 by industry-wide difficulties experienced by customers in their transition to the NBN. The Group is working closely with NBN to try to improve customer satisfaction with NBN services and with the transition to NBN.

The Company is proud that iiNet has continued to be recognised for its excellence in customer service with it being awarded two national awards in 2017 for most satisfied NBN customers.



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 to any issues identified by regulators to be of concern.

Social sustainability

Workforce diversity

The Company's principal internal stakeholders are its employees.

The Company recognises the numerous benefits that arise from having a diverse range of individuals within its workforce. Diversity broadens the depth of skills and experience within the Group, helps business decision making through providing a variety of viewpoints and improves the attractiveness of the workplace for existing and potential employees.

The Company has a published Code of Conduct available on the Company's website at tpg.com.au/about/investorrelations which provides that the Company will treat all employees and potential employees according to their skills, qualifications, competencies and potential and will not discriminate on the basis of race, religion, gender, sexual preference, age, marital status or disability.

TPG Telecom Limited
Sustainability Report
Year ended 31 July 2017

With regard to gender diversity, the Group has a healthy mix with the proportion of female employees at the end of FY17 being 40%, up from 38% at the end of FY16. The proportion of female employees in key management positions is currently approximately 16%.

The Company has implemented a policy to actively encourage female applicants for non-traditional female roles through a referral scheme that awards successful recruitment of females into such roles.

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

The Group'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.

Employee health and safety

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

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

The Group also has an employee assistance program offering free and confidential counselling services to employees.

Parental leave

During FY17 the Group achieved a retention rate of 81% of employees who took parental leave, that is to say that only 19% of employees who took primary carer's leave following the birth of a child elected not to return to work.

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

The Group aims to reduce its impact on the environment through numerous initiatives including:

- Ensuring electrical equipment including lighting and computer monitors are switched off when not being used.
- Installation of sensor activated and energy efficient lighting.
- Installation of renewable energy solutions such as solar panels in a number of corporate buildings.
- Minimising the amount of travel undertaken by employees.
- Video conferencing is used extensively throughout the Group in lieu of travelling for meetings.
- Paper use is minimised through maximising use of electronic customer invoicing.
- Use of recyclable packaging for shipping of equipment to customers.
- All shareholders are offered the option of receiving communication from the Company by email instead of through regular mail.
- Recycling bins are used throughout offices.

Whilst conscious of the potential for there to be risks to the business of the Group that may arise because of environmental factors, the Board has not identified any specific risks that require mitigation activity at this time.