

SUSTAINABILITY REPORT 2018



ABOUT THIS REPORT

This is the third annual sustainability report prepared for Vocus Group Limited (“Vocus”), reviewing our performance from 1 July 2017 to 30 June 2018. This report has been prepared in accordance with the GRI Standards: Core option. We have not sought external assurance over this report. This and our previous reports can be found online via <http://vocusgroup.com.au/sustainability/sustainability-report/>. We welcome feedback on the report, which may be sent to investor@vocus.com.au.



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CHAIR & CEO LETTER

Dear Shareholders,

On behalf of the Board and our Team, we are pleased to present to you our third annual Sustainability Report.

Sustainability reporting is increasingly in focus as investors, customers and potential and current team members look to how a company performs beyond its financial statements. We are proud to be a company that seeks to perform well sustainably and motivates its team members to be actively involved in its communities.

Throughout what has been a very busy year, we have made significant and tangible changes that will re-invigorate Vocus and enable us to deliver the growth we are focused on achieving. Our primary focus going forward is sustainable, profitable growth. Key to the success of the future strategy of the business is having the right team in place. We have been fortunate to be able to attract a number of highly experienced executives who know how to win in their markets and are excited by the opportunity presented by Vocus. We have also made a number of internal changes and together these provide a platform for us to achieve our goal.

FY18 saw a focus on discipline on operating and capital expenditure across the business. Within these constraints, we concentrated our efforts on areas where we could make a difference.

Our Team's sustainability activity in FY18 was commendable. Achievements included an increase of 196% in the number of team members volunteering their time to support those in need; several awards won in our Enterprise & Wholesale segment for our initiatives and commitment to customer service excellence; and the continued training and development of our team members through our Leadership Development and Mentoring Programs. Details on the main activities we undertook, our business and our impact, is contained within this report.

We invite you to review our sustainability activity and welcome your feedback via investor@vocus.com.au.



Kevin Russell
Group MD & CEO



Bob Mansfield
Chairman



ABOUT VOCUS

We are proud to have built a world class telecommunications infrastructure platform across Australia and New Zealand to support the rapid growth in demand for increasingly resilient, secure and reliable network connectivity. Our Australian fibre network connects capital mainland cities with Auckland, stretching across the Tasman and connecting north and south islands of New Zealand, and to the United States, Singapore and Hong Kong.

We are Australia's fourth largest telecommunications provider and New Zealand's third largest by revenues. Vocus is listed on the Australian Securities Exchange under the ticker VOC and is headquartered in Melbourne.

Our electricity for supply to customers is sourced from the grid via the Australian Electricity Market Operator, and our gas for supply to customers is purchased from upstream suppliers; we do not own any generation or distribution assets.

Further details of our financial position and performance are included in our FY18 Annual Report at <https://vocusgroup.com.au/investors/company-performance/annual-reports/>.

There have been no significant changes to our organisation or its supply chain during FY18.



VOCUS GROUP

Vocus operates across all states and territories of Australia and across the North and South Islands of New Zealand. Our primary go-to-market brands and services are shown in the following table.

Our employment statistics are included in section 6.

AUSTRALIA

CONSUMER



A promise to deliver simplicity and fairness to our customers.



iPrimus was one of Australia's first true broadband challengers.

ENTERPRISE & WHOLESALE



Strong, reliable connectivity



Leading IP voice provider



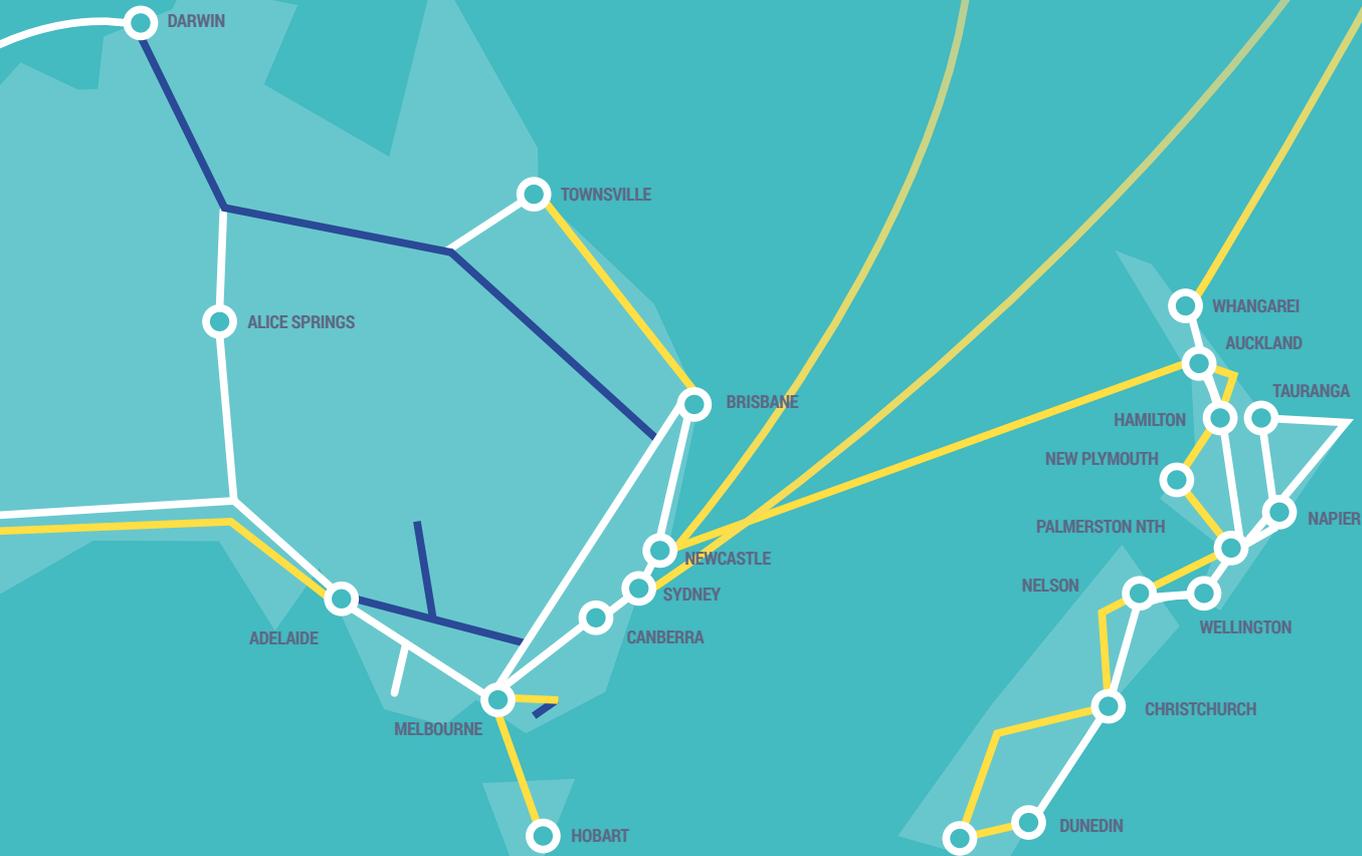
Business Communications

○ 5,500
buildings
on-net

○ 7,000KM
fibre network
in NZ

○ 23
Data Centres
in Aus and NZ

○ 2,800
More than 2,800
team members
in the Philippines,
employed through
a business process
outsourcing partner



NEW ZEALAND

CONSUMER

slingshot Broadband for
Kiwi families

flip Cheap and cheerful
broadband

switch
utilities ltd Energy services
to larger asset
owners

orcon Driving
innovation in
the NZ market

ENTERPRISE & WHOLESALE

VOCUS
communications For Businesses,
Government
and Wholesale

talk Provider
of VoIP



**VOCUS
GROUP**

PRIORITIES AND ACHIEVEMENTS



Community

FY18 ACHIEVEMENTS

Against our target of increasing Volunteering by 5%, we achieved:

- An increase in the number of team members giving their time of 196%;
- An increase in the number of hours given to charities of 148%.



Suppliers

Introduction of a Procurement Team with roadmap to supplier screening to ensure standards of environmental and social governance are met and that, as far as possible, we source from companies that meet our criteria.



Environment

We achieved a reduction in customer invoice printing of 0.2%.



Diversity

While our gender diversity statistics reflected a decline at the senior leadership level at the end of the period, a number of appointments after 30 June improve this balance and reflect on the commitment of the new management team to diversity.



Team

75 team members participated in our Leadership Development Program and 32 participated in our Mentoring Program.

Won Customer Service Team of the Year (small) in our Enterprise & Wholesale segment.

FY19 PRIORITIES

We will aim to maintain this high level of charitable activity and increase the number of team members participating in skilled volunteering by 5%.

Review supply to ensure that, where possible, we are making the best choice to meet the needs of our environment and stakeholders.

We commit to improving the gender balance at the senior leadership level in FY19

We have recruited an Executive dedicated to People and Culture, starting in September 2018, to optimise the substantial asset that is our team.

In addition to a number of initiatives in place to improve our customer service in FY19, we have promoted our GM of Assurance and Delivery to the Executive Team, ensuring that our Customer has a seat at the Executive table.



1. HOW WE CREATE VALUE



\$1.9b
Revenue

More than 2000 team members in Australia & New Zealand



10%
Almost 10% of team members participate in Workplace Giving

274 team members participated in volunteering and giving back to the community



\$366.1m
Underlying EBITDA

We invest in our leaders and graduated the next round of team members from our Leadership Development Training



Our commitment to our customer experience was awarded by the Customer Service Institute of Australia



\$47,000
More than \$47,000 raised through workplace giving

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

The company has not yet identified any material financial implications, risks or opportunities arising in relation to climate change.

DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

Vocus has no defined benefit plan obligations.

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

Vocus has not received any material financial assistance from government other than research and development tax credits generally available to Australian businesses.

2. STAKEHOLDER ENGAGEMENT



Our stakeholders are our shareholders, our customers, our suppliers, the governing bodies of our industry and our Team. We engage with stakeholders regularly in the ordinary course of business and through dedicated requests for feedback in a manner appropriate to each group.



STAKEHOLDER ENGAGEMENT

Team

We recognise the value of our Team Members and the positive impact – both internally and externally – of an engaged and motivated Team.

Our Team Members have multiple avenues to provide feedback on their work, workplace, benefits and levels of engagement throughout the year.

We conduct weekly Team surveys via an online engagement tool which provides real-time, anonymous feedback to managers in their team and which also provides the opportunity for managers to respond to that feedback immediately.

We communicate regularly with Team Members through methods including a private social network for Vocus Team Members, an e-mail newsletter, face to face briefings with our CEO and Executive Team and recorded video messages to brief Team Members on major events occurring in the business.

The aim of our communication strategy is to keep team members informed, provide the opportunity for a two-way conversation and ensure understanding of our goals and priorities.



Shareholders

Our investor relations team aims to ensure all shareholders receive information in an equal and timely manner and encourages an open dialogue with investors through a variety of forums.

Our Annual General Meeting (“AGM”) provides shareholders the opportunity to discuss the financial, operational, and ESG performance of the business with directors and management. We endeavour to make this opportunity available to all shareholders and interested parties through an audio webcast of the event. From time to time we hold Investor Days which are also made available for shareholders to view and interact via a webcast. Shareholders can also pose questions through our dedicated investor email address (investor@vocus.com.au).

Our CEO and at times, management team, also engage in institutional and equity analyst events, presentations to brokers and investor briefings.

Any presentation containing new information about the company or its performance is released to the ASX.



Suppliers

We value our supplier relationships and meet regularly with our major suppliers.

As detailed in the Product Responsibility section of this report, in FY18 we established Procurement function to lead a coordinated and consistent approach to achieve the best possible commercial outcomes.



Customers

An overview of our engagement with our wide range of customers is included in the Social Sustainability section.



Regulators

We aim to have an open and constructive relationship with all regulators.

3. ETHICS, INTEGRITY AND GOVERNANCE

Vocus is committed to a sound corporate governance framework. We believe in transparency, accountability and integrity for the benefit of our shareholders, team members, customers and all other interested stakeholders.

Our corporate governance policies and charters are published on our website and are reviewed at least annually in reference to the Corporate Governance Principles and Recommendations, as developed by the ASX Corporate Governance Council.

The FY18 Annual Report contains details of our governance structure and is also available at <http://vocusgroup.com.au/about-us/corporate-governance/>. The Audit and Risk Committee, as described in its charter, is responsible for advising the board in relation to the management of risks which may impact on the community or environment in which Vocus operates.



CODE OF CONDUCT

Vocus has adopted a Code of Conduct which describes the company's expectations of its Team Members, management and directors in relation to ethical behaviour, the treatment of conflict of interests, confidentiality and the use of company resources. We have also established a whistle-blower policy, providing a procedure for reportable conduct.



ANTI-BRIBERY AND CORRUPTION POLICY

We have adopted an Anti-Bribery and Corruption Policy providing to Team Members plain language guidance on what is and is not acceptable conduct when negotiating with suppliers, customers and other interested parties. This policy is available to all team members on our external website as well as on our intranet. Where Vocus is conducting procurement on behalf of the Commonwealth, we have adopted Fraud Control strategy to manage compliance with the Commonwealth Fraud Control Framework.

ONLINE TRAINING

Through our online Learning Centre we have produced and implemented a number of compliance modules to train team members on their responsibilities and our guidelines in the areas most crucial to our operations, including privacy and information security, workplace health and safety, anti-bullying and harassment. All permanent team members are required to complete this training and it is refreshed annually.



4. ENVIRONMENT

A. ENERGY CONSUMPTION – OFFICES AND DATA CENTRES

Our data centres are the primary source of electricity usage across the group, with our office spaces representing a secondary pool of electricity usage.

As large consumers of electricity, Vocus Data Centres continually reviews its operations to ensure we can operate our facilities in the most efficient manner possible. To minimise our energy usage and impact on the environment in this area, we have implemented the following measures:

- micro misting solutions to cool ambient temperature and reducing cooling infrastructure power usage
- use of Heatpump technology to reduce traditional heating, resulting in significant power usage reductions
- continued participation in an e-waste recycling program for old legacy hardware (after securely erasing confidential information)
- Hot and Cold Aisle separation to the data halls. By separating the supply and return air, the cooling plant operates in a more efficient manner, thereby reducing the load for each facility whilst also providing a more stable environment for clients. In addition, blanking panels are utilised in all data halls to ensure that the facility air separation is as effective as possible
- Adoption of cooling recommendations from ASHRAE (American Society of Heating, Refrigerating and Air-Conditioning Engineers) throughout all facilities nationally allowing for an environment acceptable to modern computing equipment whilst also reducing the total power consumption required to meet the standards
- the use of best-in-class cooling technology such as PowerPax and Uniflair Chillers with Turbocor compressor technology reducing power consumption
- Investment in class leading Air Conditioning technology with Variable speed compressors and EC Fans to minimise power consumption
- Ongoing automation of Air Conditioning strategies via our DCIM (Data Centre Infrastructure Management) systems to ensure that redundancy is maintained whilst also reducing power consumption
- Replacement & consolidation of legacy UPS systems resulting in significantly reduced electrical system losses

In relation to our office spaces, we work to secure locations with a high energy efficiency rating. Our Sydney, Melbourne and Perth offices have 5 star or above NABERS Energy ratings. We continue to use our premium quality video conferencing equipment throughout our offices as an alternative to travelling, reducing our emissions while maintaining face to face meetings.

We have commenced the collation of data to analyse energy usage across our business, and in our 2019 report we plan on publishing data in accordance with GRI Disclosure 302-1.

B. PRODUCTS AND SERVICES – SALE OF ELECTRICITY

In addition to the usage of electricity in our operations, we are also a retailer of electricity and gas through our Dodo and Commander brands in Australia and Slingshot and Switch brands in New Zealand.

Australia

Our licenses to sell energy products are held in the M2 Energy entity. We offer customers the opportunity to purchase 10% or 100% green energy. M2 Energy (through our Dodo Power & Gas brand) is an accredited GreenPower supplier, and provides 10% and 100% GreenPower options to its customers, supporting clean and renewable sources of electricity such as solar biogas, biomass, hydro, and wind generation. When a customer chooses 10% or 100% Dodo GreenPower, that percentage of their electricity consumption is abated with Accredited Renewable Energy Certificates created from renewable electricity that has already been supplied into the electricity grid. This electricity replaces the same amount of energy that would otherwise have been sourced from fossil fuels such as coal.

In respect of the 2017 compliance year we purchased over 187,000 Renewable Energy Certificates (2016 compliance year: purchased 239,000 Renewable Energy Certificates) in order to acquit our liabilities under the various clean energy schemes.

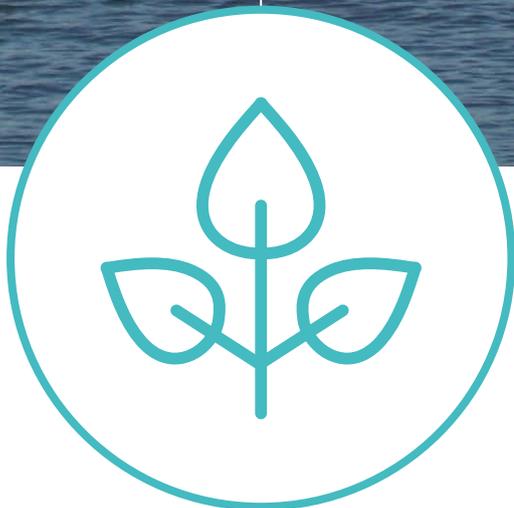
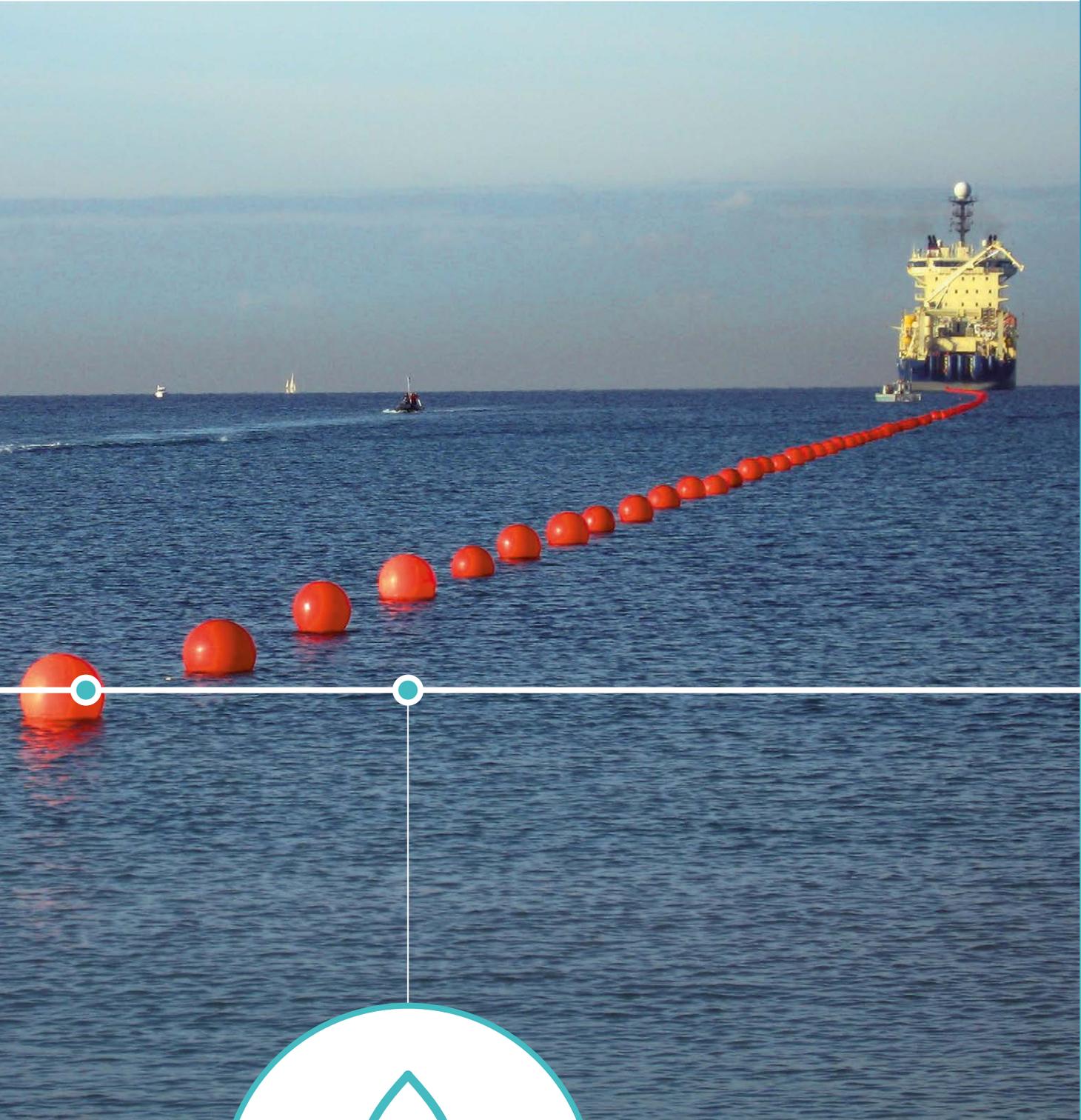
M2 Energy also participates in the Commonwealth's Renewable Energy Target, New South Wales Energy Saving Scheme, the Victorian Energy Efficiency Target and the South Australia Retailer Energy Efficiency Scheme.

New Zealand

New Zealand, which in 2014 ranked in the top five countries in the world for its percentage of renewable energy generation, uses hydro, thermal, geothermal, wind and, where necessary, cogeneration for wholesale market supply. Approximately 80% of electricity generated in New Zealand was through renewable sources in 2014¹, where supply of electricity isn't elected by the type of generation.

Following the launch of our telco and electricity bundle offering to New Zealand residential customers in FY17, in FY18 Vocus was amongst the fastest growing energy retailers in New Zealand.

1. Source: Electricity in New Zealand, New Zealand Electricity Authority, <https://www.ea.govt.nz/>



4. ENVIRONMENT / CONTINUED

C. MINIMISING OUR IMPACT – CONSTRUCTION OF THE AUSTRALIA SINGAPORE CABLE

The Australia Singapore Cable (ASC) is a ~4,600km undersea cable linking Perth to Singapore and Indonesia.

During FY18, in partnership with Alcatel Lucent Submarine Networks we substantially completed the construction of this new sub-sea cable. In early FY19, the lay of the cable was completed and the cable progressed to Ready For Service stage, beginning to service our customers in early September.

The cable offers an approximate 30% redundancy in latency from Sydney to Singapore, compared with alternative routes.

Environmental Impact

During the project's planning phase, an environmental assessment was carried in relation to the cable route through Australian waters. The scope of the assessment included:

- an assessment of the impacts of the proposed works on the environment and the impacts of the environment on the proposed works;
- Identification of relevant aspects of the existing environment that may affect the placement or long term integrity of the submarine cable, or may be potentially impacted by the proposed cable placement and maintenance activities; and
- identification of specific environmental management principles which should be adopted in the placement and maintenance of the cable in order to avoid or mitigate any potentially adverse impacts; and take into account comments and/or issues raised in the consultation process.

The potential impact of the cable laying activities were assessed in relation to the physical environment (including water depths, currents and sea bed conditions), biological environment (impacts on marine habitats, areas of conservation significance, impacts on fisheries, diving and other cables), natural and cultural heritage (maritime archaeological items and Aboriginal heritage); and social and economic issues.

As a result of the assessment, various safeguards were identified to minimise the environmental impact of the project. These safeguards and recommendations have been adopted in the management of the ASC project.

D. MINIMISING WASTE – HARDWARE

In our offices and warehouses we support Mobile Muster as means of reclaiming materials from recycled mobile phones. We also routinely recycle all cardboard waste from our warehouses.

We participate in electronic product stewardship and are members of the Electronics Product Stewardship Australasia NCTRS co-regulatory arrangement. Through this arrangement we share in the responsibility for minimising damage to the environment through the recycling of computers, televisions and other used electronic equipment.

Our Pendo business was discontinued during the course of FY18. It previously sold mobile phones, tablet computers, televisions and smart watches through national retailers and through the Pendo website.

E. PRINTING REDUCING PAPER WASTE

Printing of customer invoices in our Australian consumer brands is one of our most significant uses of paper resources across the organisation. We are working to reduce the incidence of paper invoices, and though this option will always be available upon request, our default billing option for new customers signing up to a telco or energy plan is to receive invoices in an electronic format. By June 2018, 8.2% of our Consumer and Small Business invoices were printed, in comparison to 8.4% of all invoices which were generated in a paper format a year ago.

In FY18, all paper purchased for use within the business was carbon neutral and from 20% recycled materials. To further minimise our paper waste, we use DocuSign, an electronic document signing tool, and have rolled it out across many parts of our business including lease renewals, franchise agreements, dealer agreements and terminations and insurance proposals as well as for internal purposes such as employment agreements.



5. SOCIAL SUSTAINABILITY – TEAM

A. DIVERSITY AND EQUAL OPPORTUNITY

Vocus values and encourages diversity in the workforce.

We recognise the benefit gained from having a diverse range of individuals involved in our organisation and business activities. We acknowledge that a range of perspectives is imperative to making good, balanced decisions that are in the interests of our Company as a whole. A diverse workplace promotes Vocus as an employer of choice, which in turn attracts key talent at all levels. We are committed to providing an environment in which our entire team is treated fairly and with respect, with equal opportunity and access to available opportunities. In respect of gender diversity, female participation in the workplace adds value and as such, we are committed to implementing and supporting initiatives and processes to help facilitate equal gender participation and opportunity in our business.

Vocus will not permit discrimination, intimidation or harassment of, or by, team members on the basis of race, gender, marital status, national origin or religious beliefs, or on the basis of any other personal characteristics protected by law. We recognise the importance of valuing the many differences in background, culture and demographic characteristics of our team members.

In relation to equality in gender pay, we complete an annual gender pay equality review to work towards avoiding the opportunity for any unconscious bias in remuneration decisions.

Our Team by the Numbers

At 30 June 2018:

Employment Status	Male	% of total	Female	% of total	Total	% of total
Permanent full time	1,393	93.3%	481	81.1%	1,874	89.8%
Permanent part time	22	1.5%	48	8.1%	70	3.4%
Contractor	30	2.0%	31	5.2%	61	2.9%
Casual	48	3.2%	33	5.6%	81	3.9%
Total	1,493		593		2,086	

Gender diversity	Number of females	% of total
Board	2	25%
Executive Leadership Team	2	29%
Senior Leadership Team	10	21%

At 30 June 2017:

Employment Status	Male	% of total	Female	% of total	Total	% of total
Permanent full time	1,447	91.8%	545	80.4%	1,992	88.4%
Permanent part time	26	1.6%	46	6.8%	72	3.2%
Contractor	16	1.0%	20	2.9%	36	1.6%
Casual	87	5.5%	67	9.9%	154	6.8%
Total	1,576		678		2,254	

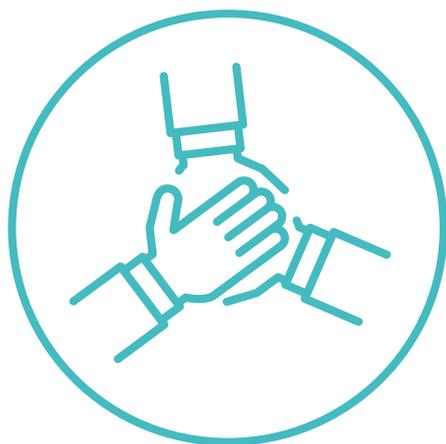
Gender diversity	Number of females	% of total
Board	1	17%
Executive Leadership Team	1	14%
Senior Leadership Team	17	29%

A range of functions supporting the Consumer and Commander business are provided by a workforce in the Philippines who are employed by a third-party business process outsourcing partner. These functions include inbound and outbound sales teams, customer service, technical support, provisioning and credit control.

B. MANAGEMENT RELATIONS/SUPPORTING OUR TEAM

In the event of an operational change impacting our team members, we provide the team with reasonable notice of any change. Where appropriate, we offer outplacement counselling and the option to apply for other vacant roles within the organisation including the payment of a relocation allowance in some instances.

The number of team members who are subject to a collective agreement is not material.



C. WORKPLACE HEALTH AND SAFETY

As part of our Team Benefits program, our Team Members have access to fresh fruit and breakfast daily. To further support team health and reduce risks associated with a sedentary lifestyle, all Team Members in our Melbourne and Sydney offices have access to standing desks. In FY18 we have also started to introduce Fitness Passport to team members in some states, and will complete the roll out to the remainder of our team members this calendar year, allowing team members to benefit from a subsidised health club membership for themselves and their immediate family.

As part of our Sustainability Principles, we are committed to the establishment of a safe place of work, safe working practices and procedures and the provision of safe plant and equipment. We have workplace health and safety committees to give team members a forum to raise concerns about any aspect of safety in the workplace. This is in addition to online training covering WHS topics such as anti-bullying and harassment.

In FY18 we have created a new Field WHS role to assist us in providing safe work practices for our field-based team.

In the year to 30 June 2018 we have not experienced any significant lost time injuries and believe that our experience of injuries, as evidenced by our WorkCover premium rates, in line with or better than industry norms.

D. TRAINING AND EDUCATION

We continue to invest in training for Team Members across all areas of the business, using the 70:20:10 philosophy of learning and development. 10% of training is delivered face to face in a classroom environment, 20% of training is delivered through coaching, 360 degree feedback surveys, networking and mentoring, and 70% of training is delivered through on the job practice, work assignments and projects.

5. SOCIAL SUSTAINABILITY – TEAM / CONTINUED

E. INVESTING IN OUR LEADERS

Leadership Development Program

We have continued our partnership with the Australian Institute of Management and delivered 6 full days of leadership training which took place over 8 months. 75 leaders participated in this round of the Vocus Leadership Development Program (LDP).

The program represents an investment of 3,375 training hours. The aim of the program is to develop the current and next generation of Vocus leaders by developing leadership skills and knowledge underpinned throughout the course by a reinforcement of the Vocus values. Participants were selected by nomination from all areas of the business including Consumer, Legal & Human Resources, Technology, Enterprise & Wholesale.

We also have dedicated training resources attached to a wide variety of teams across the business including our Dodo Connect kiosks, Commander brand, Vocus Corporate and Wholesale team and attached to our sales and customer service team in Manila. All Team Members can access the Vocus Learning Centre, learning platform where a variety of internal training programs are uploaded, including compliance training.

F. SUPPORTING FAMILIES

We recognise the importance of family in the happiness and wellbeing of our Team, and the importance of support for family. Other ways that we support families includes:

- Our Purchased Leave program, allowing our Team Members to purchase up to two additional weeks of annual leave per year
- Our “Five for Five” policy which grants an additional week of annual leave each year to all Team Members with 5 years’ service
- The option for our Australia-based Team Members to take Long Service Leave at half pay to double the leave time, subject to operational requirements
- Paid Parental leave
- The right for anyone to request flexible working hours or arrangements, subject to operational requirements
- An Employee Assistance Program that provides professional counselling on demand to Team Members



VOCUS MENTOR PROGRAM

We run an inhouse mentor program which currently has 32 mentors and mentees learning from each other. The mentees gain great insight into areas outside their area of expertise and benefit from an experienced leader. This is a mutually beneficial arrangement which has received positive feedback on engagement and development from both mentors and mentees.

Lynda.com

Every team member at Vocus has a subscription to Lynda.com whose training platform has 10,000 training videos. The Lynda.com library covers a wide range of topics from technical skills, time management to career development and leadership. In the 12-month period from April 2017 – May 2018, Vocus team members spent 2,403 hours taking part in online training and have completed over 600 courses.

Study Assistance

We offer study leave, study days and study support to team members where the course undertaken is relevant to their role and the business. Where possible, team members are encouraged to use Vocus projects as part of their course.

6. SOCIAL SUSTAINABILITY – PRODUCT RESPONSIBILITY

A. CUSTOMER SATISFACTION AND EXPERIENCE

We recognise the importance of our customers and their experience with us, and we constantly look for ways to improve our customer experience.

We pride ourselves on dealing with our customers via their preferred method, whether by phone, online chat or account management tools.

In the past year, our focus on customer satisfaction in our Consumer segment has led to the following activities:

- Detailed analysis of the operating rhythm for our consumer contact centres. The resulting improvements focused on enhanced change management, optimisation of workforce management and cross-departmental communication. We also introduced new quality models, agent scorecards and revised agent metrics with a stronger focus on quality as well as productivity.
- Implementation of comprehensive agent soft skill workshops to reduce jargon and a focus on understanding customer needs that helped drive shorter calls, faster responses to customers and improved first call resolution.
- Relaunch of our iPrimus brand with new flexible plan options and a new online self-service toolbox with enhanced features
- Implementation of Salesforce customer relationship management software in iPrimus, which improved case management and customer analytics and reporting. It also enabled the introduction of a comprehensive knowledge management system to enhance agent knowledge and customer experience.

In our Enterprise and Wholesale Australia business, we have a have Customer Experience and Business Improvement experts embedded within our Service Delivery team to prioritise the achievement of our customer service goals.

In October 2017, our Enterprise & Wholesale Australia Service Delivery Team was awarded the Team of Year at the Customer Service Industry of Australia awards, along with several individual awards for Manager of the Year, Customer Advocate of the Year and the Service Hero award for our Voice of the Customer program. These awards recognised Vocus for their focus and commitment in their journey towards service excellence.



As part of our iPrimus relaunch, we introduced *Pause For Us Time* and *Pause Your Bill*.

We listened to our customers and introduced *Pause for Us Time*: the ability for customers to pause internet access on devices in their homes in order to allow for more family time. At the same time, we introduced *Pause Your Bill*: the ability for customers to pause their internet (and billing) while away on holidays.

Customer Engagement and Dialogue

Understanding our customers is key to our success. We continue to use customer satisfaction surveys and use Net Promoter Score to monitor customer satisfaction.

In both Australia and New Zealand, we survey customers at various points during their time with us to provide opportunity for feedback on satisfaction and actively identify any issues, enabling a dialogue as well as direct communication of customer happiness.

As part of our award-winning Voice of the Customer program, we survey all customers at the end of each interaction. We gather transactional net promoter score and customer satisfaction measures as well as providing customers the opportunity to provide additional real-time feedback. The feedback is used to recognise our high performing team members who are consistently achieving a high level of customer service, and drive business improvement initiatives where required.

6. SOCIAL SUSTAINABILITY – PRODUCT RESPONSIBILITY / CONTINUED

Procurement

During FY18 Vocus has established a procurement office covering both telecommunications and technology purchases and other goods and services.

We have developed a request for proposal (“RFP”) process designed to open up participation in our procurement to a wide pool of potential suppliers, though due to the highly specialist nature of the goods being purchased and in part due to regulatory requirements we have limited ability to seek out locally based suppliers or promote economic inclusion. We offer fixed payment terms to all suppliers. The Procurement function is in the early stages of introduction and process improvement, following which it will build into our RFP process a requirement for suppliers to comply with our Sustainability Principles.

B. MARKETING COMMUNICATIONS

Vocus adopts rigorous review processes to ensure that the marketing campaigns undertaken by its business units comply with all relevant laws and codes, including both the Competition and Consumer Act and the Telecommunications Code of Practice.

NBN speeds have been a focus of the industry over 2017 and 2018 and this focus will continue. In FY18, Vocus undertook a review of the speeds attainable by our customers on the NBN and found that in a small number of cases, the FTTN and FTTB services were not capable of achieving the customer’s chosen speed plan. Vocus has voluntarily provided an Enforceable Undertaking to the Australian Consumer and Competition Commission (“ACCC”) in respect of these customers in the Dodo, iPrimus and Commander brands and has proactively contacted these customer to offer compensation and options for going forward. Vocus has also committed to performing speed checks on newly connected NBN services in order to ensure that the service provided matches that which has been requested. Vocus is also cooperating with the Australian Communications and Media Authority (“ACMA”) in relation to an investigation into whether Dodo and iPrimus comply with the requirements of the Do Not Call Register Act and the Telemarketing and Research Industry Standard.

C. CUSTOMER PRIVACY

Vocus is committed to maintaining the privacy of all personal information collected and retained within the business for the safety and security of our customers and in accordance with our compliance obligations. Vocus is regulated by the Australian Privacy Principles and has provided a detailed Privacy Policy on each of our customer-facing websites setting out the ways in which we collect personal information and how it is used. We place contractual obligations to maintain privacy of customer information in all relevant contracts, for example with our BPO partner in Manila. This year, at the commencement of the Notifiable Data Breach Reporting Scheme, we provided face to face training to team members and refreshed our Data Breach Response Plan.

D. PUBLIC POLICY

Vocus did not make any cash or in kind political contributions in FY18.

Vocus participation in public policy development or lobbying is primarily under the auspices of our membership of the Communications Alliance, a lobbying group representing interests in the telecommunications industry. We have participated in working groups on subjects including the Telecommunications Sector Security Reforms, information security and privacy issues.



VOCUS communications

VOCUS communications

VOCUS communications

VOCUS communications



7. COMMUNITY

Vocus is active in local communities in a variety of ways and supports a number of charities. Below are the highlights of our charitable and community activity in FY18.

A. TELCO TOGETHER FOUNDATION



Our national partner for charitable and volunteering activity is the Telco Together Foundation (TTF). ('TTF') was seeded in 2011 by our former Chairman, Vaughan Bowen. TTF unites Australian IT&T companies for the purpose of fundraising for a number of key charities that support communities in need, focussing on mental health, homelessness, food insecurity and indigenous communities. All leading Australian telecommunications companies are members of the TTF.

Our General Counsel Ashe-lee Jegathesan is a member of the advisory board. We supply the TTF with office space and supplies and pay a yearly membership fee of \$50,000.

Other avenues through which the Vocus Team supports fundraising for the TTF include nominating the Foundation as its charitable partner for its annual Commander Channel Partner Conference, and through our Workplace Giving Program.



B. WORKPLACE VOLUNTEERING AND GIVING

Vocus offers to all permanent Team Members the right to spend two days doing paid voluntary work each year.



We also run a workplace giving scheme where Team Members can make a regular charitable donation to the Telco Together Foundation through our payroll. We have generated over \$47,000 of donations through this scheme in FY18.

Vocus team from across Australian offices have made a significant contribution by volunteering with a number of charities including Ronald MacDonald House, Foodbank and the Salvos providing much needed time in their facilities to support disadvantaged communities.

In FY18 against our target of increasing Team Volunteering by 5%, we achieved an increase in the number of team members giving their time of 196% and an increase in the number of hours given to charities of 148%.

C. SMALL CHANGE BIG CHANGE



Small Change Big Change (SCBC) is an on bill donation initiative to increase the fund raising capacity of the non-profit sector by leveraging the reach of the telecommunications industry.

From 2013 – 2015 TTF partnered with Commander/Vocus to scope and then undertake a pilot. Since then they have continued to support this initiative, with 100% of the donations raised distributed to the Telco Together community charity partners. To date SCBC through donations from Commander customers has raised \$200K to support disadvantaged Australians.

D. PROVISION OF INTERNET CONNECTIVITY TO THE TIWI ISLANDS

In FY18 Vocus agreed to work with the Northern Territory government to provide at cost a new source of internet connectivity to the Tiwi islands, 80km north of Darwin. This new connection will be provided as a spur of the North Western cable system and will replace the existing ageing infrastructure and provide more resilient and faster internet speeds for residents.

E. VOCUS PARTNERSHIP WITH STARLIGHT FOUNDATION

Proudly supporting



We continued our partnership with the Starlight Children's Foundation to support and raise funds to aid in brightening the lives of sick kids across Australia. We provide funding for remote paediatric clinic visits, and a 'fly in/fly out' clinic in partnership with the Northern Territory Department of Health which provides specialist paediatric care to remote indigenous communities, with the fun, interactive and educational presence of the Starlight Captains. We also support the Starlight Foundation's Bush Week, a series of shows with health and lifestyle messages delivered to schools in remote communities that Starlight visits in partnership with NT Health Department paediatricians.



F. VOCUS SCHOLARSHIP WITH CHARLES DARWIN UNIVERSITY

We have funded two scholarships of \$5,000 each for students enrolled in IT subjects at Charles Darwin University. The scholarship is intended to cover course fees and laptops, and we also provide a broadband connection to scholarship recipients for the duration of their course. We also offer a paid work experience placement of a minimum of two weeks to help the recipients in developing their workplace skills and networks.

G. CHARITABLE CONTRIBUTIONS IN MANILA

We have a significant number of team members in Manila, employed via our BPO partner Acquire as the largest base of our customer service and inside sales teams. They have participated in the following community activities this year:

Christmas outreach program

During December 2017 Acquire invited over 160 children from the Children's Joy Foundation to have a Jollibee Christmas Party throughout all of our sites. Our employees are then able to make cash donations to this foundation which cares for orphans and abandoned children as part of a non-government organisation based in Manila. In December Php172,174.00 of donations were made from our employees.

Dare to care: Mayon Volcano Relief Mission

One of this year's Dare to Care Projects was to help support the 22,398 families who were left homeless due to the phreatomagmatic eruption that occurred on the 13 January 2018. Employees sponsors under the Acquire Dare to Care program volunteered to assist with the repacking of relief goods at the department of Social Welfare & Development centre.

Dare to care: Brigada Eskwela

This Dare to Care project was to help prepare 6 classrooms at a local public school Pateros Elementary School which was assigned to Acquire BPO. The team was tasked with helping to repainting, repairing and cleaning of the classrooms in time for the opening of the classes in June. This was to ensure that the start of the new school year provided a warm and inviting learning environment for both students and teachers.

H. THE VISIBILITY PROJECT

Connecting Cultures

The Visibility Project is committed to increasing the visibility of positive Indigenous role models.

In its first year, The Visibility Project sought to:

- increase the visibility of Indigenous excellence and contributions to current culture
- increase the visibility of a successful Indigenous Australian, via a culturally important avenue of music and dance
- increase the connection of non-Indigenous Australians with Indigenous language and culture

In FY18, The Visibility Project supported a young musician, dancer and former community health advocate from Arnhem Land. Danzal Baker, aka Baker Boy, writes and performs music in Yolngu Matha language and his single Marryuna is the first Indigenous language rap to be added to regular rotation on Australian radio.



8. MANAGEMENT APPROACH: IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

When determining materiality, we consider external stakeholder perspectives as well as internal business impact, within the context of the GRI 103 “Management Approach”.

The following aspects have been identified as material to Vocus while defining the content of this Sustainability report:

Category	Material Aspects
Environmental	<ul style="list-style-type: none"> Use of materials Energy consumption Products and services
Social – labour practices	<ul style="list-style-type: none"> Employment Labour/management relations Workplace health and safety Diversity, equal opportunity and non-discrimination Training and education
Social – product responsibility	<ul style="list-style-type: none"> Customer satisfaction Marketing communications Customer privacy Public policy
Economic	Economic performance: this aspect is discussed in the Annual Financial Report.

A list of all entities included in the Vocus consolidated financial report is included in the notes to the accounts of the FY18 Annual Report.



APPENDIX: REQUIRED DISCLOSURES FOR REPORTS PREPARED USING THE CORE APPROACH TO THE GRI STANDARDS

Required criteria	Core option
Use the correct claim (statement of use) in any published materials with disclosures based on the GRI Standards	Include the following statement: <i>'This report has been prepared in accordance with the GRI Standards: Core option'</i>
Use GRI 101: Foundation to follow the basic process for preparing a sustainability report	Comply with all requirements in Section 2 of <i>GRI 101: Foundation</i> ('Using the GRI Standards for sustainability reporting')
Use GRI 102: General Disclosures to report contextual information about the organisation	Comply with all reporting requirements for the following disclosures from <i>GRI 102: General Disclosures</i> : <ul style="list-style-type: none"> ○ Disclosures 102-1 to 102-13 (Organisational profile) ○ Disclosure 102-14 (Strategy) ○ Disclosure 102-16 (Ethics and integrity) ○ Disclosure 102-18 (Governance) ○ Disclosures 102-40 to 102-44 (Stakeholder engagement) ○ Disclosures 102-45 to 102-56 (Reporting practice)
Use GRI 103: Management Approach to report the management approach and the topic Boundary for all material topics	For each material topic, comply with all reporting requirements from <i>GRI 103: Management Approach</i> . <i>Reasons for omission are only permitted for Disclosures 103-2 and 103-3 (see clause 3.2)</i>
Use the topic-specific GRI Standards (series 200, 300, 400) to report on material topics	For each material topic covered by a topic-specific GRI Standard: <ul style="list-style-type: none"> ○ comply with all reporting requirements in the 'Management approach disclosures' section ○ comply with all reporting requirements for at least one topic-specific disclosure For each material topic not covered by a GRI Standard, it is recommended to report other appropriate disclosures for that topic (see clause 2.5.3) <i>Reasons for omission are permitted for all topic-specific disclosures (see clause 3.2)</i>
Ensure that reasons for omission are used correctly, if applicable	Comply with all requirements in clause 3.2 (Reasons for omission)

