



Sustainability Report

2020



About this Report

This is NBN Co's first Sustainability Report (the 'Report'). In addition to NBN Co's reporting requirements as a Government Business Enterprise (GBE), this Report has been developed to support the Company's approach to sustainability management and improve NBN Co's Environmental, Social and Governance (ESG) disclosures. It is part of NBN Co's FY20 corporate reporting, along with the [Corporate Plan 2021](#) and [Annual Report 2020](#) providing further insight into how the Company manages its material sustainability risks, issues and opportunities, to create social, economic and environmental value.

In alignment with NBN Co's Annual Report, and to support the transition to Integrated Reporting, this report has been prepared with reference to the International Integrated Reporting Council's (IIRC) International Integrated Reporting Framework (IIRF). For more details on NBN Co's transition to Integrated Reporting see the Company's [Annual Report 2020](#).

This Report also has references to the United Nations Sustainable Development Goals (UN SDGs), Task Force on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) Telecommunication Services Sustainability Accounting Standard.

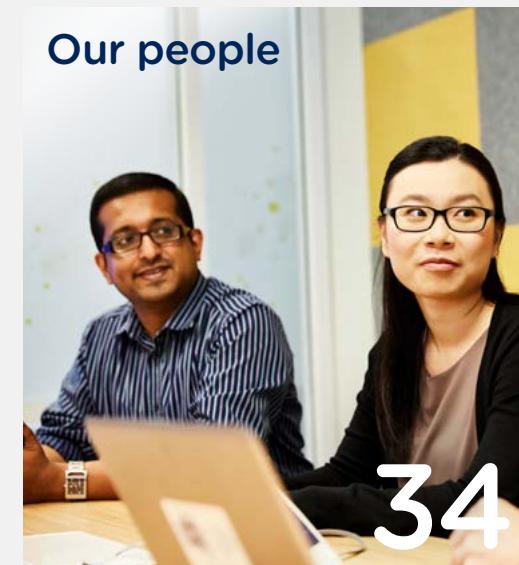
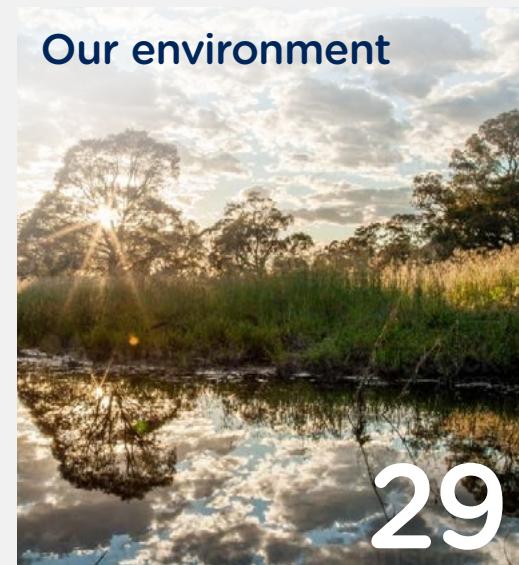
This Report covers the year ended 30 June 2020. Where appropriate for completeness, it also includes information on events arising after the financial reporting period, but before the publication of this Report.

This inaugural Sustainability Report has not been subject to external third-party assurance.¹ For further details on NBN Co's process for verifying unaudited periodic corporate reports see the [Annual Report 2020 – Corporate governance statement](#).

¹ FY20 energy and greenhouse gas emissions data submitted to the Clean Energy Regulator, as required under the National Greenhouse and Energy Reporting Act 2007, is subject to reasonable external assurance.



Contents





About NBN Co

**NBN Co's purpose,
to lift the digital
capability of Australia,
is about creating a
better nation for today
and the future.**



Who we are

- NBN Co is helping customers in homes and businesses across Australia realise the social and economic benefits that high-speed broadband can unlock.**

NBN Co is committed to responding to the digital connectivity needs of all Australians, working with industry, governments, regulators and community partners, to lift the digital capability of Australia.

As a Government Business Enterprise, the principal responsibility of NBN Co is to build and operate the National Broadband Network in accordance with the Commonwealth Government's Statement of Expectations¹, 24 August 2016.

The Company's key objective is to ensure that all Australians have access to fast broadband, at affordable prices, and at least cost to taxpayers. In addition to building and operating a network that is resilient and secure, NBN Co is committed to delivering access to peak wholesale download speeds of at least 25 megabits per second (Mbps) to all eligible premises, and at least 50Mbps to 90 per cent of fixed-line premises². As the network wholesaler, NBN Co provides access to all Retail Service Providers (RSPs) on a non-discriminatory basis. This approach is intended to level the playing field in the Australian telecommunications industry, enhancing competition and providing greater choice for customers³

across the country. It is through RSPs that customers connect to the nbn™ network for access to high-speed internet.

NBN Co is delivering high-speed broadband to customers across Australia over an area of more than seven million square kilometres. Taking a customer-led approach, the Company is committed to working with partners to enable more Australians to use the network to drive positive social and economic benefits for themselves, their businesses, their communities, and the country as a whole.

With the completion of the initial build⁴, NBN Co is shifting focus to the challenge of transforming from a construction-focused company into a customer-led service delivery organisation that will help enable the digitisation of the economy.

¹ <https://www.nbnco.com.au/corporate-information/about-nbn-co>

² This will be achieved at the end of co-existence, which refers to the period where there are active Telstra services running over the parts of the legacy Telstra network that NBN Co has acquired from Telstra.

³ Final downstream customers to NBN Co's Retail Service Providers (RSPs).

⁴ NBN Co's build completion commitment was that all standard installation premises in Australia are able to connect to the nbn™ access network as at the build completion date. This excludes premises in future new developments which will be an ongoing activity for the Company beyond the build completion date. It also excludes a small proportion of premises defined as 'complex connections' – which includes properties that are difficult to access, culturally significant areas and heritage sites – where connection depends on factors outside NBN Co's control such as permission from traditional owners, and where network construction to allow such premises to connect will be an ongoing activity of NBN Co beyond the build completion date.

FY20 sustainability performance summary

Customers and communities	Network	Environment	People	Business practices
<p> → Pg. 15</p> <p>Establishment of Regional Development and Engagement (RDE) business unit to focus on meeting customer needs and raising the digital capability of regional and remote communities across Australia.</p> <p>Supporting Australians during COVID-19, by offering \$150 million in financial assistance packages.</p> <p>Development of fourth Reconciliation Action Plan.</p> <p>Development of the Bateman's Bay Community Hub, designed to support both disaster recovery (e.g. bushfires) and ongoing community engagement.</p>	<p> → Pg. 24</p> <p>Supported Australians' increased broadband needs through COVID-19 by offering to boost connectivity virtual circuit (CVC) capacity by up to 40 per cent, at no cost to internet providers from March to November 2020. The COVID-19 CVC Credit will start to taper from the offer's expiration on 30 November 2020, through to January 2021.</p> <p>Reached milestone of more than one million business customers connected to the nbn™ network.</p> <p>Launched business nbn™ Satellite Services (BSS), which provides business-grade connectivity options to businesses in regional and remote Australia.</p>	<p> → Pg. 29</p> <p>99.95% average Network Availability¹ for FY20.</p> <p>Investment in network resilience by increasing the number of hybrid generators to support continuity of power supply and battery backup for Hybrid Fibre Coaxial (HFC) areas.</p> <p>Network performed extremely well throughout the COVID-19 pandemic, when the nation needed it most.</p> <p>Record high overall customer satisfaction and record low customer dissatisfaction scores.</p>	<p> → Pg. 34</p> <p>Achieved Employee Engagement Score of 86 per cent placing NBN Co in the top quartile of global companies.</p> <p>32 per cent total women in management², an increase of 8.7 percentage points since 2015 when NBN Co first established a gender target.</p> <p>Reduction in Total Recordable Injury Frequency Rate (TRIFR) from 2.9 in FY19 to 2.7 in FY20, for employees and contractors combined.</p> <p>Workforce response to COVID-19 focused on employee physical and mental health and safety.</p>	<p> → Pg. 42</p> <p>Development of NBN Co's first Sustainability Report.</p> <p>Continued publication of build and performance measures on NBN Co website.</p> <p>Updated NBN Co's Employee and Supplier Codes of Conduct to more specifically detail requirements in relation to Human Rights, Workplace Relations and Modern Slavery.</p>

¹ Percentage of time the **nbn™** access network is available and operating. For this measure, the network is considered 'unavailable' during the time NBN Co is restoring services following the raising of a fault. It does not include periods where the network is unavailable due to operational outages for network upgrades and improvements or events beyond NBN Co's control. This metric has been rounded to the nearest two decimal places.

² Including Executive, Senior and Middle Management, excluding Board.

Chair and Chief Executive Officer message



It is more critical than ever that we work together to create and maintain a more sustainable future.



- NBN Co's purpose, to lift the digital capability of Australia, is as much about creating digital opportunities that individuals and business need to thrive, as it is about creating a better nation for today and the future.

For us, this purpose extends beyond building and operating the digital backbone that supports the growing connectivity needs of homes and businesses across the entire country.

Working with our industry partners and customers, it is also about creating the sustainable foundations that will allow future generations to access the many social and economic benefits that broadband connectivity promises.



Beyond the build

With the initial build complete, NBN Co has now entered its next phase. This phase, which was outlined in the NBN Co Corporate Plan 2021, will see us connect more Australians than ever to the benefits of fast, reliable and secure broadband.

We will extend the reach and capability of our network, enhance the digitisation of Australian businesses and deepen our support for rural and regional communities.

However, this next phase is not just about bringing the benefits of broadband access to more Australians. It's also about evolving our operations and increasing our focus on issues of sustainability, not only within our Company but in the way we contribute to communities and the environment in which we operate.

We want to thrive with an inclusive, diverse and safe workforce; be transparent and accountable in the way we do business; make positive changes to address our climate impact; and continue providing a resilient network that supports social equity. Importantly, we will continue to provide access to the digital tools and services Australia will increasingly need as we move through the impact of the COVID-19 pandemic with the acceleration of digitisation it has clearly demonstrated.

And that's why this report, NBN Co's first ever Sustainability Report, is so important.

This report lays out the key initiatives we have in place, and the new initiatives we will pursue, to ensure that the way we operate is transparent; we have a diverse employee base where difference is our advantage; our people feel valued and their wellbeing prioritised; our network remains resilient; and we respect and respond to the needs of the communities and environment we operate in.

Our sustainability journey

The initial build and connection of Australian homes and businesses to the **nbn™** network has helped support the social and economic sustainability of the nation. At the same time, NBN Co has worked on a range of initiatives to drive further positive impact for our people, community and environment, including:

- supporting a diverse and inclusive workplace, and prioritising the safety and wellbeing of our employees and delivery partners
- contributing to the digital inclusion of communities across Australia through the **nbn™** network and direct engagement with our stakeholders to enhance capability
- protecting the environment and cultural heritage during build activities and within the contracts we procure.

As a whole, these initiatives form our overall strategy to manage and promote sustainability across the Company, and for our customers, partners and the communities we serve.

This program – which was developed to incorporate the United Nations Sustainable Development Goals (UN SDGs) – has identified six material topics that we will focus our sustainability efforts on in the coming years.

These topics are:

- Social equity
- Economic contribution
- Resilient network
- Climate action
- Diversity and inclusion; and
- Transparent and accountable business.

By formalising this company-wide Sustainability Program, we can ensure that all of our employees understand and care about how they as individuals, and as part of NBN Co, impact communities and the environment.

It is more critical than ever that we work together to create and maintain a more sustainable future. We've seen the spirit of collaboration and community care help us through the economic, social and community dislocation that was brought on by the devastating 2019/2020 bushfires and floods and the ongoing effect of the COVID-19 pandemic.

And this to us, is what sustainability is about: being connected to each other and the world to drive the best possible outcome now and for the future.

We will endeavour to keep connecting communities and providing the broadband services this country needs to thrive, as we pursue our purpose to lift the digital capability of Australia.

Dr Ziggy Switkowski
AO
Chairman

Stephen Rue
Chief Executive Officer



Our business

Our purpose

To lift the digital capability of Australia

Our values

We are one team
We deliver
We are fearless
We care

Strategic pillars

Ensure all Australians have access to **high-speed, resilient and secure broadband**



Keep NBN Co a great place to work, **underpinned by a customer-led culture**



Deliver a customer experience that **drives satisfaction, use and network preference**



Develop a product and pricing portfolio that addresses our customers' diverse needs



Strengthen relationships with government, industry and community to optimise customer benefits



Build capabilities for the future and grow profitability to enable reinvestment to benefit our customers



Our business model

NBN Co's business model is focused around the performance of its core activities. The execution of these core activities is achieved by planning and delivering initiatives in line with our six strategic pillars. The core activities and strategic pillars are supported by cross-functional teams that provide subject matter expertise across the Company.



How we create value

Our resources

Our network

A secure, reliable and high-speed broadband network available to all Australians

Our people

Highly capable teams who contribute their knowledge and are empowered to deliver NBN Co's purpose and strategy

Our stakeholders and partners

Relationships with government regulators, RSPs, industry groups and local communities

Our environment

Natural resources to build and operate the network

Our business performance

Sustainable revenues and financial results

Our business model

Our activities



Value we create

A better connected Australia

The nbn™ network is the backbone of Australia's digital capability, directly contributing to greater productivity, economic prosperity and deeper social inclusion



Health, safety and engagement

Maintaining a safe and inclusive workplace and a top quartile employee engagement score



Customer experience

Continue to create great customer experiences with new products and services that help unlock the social and economic benefits of broadband access



Reduced environmental impact

Protection of the natural environment and areas of cultural heritage significance, and a low carbon and climate resilient network



Sustainable financial growth

Long-term sustainable financial growth to enable reinvestment to benefit Australians



FY20 Performance

Initial build¹
completed

11.7m

premises Ready to Connect (RTC)²

Employee engagement score

86%

Premises activated³

7.3m

17%

Solar power purchase agreement negotiated, forecast to be equivalent to 17% of power demand in FY23

Revenue

\$3.8b

¹ For further details on the initial build, refer to footnote 4 on page 4.

^{2,3} Cumulative number of premises ready to connect and connected homes and businesses as at 30 June 2020.

Our approach



Why sustainability matters to NBN Co

With the initial build complete, NBN Co is beginning its next phase.

NBN Co has a responsibility to its stakeholders and the nation to see that the **nbn™** network enables all Australians to participate in the digital economy and digital communities, and access the social, economic and environmental benefits that broadband connectivity can provide.

Having completed the initial build of one of the largest infrastructure projects in Australia's history, NBN Co is now focused on the next stage in the planned evolution of the **nbn™** network. This will see an acceleration of NBN Co's sustainability practices and a focus on driving sustainability across the Company's activities and the operation of the **nbn™** network, supporting efforts to enhance the social, economic and environmental value NBN Co creates.



What sustainability means at NBN Co

For NBN Co, sustainability is the nexus between the social, economic and environmental risks, issues and opportunities impacting the Company and the communities it serves across Australia.

NBN Co's purpose is closely linked to creating long-term social equity and economic opportunities and a smaller environmental footprint for all Australians.



To responsibly and sustainably achieve this purpose, NBN Co recognises the importance of managing and measuring its material sustainability topics.

To do this NBN Co aims to:

- 1 Create social equity through digital inclusion and capability to maximise the benefits of connectivity for all Australians
- 2 Empower individuals, businesses and communities to stimulate economic productivity and growth
- 3 Operate a trusted, secure and reliable network to provide all Australians with access to the essential communications infrastructure they need to be productive and to stay connected
- 4 Reduce emissions and address climate risks to support a more sustainable business, network and low carbon Australia
- 5 Set the example of a diverse, inclusive and healthy workforce, with a strong culture, purpose driven people and high level of engagement
- 6 Demonstrate its values and engender transparent, ethical and sustainable business practices to build trust with all Australians.

To support and guide its sustainability ambitions, in FY20 NBN Co developed a company-wide Sustainability Program. This included undertaking the Company's first sustainability materiality assessment, identifying the United Nations Sustainable Development Goals (UN SDGs) most relevant to NBN Co, and assessing the Company's current progress in sustainability management and reporting.

The Sustainability Program reinforces existing actions and identifies opportunities to evolve NBN Co's sustainability practices through additional areas of focus.

The Sustainability Program also aims to improve NBN Co's sustainability reporting processes and ESG (Environmental, Social and Governance) disclosures to enhance information available for stakeholder decision making. As the Company progresses on its sustainability journey, NBN Co will aim to also measure program outcomes and impacts, both positive and negative.

Identifying what matters

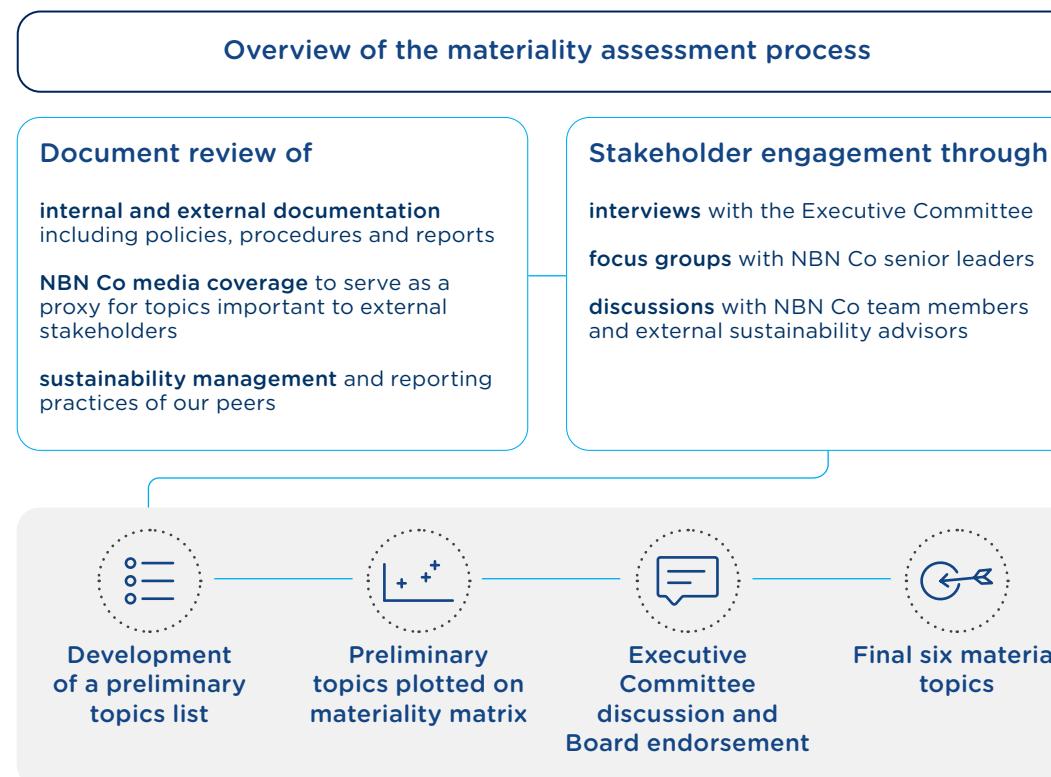
Our materiality assessment process

NBN Co's first sustainability materiality assessment identified and defined topics and related issues that have a significant impact on NBN Co as well as those that are impacted by the Company's operations. The approach was guided by the Global Reporting Initiative (GRI) Standards and was also informed by the Sustainability Accounting Standards Board (SASB) Telecommunication Services Sustainability Accounting Standard.

The Company's materiality assessment began before the start of the COVID-19 pandemic but was finalised as its impacts were being felt across the world. The impact of COVID-19 on NBN Co's people and external stakeholders was therefore considered during the development of the Company's Sustainability Program.

How we identified and engaged with our stakeholders

During this first materiality assessment internal stakeholders were engaged through one-on-one interviews, focus groups and small group discussions. External stakeholder viewpoints were considered indirectly through document review and internal stakeholder engagement. This Sustainability Report will act as a baseline for engagement with a wider group of internal and external stakeholders in NBN Co's next materiality assessment.



Investing for the future

The release of NBN Co's Corporate Plan 2021 unveiled investments totalling \$6 billion over the next three years to increase the capability, reach and value of the nbn™ network. This will assist the Company's future sustainability efforts by cementing the nbn™ network as the digital backbone of the nation.

These investments in the Company's capabilities, assets and people include:

- ongoing investments totalling \$1.5 billion to continue support of customers, the industry and the nation. This will focus on IT systems, regional Australia, additional customer connections and migrations, and COVID-19 support
- \$3.5 billion to make NBN Co's highest speed plans available, as demand arises, to an estimated 75 per cent of households and businesses in the fixed-line network by 2023
- supporting the digitisation of Australian businesses, with up to \$700 million over three years in a package of business network initiatives in collaboration with the industry to help deliver enhanced digital capabilities supporting business innovation, productivity and growth
- regional co-investment fund.

► Our material topics and action areas

Our material topics	Social equity	Economic contribution	Resilient network	Climate action	Diversity and inclusion	Transparent and accountable business
Report section	Our customers and communities → Pg. 15	Our nbn™ network → Pg. 24	Our environment → Pg. 29	Our people → Pg. 34		Our business practices → Pg. 42
Our objective	Create social equity through digital inclusion and capability, to maximise the benefits of connectivity for all Australians	Empower individuals, businesses and communities to stimulate economic productivity and growth	Operate a trusted, secure and reliable network to provide all Australians access to the essential infrastructure they need	Reduce emissions and address climate risks to support a more sustainable business, network and low carbon Australia	Set the example of a diverse, inclusive and healthy workforce, with a strong culture, purpose driven people and high level of engagement	Demonstrate our values through ethical and sustainable business practices to build trust with Australians
Key existing actions	<ul style="list-style-type: none"> Product and pricing programs to support customers' diverse needs and support for unconnected and underserved segments Community and stakeholder engagement to lift digital inclusion and capability Reconciliation Action Plan Processes and industry agreements to manage migration activities for vulnerable customers \$4.5 billion network investment plan, estimated to add \$6.4 billion annually to the economy by 2024 and create an estimated 25,000 jobs over the next two years 	<ul style="list-style-type: none"> Network operations activities and resilience improvement program Converged security model including physical, cyber and privacy functions Business resilience programs 	<ul style="list-style-type: none"> Carbon reduction target and program Network and IT innovations to support carbon emissions reduction and climate resilience Waste management programs 	<ul style="list-style-type: none"> Diversity and Inclusion strategy Leadership and engagement programs Health, Safety and Environment (HSE) Management System and Critical Controls myWellbeing program 	<ul style="list-style-type: none"> Voluntary reporting against ASX Corporate Governance Principles Non-financial disclosures in corporate reporting External disclosures on NBN Co website Employee Code of Conduct Supplier Code of Conduct 	
Focus of our new Program	<ul style="list-style-type: none"> Investigating and choosing a measurement framework, inclusive of social and economic impact metrics, to support digital inclusion and capability and internal and external reporting 	<ul style="list-style-type: none"> Evolving our management of climate risks, energy use and network assets 	<ul style="list-style-type: none"> Increasing our focus on mitigating our climate impacts, including setting a new carbon reduction target 	<ul style="list-style-type: none"> Investigating ways to measure inclusiveness in the workplace 	<ul style="list-style-type: none"> Enhancing our approach to sustainability governance, management and reporting 	<ul style="list-style-type: none"> Increasing our focus on ethical supply chain management, inclusive of modern slavery
How we track progress	<ul style="list-style-type: none"> Reconciliation Action Plan (RAP) outcomes progress Relevant digital inclusion and socio-economic benefits measures, as identified by the Company. 	<ul style="list-style-type: none"> Network performance measures as identified by the Company 	<ul style="list-style-type: none"> Current carbon reduction target Alignment with Taskforce on Climate-related Financial Disclosures 	<ul style="list-style-type: none"> Employee engagement Females in management Total Recordable Injury Frequency Rate 	<ul style="list-style-type: none"> Alignment of external disclosures to global sustainability reporting frameworks 	<ul style="list-style-type: none"> Evolution of our public reporting of performance metrics on our website

➤ United Nations Sustainable Development Goals

Primary SDGs we can directly impact through action



Secondary SDGs which our network and business supports



NBN Co will aim to increase alignment of its actions and relevant organisational performance measures to these seven SDGs.

The United Nations Sustainable Development Goals (UN SDGs) were developed and adopted by all United Nations Member States in 2015 to achieve a more sustainable future for all by 2030.

These goals aim to end poverty, protect the planet and ensure all people enjoy peace and prosperity. They represent an opportunity for organisations to identify the major global challenges on which they can create the most impact.

In FY20, NBN Co identified the SDGs most relevant to its operations. This included mapping the supporting targets of the 17 SDGs to the Company's material topics. Each SDG was then scored based on the mapping to finalise the four 'primary' SDGs which represent where NBN Co can create direct impact and the three 'secondary' SDGs, which represent business activities that support indirect impact creation.



Our customers and communities



Material topics

Social equity and economic contribution

Related issues

- Digital inclusion and capability
- Aboriginal and Torres Strait Islander reconciliation
- Customer health and safety
- Economic empowerment and stimulation

Value created



A better connected Australia



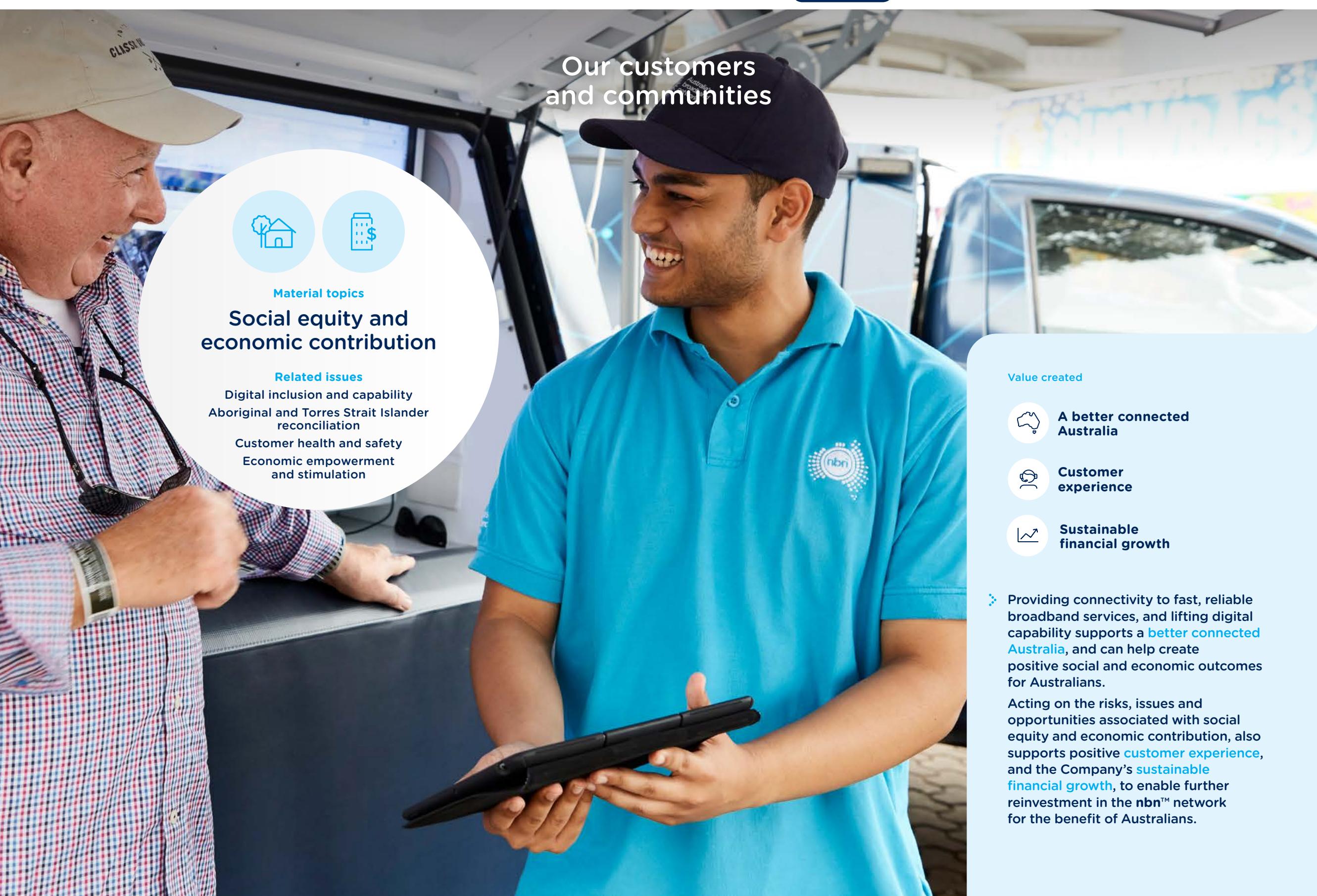
Customer experience



Sustainable financial growth

Providing connectivity to fast, reliable broadband services, and lifting digital capability supports a **better connected Australia**, and can help create positive social and economic outcomes for Australians.

Acting on the risks, issues and opportunities associated with social equity and economic contribution, also supports positive **customer experience**, and the Company's **sustainable financial growth**, to enable further reinvestment in the **nbn™** network for the benefit of Australians.



► Improving digital inclusion and capability

Building and connecting Australians to the nbn™ network

Every Australian should be able to access fast, reliable broadband services no matter where they live. With more services such as health and education being delivered online, ubiquitous access and the ability to optimise use of the nbn™ network has never been more important.

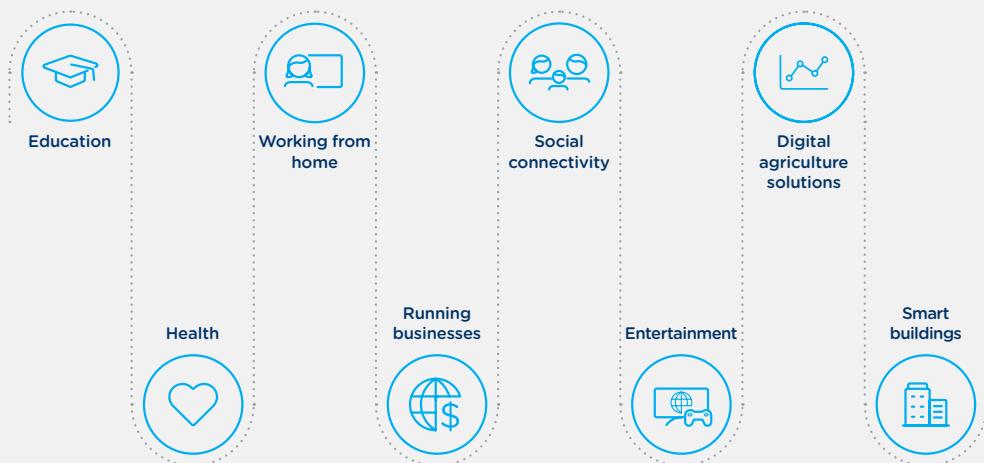
Digital inclusion and capability unlocks social and economic benefits.

FY20 was a pivotal year for NBN Co as the Company completed the initial build before the target date of 30 June 2020, with 11.7 million premises declared Ready to Connect (RTC).

As at 30 June 2020, almost 7.3 million premises were connected to services over the nbn™ network, increasing the number of Australians who can experience the benefits of fast, reliable broadband.

In FY21 and beyond, NBN Co will continue construction as new premises are added to the nation's housing stock and businesses connect to the nbn™ network. In addition, NBN Co is committed to completing construction of complex builds such as difficult-to-reach homes and businesses, new development sites, and heritage and culturally significant sites.

Benefits of connectivity



Case study

Approaching a complex build – bringing the nbn™ network to Broken Hill

Broken Hill is significant to Australia for its long and continuous mining operations, and its unique mix of architecture and mining infrastructure set in a vast, arid landscape.

Due to the heritage and environmental significance of Broken Hill, the Company undertook extensive consultation with Broken Hill City Council, Department of Agriculture, Water and the Environment (Commonwealth) and NBN Co Delivery Partners to ensure a considered approach in bringing the nbn™ network to the area. An assessment of heritage and environment considerations was conducted which resulted in a Significant Impact Self Assessment¹ being prepared by an independent environment heritage consultant. This work considered the surrounding heritage values and resulted in building Fibre-to-the-Curb (FTTC) technology to avoid above-ground street infrastructure, which helped protect the significant heritage streetscape within Broken Hill CBD. Four registered Aboriginal cultural heritage sites were also identified within the area. Measures were put in place to ensure that no harm was done to any Aboriginal cultural heritage. During construction, any variation to the build design required review against the existing heritage values and construction techniques were selected to ensure that any variations were kept to a minimum. NBN Co and Delivery Partner workers also addressed challenges including heavy sub-surface rock across the construction area, contaminated soil from past mining activities, and the compounding impacts of COVID-19 during build activities.



These challenges were addressed by:

- deploying the nbn™ network through aerial (overhead) installation on existing electricity utility infrastructure, to overcome the nature and extent of sub-surface rock, in the most cost-effective manner. The age and condition of the existing aerial poles meant significant make-ready work was required, a challenge with limited resources available in the region
- undertaking preliminary soil sampling to ensure health, safety and environment risks were identified and controlled, including appropriate waste management and disposal methods for contaminated soil and liquids
- rolling out pandemic management plans to prevent the spread of COVID-19 into the regional centre.

This complex build was completed by June 2020 with all eligible premises in Broken Hill now able to connect to and realise the benefits of the nbn™ network.

Supporting unconnected and underserved Australians

To help all Australians connect to the nbn™ network, the Company actively looks to address digital inclusion and capability barriers. This is crucial to enable socio-economic benefits for all Australians, particularly those who are underrepresented in being connected to the nbn™ network or participating in digital engagement. This may include low-income families, senior Australians, First Peoples, people living in rented accommodation and those living in regional, rural and remote Australia.

Critical to this work is ensuring that there are products and connection support for Australians. Specifically, NBN Co is focused on developing a product and pricing portfolio that addresses customers' diverse needs, including low-income and underserved segments of the population, and improving access for First Peoples, by increasing the number of connected communities.

Throughout FY20 NBN Co collaborated with Retail Service Provider partners with the aim of developing a range of new residential wholesale products, services and initiatives, including targeted incentives for underserved segments of the community such as seniors.

In FY21 and beyond, NBN Co will focus on the following performance outcomes:

- targeted programs and initiatives to connect underserved customer segments including those who rent and senior Australians
- continuing to focus on serving low-income segments of the population and low-usage customers through access to affordable wholesale products.

The importance of supporting underserved Australians was highlighted in FY20 by the global COVID-19 pandemic. For further details on NBN Co's response to COVID-19, and how the Company supported Australians, refer to the

- [Corporate Plan 2021](#)
- [Annual Report 2020](#)

Digital inclusion and capability barriers

Barriers relate to accessibility, affordability of services and ability, and can be impacted by factors such as a location, socio-economic status, demographics, level of digital literacy skills, confidence and capability.

Accessibility
Affordability
Ability









Creating a great customer experience assists Australians to maximise the social and economic outcomes that broadband can bring

Providing excellent customer experience is part of contributing to social equity and economic opportunity. In its evolution as a customer-led organisation, NBN Co is actively taking steps to ensure all Australians understand how to connect to the nbn™ network and how to get the best out of their broadband service.

NBN Co regularly reviews the end-to-end customer journey to understand how to best serve its customers. These insights are used to develop targeted and scalable improvements that are used in collaboration with Retail Service Providers to improve customer service.

During FY20 NBN Co published educational campaigns via traditional and digital media channels, to provide tips on getting the right speed plans and how to optimise home set-up, and ran information programs to educate customers about what broadband options can best suit their needs.

Going forward, NBN Co will focus further on providing an excellent product and service experience for Australians, including new education campaigns to help customers optimise their broadband services and programs to better understand the needs and wants of customers.

For more details on how NBN Co is working to improve customer experience, see the

- [Corporate Plan 2021](#)
- [Annual Report 2020](#)



Case study

Supporting and connecting the unconnected

Focusing on unconnected and underserved segments is a key strategic component of achieving NBN Co's purpose.

While the majority of Australians are able to or have access to fast home broadband over the **nbn™** network, some demographic groups are yet to connect due to digital inclusion and capability barriers. These barriers pertain to accessibility, affordability and digital ability issues. Specific challenges faced include a lack of perceived value for a fixed home broadband solution, connection confidence, and lower levels of digital skills and literacy.

In FY20, NBN Co launched two programs focused on helping to bridge the digital divide amongst underserved segments.

Working with industry partners and community groups, while also listening to the broadband needs of these Australians, has enabled NBN Co to positively change the lives of many older Australians and low-income households.

Connecting older Australians

Working with industry to co-design a value proposition for older Australians over 65 years. Specific achievements included:

- releasing tailored information (including a dedicated webpage) for older Australians
- engaging and working with industry to build a value proposition tailored towards older Australians
- participating in Get Online Week and Zest Fest, with NBN Co resources and NBN Co representatives and employee volunteers at a number of events. These events resulted in exposure to hard-to-reach older Australians and culturally and linguistically diverse (CALD) community members, and new learners registered with *Be Connected*, the eSafety Commissioner's learning website
- partnering with the eSafety Commissioner to deliver critical NBN Co information via their eNewsletter with a reach of approximately 20,000 readers and rollout of an NBN Co module on the eSafety Commissioner's *Be Connected* learning site, with the potential to reach 580,000 older Australian learners.

'eSafety's commitment to enhancing the digital literacy of all Australians works hand in hand with nbn's purpose to lift the digital capability of Australia. We are proud to share these common objectives and look forward to continuing our partnership, helping promote and support older Australians engaging online safely.'

Julie Inman Grant – Australian eSafety Commissioner

Supporting low-income families through connections support

Providing relief during COVID-19. Specific achievements included:

- offering a \$150 million relief package to assist low-income families connect to the **nbn™** network during COVID-19 (for home schooling and continuous learning purposes) while also keeping job seekers and families connected to the **nbn™** network that are going through financial hardship. NBN Co was shortlisted as a finalist for a 2020 ACOMM Award for community contribution, for this piece of work
- successfully partnering with Australian Communications Consumer Action Network (ACCAN), and other community partners, to disseminate information and better reach families in need.

'The COVID-19 crisis highlighted how vital it is for Australians to be online. nbn's efforts to support low-income families during this difficult time were extraordinary and meant that thousands of Australians were able to learn, work and access telehealth and government services from the safety of their own homes.'

Teresa Corbin – CEO, ACCAN

NBN Co will continue looking into ways in which the Company can better reach older Australians and low-income households with the right messaging and product offerings, and the support of industry and community partners.

In FY21, NBN Co will work more closely with industry to release a new program to further support households post-COVID-19. This program, called Illuminate, will be an opportunity to connect unconnected households.



Supporting Australians in regional and remote areas

In October 2019 NBN Co established a dedicated business unit, Regional Development and Engagement (RDE) to deliver on the Company's commitment to provide consistently fast, reliable broadband services to regional and rural communities. RDE's focus is solely on meeting customer needs and raising the digital capability of regional and remote communities across Australia, and demonstrates the Company's commitment to ensuring no Australian, no matter where they live, is without access to the benefits connection to the **nbn™** network can bring.

For further details on RDE, its role and achievements, see the

- [Corporate Plan 2021](#)
- [Annual Report 2020](#)

NBN Co's Corporate Plan 2021 outlines plans to create a \$300 million fund from which the Company can co-invest with governments and local councils to continue to improve broadband services for Australia's rural and regional communities.

For further details, see the

- [Corporate Plan 2021](#)



How NBN Co engages with stakeholders

Engaging with Australians to support digital inclusion and capability

To ensure the benefits of the nbn™ network can be experienced by all Australians, NBN Co is committed to engaging with communities and different stakeholder groups. NBN Co has dedicated community and stakeholder engagement teams and programs to build trusted relationships with stakeholders to support efforts to lift digital inclusion and capability.

Customers¹ and communities

- Direct in person and virtual engagement through nbn™ local and metro (community and stakeholder engagement teams)
- Information and education programs and campaigns via traditional and digital media channels
- NBN Co website and blog

Retail Service Providers (RSPs)

- Consultation on Wholesale Broadband Agreement 4 (WBA4) contract
- Collaboration on products, services, initiatives, and customer experience
- Partnering to support small and medium businesses
- Annual Wholesale Pricing Reviews

Service Delivery Partners, suppliers and contractors

- Industry forums
- Governance forums
- Collaboration through performance improvement initiatives

Shareholders, government and regulators

- Departmental and shareholder briefings
- Collaboration with regulators and policy makers
- Regular reporting to Commonwealth Government and Parliament, Shareholder Ministers

Industry bodies and non-governmental organisations

- Formal partnerships for technology innovation with universities and CSIRO
- Periodic Wholesale Pricing Reviews
- Collaboration on customer outcomes

Media

- Quarterly financial and operational briefings
- Timely and transparent response to queries
- Access to the Executive Team and technical specialists to deepen awareness and understanding

Supporting social equity through our Corporate Social Responsibility program

NBN Co's Corporate Social Responsibility (CSR) program supports communities through partnerships, programs and social investment, impacting social equity. NBN Co supports charitable community engagement for its employees by providing one day of paid volunteer leave to participate in volunteering activities and operates a workplace giving program.

For further details on the CSR program's FY20 achievements, see the

→ [Annual Report 2020](#)

Connecting isolated communities during COVID-19

NBN Co was able to leverage its expanded community and stakeholder engagement capability to engage with local organisations and First Peoples communities during the COVID-19 pandemic. Several community-centric solutions were developed and deployed at a rapid pace to support remote and vulnerable communities across Australia through the restrictions imposed during the lockdown.

The Indigenous community at Lakeland in Far North Queensland became one of the first to benefit from our hybrid Wi-Fi/satellite solution.



¹ Residential and business customers including vulnerable Australians; those who are underserved by fast, high-speed, reliable and resilient broadband, and those living in regional, rural and remote communities.

The social benefits of the nbn™ network

The demand on internet services and data usage has increased in the past decade and will continue to grow.

As NBN Co works to improve digital inclusion and capability via the nbn™ network, Australians are realising a number of social benefits. These can be demonstrated through the enablement of:

- telehealth across Australia
- online education for primary, secondary and tertiary students, and workers looking to retrain or upskill to support future employment opportunities
- remote working, which can support flexible working arrangements and new job opportunities
- greater social connectivity and access to entertainment during times of social distancing.

For further details on the social benefits of the nbn™ network, see the

→ [Corporate Plan 2021](#)

A continued focus on the Company's purpose and strategy will help ensure that Australians continue to benefit from the nbn™ network.



Case study

Our community and stakeholder engagement approach

In 2017 NBN Co established a nationwide group of community relations professionals, the nbn™ local team, to provide dedicated support for customer experience on the nbn™ network. This team has become the 'human face' of the Company and a critical communication link between NBN Co and the communities to whom it is delivering high-speed broadband across Australia. In 2019, the nbn™ local team expanded and moved into the newly formed business unit Regional Development and Engagement (RDE). This change has created separate engagement teams for metropolitan, and regional and remote areas, reflecting the different challenges and opportunities in regional Australia, compared to our metropolitan cities. Each team supports targeted approaches and initiatives for community engagement programs.

Since formation, the nbn™ local team has provided information sessions, workshops, events, briefings and forums to a range of stakeholders including community and business groups, local and state governments, industry groups and associations and Federal MPs. Specific engagement has occurred with First Peoples, industry bodies, small businesses and senior Australians. The team has also provided support in times of emergency and extreme weather such as the Townsville floods, in which nbn™ local's efforts were recognised with the Community Contribution Award at the annual Australian Communications Industry Awards, and by running a drought roadshow throughout regional Australia with other essential services and agencies. The team continues to help Australians navigate the switch to the nbn™ network; listen to community

concerns; resolve issues; be a trusted voice to provide timely, accurate and authentic information; and educate Australian communities about the social and economic benefits of fast, reliable broadband.

The Company also takes a sector-based approach to engagement within metropolitan areas, to ensure a broad reach in lifting digital capability. Furthermore, while NBN Co is increasing access to fast broadband, the teams have a role in ensuring groups that are underrepresented in connection data are engaged, to assist them in better understanding the nbn™ network and its benefits. These groups include older Australians, people with a disability and culturally and linguistically diverse (CALD) community members.

In FY20, the Company conducted over 2,500 engagement activities. It also supported communities during times of crisis.

Bushfires

- provided over 30 mobile Wi-Fi hotspots at evacuation centres during January and February 2020, keeping residents connected in a time of crisis. NBN Co directly increased social connectivity by enabling community members to access Wi-Fi calling and data to contact loved ones using the nbn™ network.

COVID-19

- helped communities understand NBN Co's COVID-19 relief package; this included distributing information through key networks such as the Primary Health Networks, and delivering telehealth-focused webinars; helping school kids and their families troubleshoot nbn™ network connection challenges; and

holding information sessions through key national bodies such as the Council of Small Business Organisations of Australia (COSBOA), COTA (Council on the Ageing), Disability Network and ACCAN

- delivered over 500 virtual engagement sessions with vulnerable groups during COVID-19.

How will we continue to progress our community engagement?

During the initial build, NBN Co's engagement was focused on informing the community and key stakeholders regarding key build milestones and educating on the benefits of connectivity. With the initial build complete, NBN Co is re-engaging with the objective of collaboration and empowerment. With this shift in focus, NBN Co's targets are evolving to more clearly measure impact.

As the Company evolves, its teams will continue engagement to provide awareness, education and assistance to help communities get the best out of their nbn™ network connection and build relationships in new sectors such as agriculture, health, education, tourism and the arts, to ensure broad coverage across many different parts of our communities.

➤ Our commitment to First Peoples

NBN Co is committed to advancing reconciliation to support social equity. The Company's fourth Reconciliation Action Plan (RAP) was released in November 2020.

NBN Co's Reconciliation journey

NBN Co's vision for reconciliation is centred on deepening relationships with First Peoples communities, connecting and creating opportunity, and guiding positive outcomes by lifting the digital capability and unlocking the social and economic benefits of the **nbn™** network for First Peoples.

NBN Co launched its first Reconciliation Action Plan (RAP) in 2013 and has continued to build on the successes and learnings to date, underpinned by an ongoing commitment to fostering and promoting reconciliation and a desire to drive practical and meaningful change. NBN Co's third RAP (covering the period October 2018 to September 2020) had an increased emphasis on community engagement, building partnerships, increasing employment and procurement opportunities. It was endorsed by Reconciliation Australia as an 'Innovate' (second level of four) level RAP.

Highlights of RAP III

Focus Area	Achievements
Community engagement (internal and external)	<ul style="list-style-type: none"> NBN Co senior leadership participation in Mannalargenna Day connected remote communities with nbn™ fixed-line services in Alice Springs developed and deployed several community-centric solutions as part of NBN Co's COVID-19 response: <ul style="list-style-type: none"> connected communities in Far North Queensland, in partnership with the Johnathan Thurston Academy, to enable delivery of online educational programs deployed a free-of-charge community Wi-Fi emergency service for several isolated communities
Building partnerships	<ul style="list-style-type: none"> delivered cyber-safety awareness education in the Northern Territory and South Australia in partnership with local stakeholders partnered with the Cooperative Research Centre for Developing Northern Australia in trialling remote health solutions in several locations across the Laynhapuy Homelands (North East Arnhem Land) worked with the Quandamooka community, ensuring connectivity to the Stradbroke islands was completed without incident
Increasing employment opportunities	<ul style="list-style-type: none"> partnered with the Career Trackers internship program and enrolled First Peoples interns increased NBN Co staff (self-identified as First Peoples)
Increasing procurement opportunities	<ul style="list-style-type: none"> three-fold increase in direct spend on First Peoples suppliers in FY20 significant combined spend with NBN Co's Delivery Partners who also utilise First Peoples suppliers.

Focus areas of RAP IV

NBN Co's fourth RAP (RAP IV covering November 2020 to November 2022) has an increased emphasis on connecting more communities safely, delivering customised product offerings and educational programs to lift digital literacy. Key focus areas include:

- improving access with First Peoples, by increasing the number of connected communities
- development of products and services that are relevant to the First Peoples populace across all segments (for example, Health, Education, Tourism, Arts and Business)
- development of educational programs targeted at lifting digital literacy, in partnership with local authorities (for example, building on eSafety programs previously delivered with the Office of eSafety).

To read NBN Co's fourth RAP see the

→ [nbn™ website](#)

› Ensuring the safety of our customers connecting to and using the network

It is crucial that the safety and welfare of customers is protected when connecting to and using the nbn™ network.

This includes the remaining customers migrating onto the nbn™ network and vulnerable customers for whom it is critical to have reliable connectivity. Robust processes and industry agreements are in place to manage migration activities and help ensure the reliability of the nbn™ network for customers.

NBN Co also prioritises the health and safety of members of the public and has processes and controls to ensure hazards are managed during build and connection activities.



Supporting retirement villages and improving the medical alarm registration process

To support connection to the nbn™ network, in FY20 a new section on the NBN Co website dedicated to retirement villages was established. The website outlines information on what retirement villages need to know about connecting to the nbn™ network and safely migrating their medical alarms. This aims to make it easier for villages to register all their residents with NBN Co, ensuring they receive the benefits of Medical Alarm Register case management and a safe migration to the nbn™ network.

To further assist with the connection process, the Company's Community Ambassadors have continued to offer presentations to retirement villages and their residents. During FY20, these presentations were made available online via videoconferencing, making them more widely accessible, and ensuring they could continue to be delivered safely during COVID-19.



› How NBN Co contributes to Australia's economy

Empowering Australians and stimulating our economy

With the digitisation of the economy, access to fast, reliable and resilient broadband, has never been more important for individuals, communities and businesses across Australia.

By supporting participation in the digital economy, the nbn™ network enables economic empowerment and opportunity, which can stimulate economic benefits for individuals, businesses and the wider community.

In FY20, the Company increased its focus on business customer experience, driving awareness and developing a range of tools to make it easier for businesses to connect to nbn™ services, under the banner of business nbn™.

For details, see the
 → [Annual Report 2020](#) or
 → [Corporate Plan 2021](#)

The Corporate Plan 2021 includes investments totalling \$6 billion over the next three years to increase the capability, reach and value of the nbn™ network. Specifically supporting the digitisation of Australian businesses, is an investment of up to \$700 million over three years in a package of business network initiatives in collaboration with the industry to help deliver enhanced digital capabilities supporting business innovation, productivity and growth.

The core of this package is the creation of up to 240 Business Fibre Zones, with 85 of these being located in regional Australia. This investment will make the Company's business-grade fibre services more accessible and affordable to more businesses than ever before.

For more on these plans, see the
 → [Corporate Plan 2021](#)

Connecting Australians to the **nbn™** network helps empower new businesses and digital entrepreneurs, enable new business models, and supports the use of technology in industries such as agriculture, thus stimulating economic activity. The **nbn™** network is also critical in cementing Australia's competitiveness as the global economy recovers from the impact of COVID-19.

Analysis conducted by economics firm AlphaBeta shows that NBN Co's \$4.5 billion network investment plan (as detailed in the Corporate Plan 2021) could support:

- 25,000 new jobs by FY22, including 10,000 in regional Australia
- 12,000 new businesses by FY24, including 2,800 in regional Australia
- \$6.4 billion GDP uplift annually by FY24, with \$1.5 billion from regional Australia.

For further details on the economic benefits of the **nbn™ network and the network investment plan, see the**

→ [Corporate Plan 2021](#)
 → [AlphaBeta Report](#)

For additional insight into the economic benefits of the **nbn™ network, see the**

→ [Connecting Australia reports](#)

Our approach to financial performance

For NBN Co to provide a better-connected Australia, the Company needs to be financially sustainable so it can reinvest in the network, the organisation and its people. The Company's strategy includes a focus on products and pricing, building capabilities for the future, and growing profitability. These enable reinvestment in network upgrades and operations, to continuously improve and evolve products, processes and technologies. In the coming years, NBN Co will continue to adapt pricing and products to meet customers' diverse needs, focus on growing revenue and EBITDA annually, and target value-accretive investments that enhance network and business performance.

While NBN Co's chief priority is for the **nbn™** network to deliver on the Company's purpose to lift the digital capability of Australia, the Company also remains focused on growing its earnings position and reaching cash-flow positive status in the near term. This is essential to enable reinvestment in the network to benefit customers, but also to meet debt and contractual lease obligations and to generate a modest return on the Australian taxpayers' investment in the Company. This in turn will ensure that NBN Co continues to contribute to Australia's economy.

For details on how NBN Co manages the Company's financial performance, see the

→ [Annual Report 2020](#)

FY20 was another period of strong financial performance for NBN Co, exceeding Corporate Plan targets, generating strong revenues and moving towards a cash flow positive position.

For details on the Company's FY20 financial performance, see the

→ [Annual Report 2020](#)



Our nbn™ network



Material topic

Resilient network

Related issues

- Network reliability and resilience
- Customer experience
- Network investment and innovation



Value created



A better connected Australia



Customer experience



Reduced environmental impact

- >In FY20 access to a resilient nbn™ network was never more important to Australia. A resilient nbn™ network, and the people, processes and systems supporting it, is fundamental to creating a **better connected Australia**, contributing to positive social and economic outcomes. A resilient network is also critical to **customer experience** and can **reduce NBN Co's environmental impact** by being low carbon.

Keeping our network reliable and resilient

To meet the needs and expectations of Australians, the **nbn™** network must be available when people need it, even when challenged by events such as bushfires or pandemics.

NBN Co's key processes to support network reliability and resilience, include maintenance and restoration activities and capacity optimisation of the **nbn™** network. In FY20, NBN Co initiated a network resilience improvement program, to support the needs of our customers, particularly during and in the aftermath of crises such as natural disaster events and pandemics. This program reviewed key existing technologies, and the underpinning business processes, systems, tools and capabilities needed to support the future resilience of the network. Subject matter experts from across the Company were engaged, and a set of recommendations and future projects were developed to address the improvement opportunities identified.

Work on this program and implementation of outcomes will continue in FY21, including further areas of review such as power and asset management.

A key measure of network resilience is network availability and during FY20 this remained consistently high, despite the challenges presented by extreme weather and the COVID-19 pandemic.

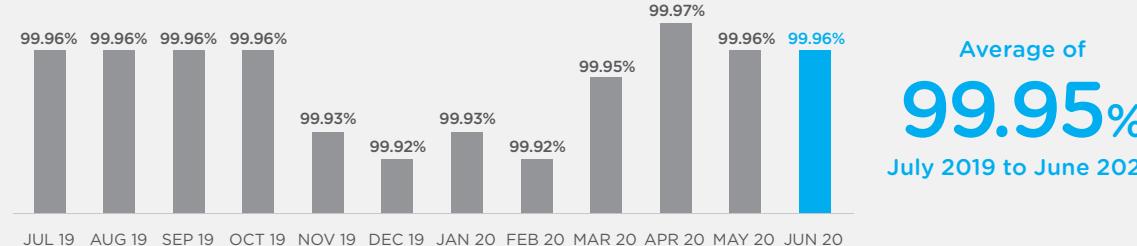
To further improve network resilience, the Company is investing in multiple areas including increasing the number of hybrid generators to support the continuity of power supply to various technologies during extended outages, and investment in battery backup for Hybrid Fibre Coaxial (HFC) areas that experience the highest impacts due to loss of mains power. With third parties, NBN Co is working on initiatives to increase visibility of power performance data and impact on the **nbn™** network.

For further details on these initiatives, see the

→ [Annual Report 2020](#) or

→ [Corporate Plan 2021](#)

Network availability¹



¹ Network Availability is defined as 'Percentage of time the **nbn™** access network is available and operating. For this measure, the network is considered 'unavailable' during the time NBN Co is restoring services following the raising of a fault. It does not include periods where the network is unavailable due to operational outages for network upgrades and improvements or events beyond NBN Co's control. This metric has been rounded to the nearest two decimal places.'



Innovations supporting network resilience and climate action

Diesel generators provide power to NBN Co sites in remote locations or temporary power following a major weather event such as a tropical cyclone. To improve network resilience and reduce harm to the environment, the Company has piloted alternative solutions to power a number of **nbn™** network access technologies.

Hybrid generators

A hybrid generator, developed to provide an off-grid power supply solution for fixed-wireless towers, consists of six solar panels that power equipment and charge a specially designed intelligent battery.

In FY20 this innovation was successfully tested at a remote Victorian location to power a fixed-wireless site. This replaced a conventional diesel generator that had been operating 24 hours a day for more than two years at the site, which is not connected to mains electricity due to its remote location.

During the trial, on sunny days there was enough solar energy generated to directly power all equipment and the battery, which takes over when light is low and during the night. A backup diesel generator is integrated into this system and provides additional charge to the battery once it reduces to 20 per cent of its capacity. Once the generator recharges the battery to 80 per cent capacity, it automatically switches off. This has reduced the site's historical diesel consumption by 50 per cent, thus reducing carbon emissions and operating costs.

Smart generator

The smart generator is a trailer-mounted power generator that can be used to provide backup power for technologies across the **nbn™** network. It uses a self-charging intelligent battery connected to a rectifier and diesel generator that combines to automatically charge the battery when the charge level is low.

During an FY20 pilot, the smart generator powered a Hybrid Fibre Coaxial (HFC) site using one third of the diesel normally required by a traditional generator. In addition, it generates less pollution from oil changes, lower carbon emissions, and cost savings from reduced refuelling and equipment maintenance.



Improving customer experience

Australians expect their broadband services to be available and perform to an acceptable level when they need it. To meet this expectation, NBN Co's strategy and core business processes focus not only on network resilience but also on customer experience.

NBN Co's customer program considers the stages of a customer's experience:



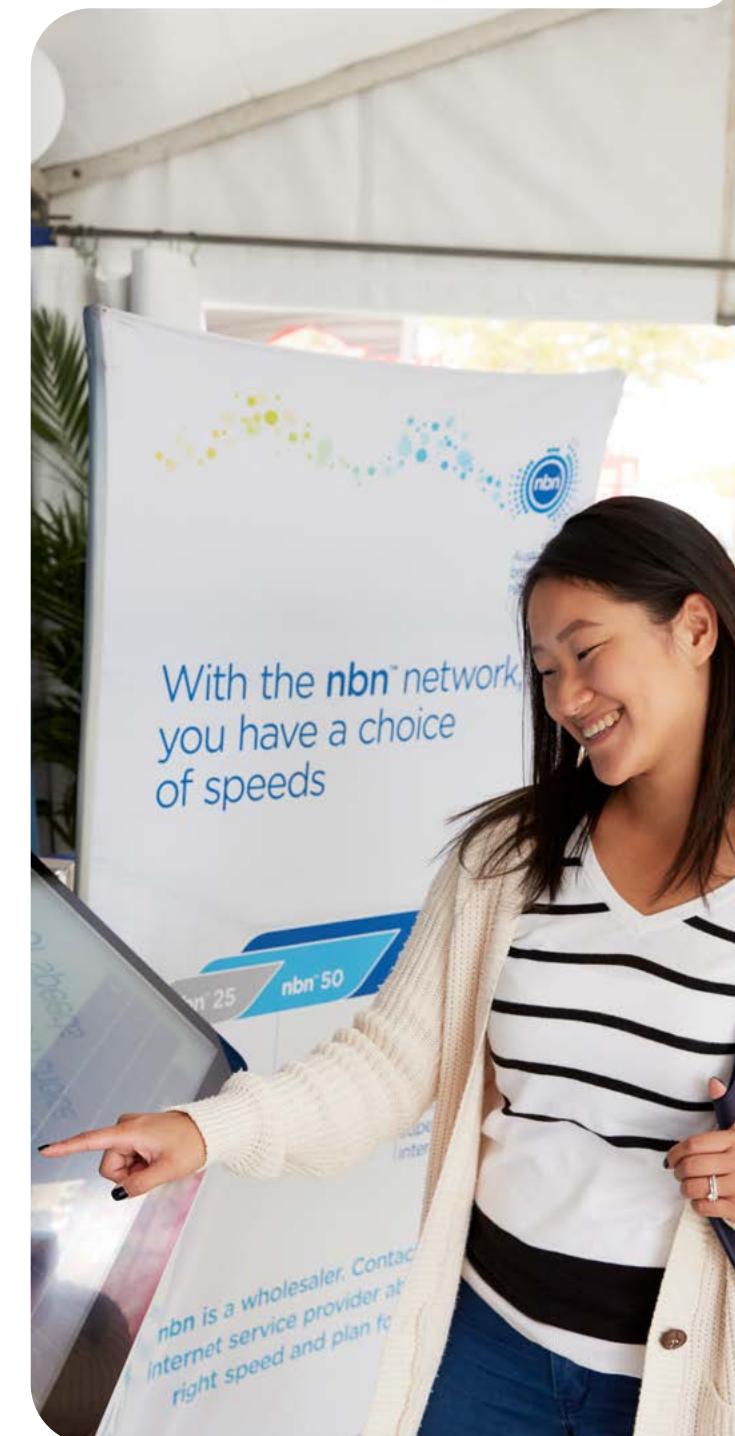
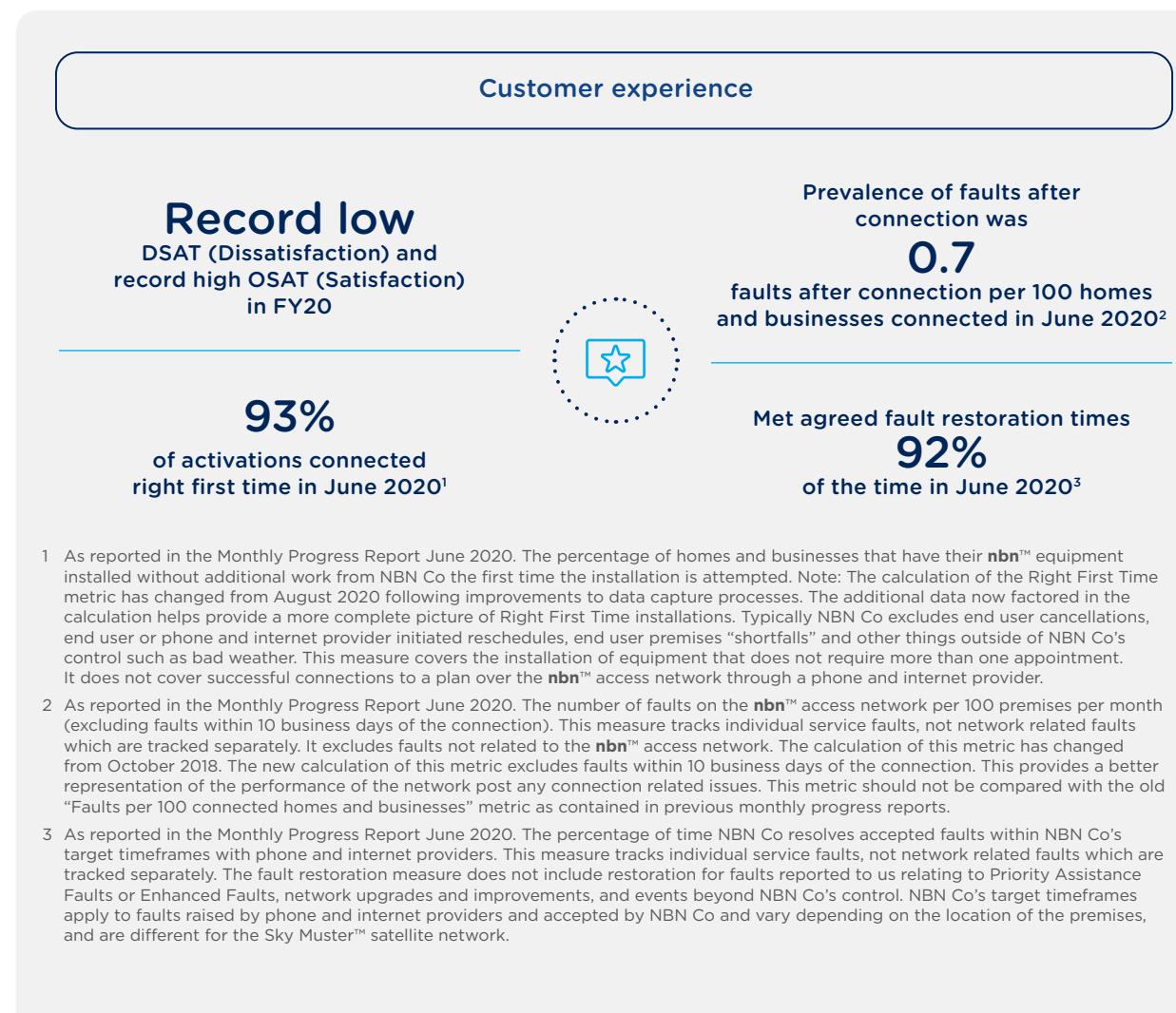
Focusing on a resilient network supports the 'Use' and 'Fix' stages, through processes to minimise customer disruption and timely responses to outages. NBN Co's Network Management Centre ensures customers' services get back up and running when there are problems.

NBN Co regularly reviews the end-to-end customer journey to obtain customer insights and help inform customer experience improvements. NBN Co has implemented improvements through continued work with Retail Service Providers to address in-home wiring issues and the key drivers of outages such as third-party power impacts and equipment failure.

For further details, see the
[Corporate Plan 2021](#)
[Annual Report 2020](#)

In the future NBN Co will be focused on new programs to support customer experience. This includes collaboration and co-design with RSPs on key areas for improvement, including improved outage management, fault diagnosis and faster resolution processes and investment in the in-home experience to improve internal wiring, Wi-Fi and general set up.

For further details on NBN Co's future plans, see the
[Corporate Plan 2021](#)
[Annual Report 2020](#)



➤ Reinvesting in our network for the future

To ensure the nbn™ network remains resilient and can meet future demands, investment and innovation is critical.

Continued investment during FY20 included fixed-wireless upgrades to help manage capacity and performance into the future, and innovation was driven through NBN Co's technology innovation program. This program has established formal partnerships with a number of universities and key network and systems suppliers to explore technology developments.

The Corporate Plan 2021 outlines what the Company's strategy will focus on for the next four years. This will include investment to make NBN Co's highest speed plans available, as demand arises, to up to 75 per cent of households and businesses in the fixed-line network by 2023.

Specifically, the plan comprises:

- \$2.9 billion to take fibre deeper into the Fibre-to-the-Node (FTTN) footprint
- \$400 million for new capacity investments in the Hybrid Fibre Coaxial (HFC) footprint
- \$100 million speed uplift program for premises in the Fibre-to-the-Curb (FTTC) footprint
- \$50 million program to improve in-home speeds for customers in the FTTN footprint.

For full details, see the

→ [Corporate Plan 2021](#)



Responding to the challenges of bushfires and COVID-19

The bushfires of December 2019 and January 2020 highlighted the importance of network resilience and restoring and providing essential communication services was the Company's highest priority during this time. While a small number of fixed-line and fixed wireless sites were damaged, overall the nbn™ network was resilient in the face of these fires and where service outages did occur, these were often due to mains power outages, highlighting the reliance on power for communications infrastructure including the nbn™ network. Impacted sites were restored, on average, in less than 48 hours.

During the COVID-19 pandemic and the time of social distancing measures, data demand increased, as Australians turned increasingly to broadband connectivity for their social and economic needs. However, increases in data demand remained within the capacity headroom built into the nbn™ network. Network reliability was supported by limiting non-essential network maintenance to minimise planned outages. Essential maintenance works occurred from midnight to 6am where practicable. Network faults and outages remained at very low levels during the most intense periods of social distancing, with no material increase compared to previous months.

The nbn™ network supported the increase in the number of Australians working remotely during COVID-19. The continuation of remote work is likely to:

- increase job opportunities and hiring flexibility
- stimulate regional and rural economies
- positively impact business productivity through occupancy and travel cost savings
- lower transport emissions.

For further details, see the

→ [Corporate Plan 2021](#)



Keeping our network and organisation secure

To manage and respond to security and privacy risks, NBN Co operates a converged security model including physical, cyber and privacy functions. NBN Co's approach to security involves:

- **People** – NBN Co proactively works to attract and retain the best talent and drive a culture where security is everyone's responsibility. In addition, NBN Co proactively engages with government agencies, industry partners and its suppliers to ensure a combined strategic approach to security risk management
- **Property** – NBN Co protects its sites through various physical security controls. In addition, a dedicated security incident response centre provides 24/7 monitoring and response capabilities for assets across Australia
- **Technology** – NBN Co continues to invest in security controls to prevent, detect, respond to and recover from security threats and incidents. The control framework is designed to align with the Australian Government and industry better practice standards and legislation. Security is embedded early within NBN Co's product and project delivery processes.

In FY21 and beyond, NBN Co will continue to invest in security resources and capabilities to ensure the network remains secure and reliable.

➤ Building resilience and managing disruptions

As the operator of national communications infrastructure, NBN Co is acutely aware of external dependencies on the nbn™ network and the interdependencies NBN Co has with other critical infrastructure providers, industries and businesses.

Through a holistic and integrated approach to business resilience, NBN Co directly contributes to the resilience of customers, businesses, the community and the nation.

NBN Co adopts the 'all-hazard' approach, seeking to Prevent, Prepare, Respond and Recover from disruption events, regardless of cause. The disruption events experienced during FY20 included multiple severe weather events, bushfires, widespread power outages, supply chain disruptions and the COVID-19 pandemic.

Working closely with leaders and teams at all levels of the business, NBN Co's Group Resilience Team delivers two key programs:

- Business Continuity Management (BCM), focussed on the operational continuity of critical services and other essential business activities
- Crisis Management, delivering cross-functional integrated planning, individual and collective skills development and activations of the Executive Response Team (XRT) and Crisis Management Team (CMT) in response to major incidents and potential or actual crises.

The team actively seeks to align, integrate with or support other key elements of business resilience including People Resilience, Supply Chain Resilience, Technology Resilience and Network Resilience programs, initiatives and capabilities.

What's next to further strengthen our approach to business resilience?

As the frequency, intensity and duration of business disruption events continues to increase, the resilience of NBN Co's people, network, systems, supply chain and business operations has never been more important. The Company's business resilience program and practices must continue to evolve to meet changes in operating environment, business structures, and customer and community expectations.

Supporting this, a project has been launched to design an enhanced business resilience framework and adaptive operating model that aims to meet these strategic challenges. This will support NBN Co's customer-led strategy and reflect the Company's role as a critical infrastructure owner and operator. The project, which will run throughout FY21, will focus on strengthening four areas of the Company's business resilience framework in risk management; readiness; respond, recover and adapt; and assurance to support effective governance, reporting and performance improvement.



Case study

Supporting the bushfire response

During the 2019/2020 bushfire season, the Company's XRT was activated on 2 January 2020 to lead and coordinate the NBN Co response and recovery efforts, and remained active for 18 days, formally standing down on Monday 20 January 2020 when the Recovery Coordination Group was established to synchronise longer-term recovery activities. The XRT structure was adapted to the scale of the disaster, the areas of the business impacted, and the requirements for external engagement, communication and coordination.

The XRT complemented the Network Emergency Management Team (NEMT) that was activated for the bushfires and several other events, focused on restoration of services, provision of temporary power to nbn™ network nodes, and the repair or replacement of damaged network infrastructure. At its peak, close to 23,000 end users concurrently experienced loss of service due to the fires and close to 60,000 services experienced disruption during the main bushfire event. The majority of the service impacts were attributable to loss of power.

NBN Co proactively supported the community response and recovery activities by providing temporary connections through the deployment of Muster Trucks and installation of Sky Muster™ satellite services at 38 evacuation centres and emergency service facilities throughout New South Wales, Victoria, South Australia and Tasmania. NBN Co also worked closely with Retail Service Providers, local businesses and numerous disaster management and coordination bodies at a state, regional and local level during the fires.

Following the stand down of the XRT, a debrief was conducted to identify opportunities for improvement and to capture what activities and capabilities had proven effective and of value to customers and the community during a large-scale natural disaster. Key points included:

- network availability was primarily impacted by loss of power, warranting additional engagement with power providers and considering alternate power sources for critical nbn™ network nodes
- the importance of working cooperatively and effectively with internal and external stakeholders to deliver a customer- and community-focused response
- the positive impact the deployment of Muster Trucks, nbn™ local crews and temporary satellite services had on affected communities. The NBN Co deployable capabilities offered support beyond an internet connection, enabling face-to-face community engagement, news updates, visual screens displaying the latest bushfire and evacuation alerts, device charging stations, television entertainment for children, and the ability for displaced families and friends to reconnect.

A number of initiatives and capability uplift projects have been commenced in preparation for future bushfire seasons.

Our environment



Value created

 **Reduced environmental impact**

 **Customer experience**

 **A better connected Australia**

 **Sustainable financial growth**

 **Health, safety and engagement**

Acting on the issues, risks and opportunities related to climate change, resource efficiency and environment protection, will help NBN Co reduce its **environment impact**, support a climate resilient nbn™ network to improve **customer experience** and create a **better connected Australia**. Climate action will decrease energy and nbn™ network operation and maintenance costs, and improve the Company's ability to disclose its climate risks and opportunities. This will support the **financial sustainability of NBN Co's business** and be a source of pride for the Company's employees, contributing to **engagement**.

► NBN Co's energy use and emissions impact

Globally, data centres and transmission networks together account for approximately two per cent of electricity use.¹ As critical national communications infrastructure, the **nbn™** network is a large and growing energy consumer contributing to Australia's greenhouse gas emissions.

The Company's energy use and emissions have increased as the **nbn™** network has been built across Australia. Specifically, NBN Co's indirect emissions from electricity use have continued to increase as the footprint of the **nbn™** network has extended across the country.

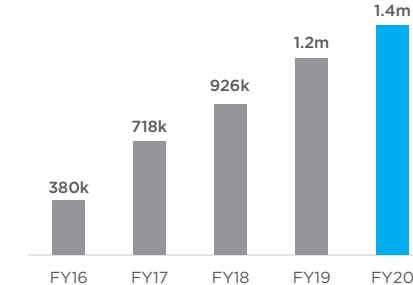
The Company is in the top 60 organisations for electricity use in Australia, based on FY19 reporting of indirect emissions under the *National Greenhouse and Energy Reporting Act 2007* (Cth) (NGER).² This highlights the Company's responsibility to manage its electricity use, and to decrease its emissions impact.

The Company's electricity use is nationally distributed across population centres and is mostly supplied directly from the electricity grid or via property owners.

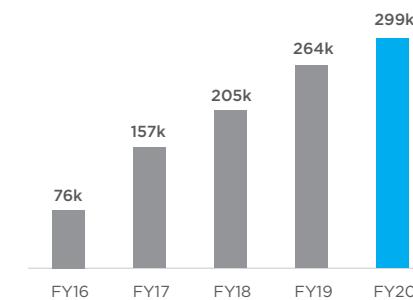
The Company's other non-reportable significant sources of indirect emissions arise from **nbn™** network equipment at customer premises, and waste generation. Direct emissions³ are relatively much smaller and mostly attributable to diesel use by NBN Co's fleet of leased vehicles.

Historical growth in energy use and emissions

Energy use (GJ)



Total Scope 1 and 2 emissions (tCO₂-e)



Enabling a low carbon Australia

NBN Co can play an important role in helping homes and businesses reduce their energy demand by providing the connectivity to enable new modes of work, and supplying access to the digital tools to help businesses operate more efficiently. Financial, professional services and ICT sector professionals will increasingly need high-speed, low latency internet for digital payments, storage and analysis of large data sets in the cloud, and significant amounts of IT infrastructure. While there is carbon cost associated with the development of new ICT tools, research has found that 'the emissions avoided through the use of ICT are nearly ten times greater than the emissions generated by deploying it'.¹

There is also a need to keep up with the growing demand that is being driven by population shifts to regional areas, which has averaged 80,000 people per annum over the last decade. In turn, if this change in consumer behaviour is met by technology capability, it will drive business productivity, changes to consumption of health and education, growth in regional centres driven by teleworking², business opportunities, and assist with urban congestion³ and the reduction of pollution levels⁴.

In addition to the Company's own programs to reduce its energy use and source renewable power, NBN Co is pursuing opportunities to reduce **nbn™** network equipment electricity use at customer premises, supporting Australia's transition to a low carbon economy and society.

Our first renewable power purchase agreement

NBN Co's first renewable energy power purchase agreement (PPA) will see a new solar farm, built in New South Wales (NSW). NBN Co has committed to 51 per cent of the electricity generated by this solar farm which equates to 80 GWhs per year or enough energy to power 12,000 homes.

When the project goes live in early 2022, it will contribute to more than 55 per cent of NBN Co's NSW power consumption, or 17 per cent of the Company's forecast national electricity usage, being linked to accredited solar power in FY23. It will also contribute more than half of NBN Co's carbon reduction target (see page 32). Over the life of the ten-year contract, this PPA will reduce NBN Co's carbon footprint by 472 kT CO₂-e. The construction of the solar farm is also expected to generate 150 construction jobs from a \$130m capital investment in regional NSW.

¹ International Energy Agency - <https://www.iea.org/reports/data-centres-and-data-transmission-networks#tracking-progress>

² Scope 2 emissions as defined in the National Greenhouse and Energy Reporting Act and reported for 2018-19 period; information as reported to the Clean Energy Regulator as at 28 February 2020.

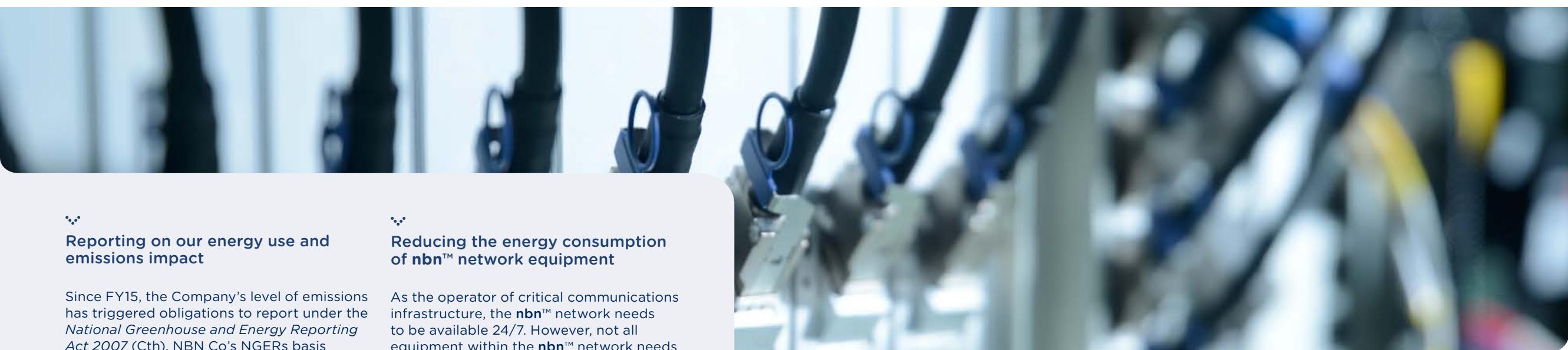
³ Scope 1 emissions as defined in the National Greenhouse and Energy Reporting Act.

¹ #SMARTer2030 ICT Solutions for 21st Century Challenges, Global e-Sustainability Initiative (GeSI), 2015 – https://smarter2030.gesi.org/downloads/Full_report.pdf

² "Teleworking benefits highlighted include: 1) reducing the time, cost and stress of employees' daily commute to the office. 2) Positioning the organisation as an attractive employer for skilled employees, regardless of their location" Teleworking and productivity, The Department of Communications Telework, <https://www.apsc.gov.au/teleworking>

³ "For every 100,000 Australians who choose to live in small cities rather than our major cities, the savings in congestion costs would be in the order of \$292 million per year or \$4.9 billion over 30 years." House of Representatives Select Committee on Regional Development and Decentralisation (2018), Regions at the Ready: Investing in Australia's Future.

⁴ "Australia's net emissions in 2017 were 556.4 million tonnes CO₂-equivalent, to which the Transport sectoral contributed approximately 18%", "Cars are responsible for almost half (44Mt of CO₂) of transport emissions". Australia's Rising Greenhouse Gas Emissions 2018, Climate Council of Australia.

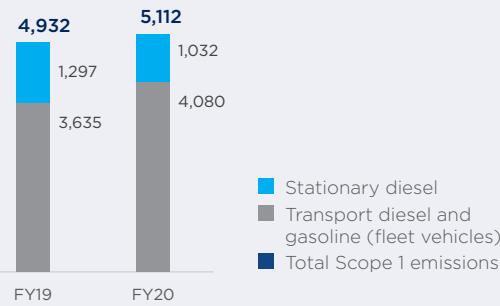


Reporting on our energy use and emissions impact

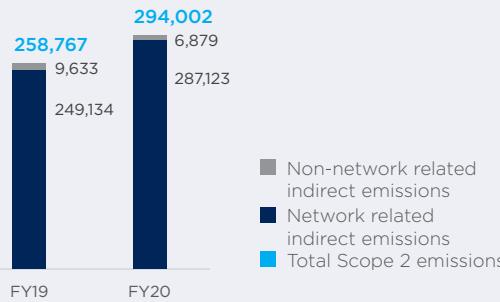
Since FY15, the Company's level of emissions has triggered obligations to report under the *National Greenhouse and Energy Reporting Act 2007* (Cth). NBN Co's NGERs basis of preparation outlines the methodology and assumptions for calculations and how NBN Co determines which emissions sources are considered to be under NBN Co's operational control. The data reported is subject to external 'reasonable' assurance.

Emissions profile

Scope 1 – direct emissions (tCO₂-e)



Scope 2 – indirect emissions (tCO₂-e)



Reducing the energy consumption of nbn™ network equipment

As the operator of critical communications infrastructure, the nbn™ network needs to be available 24/7. However, not all equipment within the nbn™ network needs to be always turned on and consuming power; but instead always available. To address this, NBN Co has begun deploying an innovative automation solution to reduce the energy consumption of some components in the nbn™ network, that are not yet required for customer services.

The nbn™ network contains line-cards (that send and receive end-user data traffic). While many of these line-cards are used, others are installed in the nbn™ network for future customer demand, as backup capacity or as pre-installed spares. These idle line-cards nonetheless consume energy. Recognising the opportunity to reduce energy consumption, a cross-functional team was established to identify and implement an automation process for powering off unused line-cards and then powering them back on again as needed.

By switching off unused line-cards, the Company can reduce energy consumption and the associated greenhouse gas emissions, reduce equipment operating temperatures, and extend the operating lifetime of the line-cards. It is estimated this initiative will reduce NBN Co's greenhouse-gas emissions by up to 5 kT CO₂-e and potentially decrease its energy costs by over \$1 million per annum.



Reducing emissions through energy efficiency and renewable energy

To meet its objective for climate action and deliver the associated benefits, NBN Co is reducing its power use and greenhouse gas emissions.

Over several years NBN Co has become increasingly proactive in managing its energy use and emissions impact through:

- designing Transit Aggregation Nodes and Depots (TANDs), with modular architecture to optimise cooling and improved energy efficiency
- choosing Hybrid Fibre Coaxial (HFC) cable modem that required less electricity to be supplied from end-user premises
- upgrading to energy efficient lighting and controls at TANDs and installing over 2,500 solar panels on nbn™ network facilities including TAND sites and Satellite Earth Stations
- reducing the NBN Co real estate footprint and moving into more energy efficient office buildings including Green Star and NABERS 5 Star-rated offices in Melbourne and North Sydney
- installation of energy efficient video walls and enablement of office printer standby energy saving functions.

In FY20 a program was established that aims to reduce greenhouse gas emissions by a cumulative total of 91 kT over a three-year period, and result in a 15 per cent reduction in the FY23 forecast emissions. Projects in this program include:

- expansion of TAND LED lighting and solar photovoltaic (PV) systems
- optimising HVAC systems through upgrades and improvements to cold aisle containment at several NBN Co sites
- switching underutilised nbn™ network line cards into low power modes
- a renewable power purchase agreement (PPA)
- installing solar PV at a number of fixed-wireless sites
- sourcing more energy efficient customer premises equipment for the nbn™ network.

FY20 program highlights were:

- commencing expansion of solar PV systems at NBN Co TANDs
- adding 24 hybrid vehicles to the NBN Co leased vehicle fleet.

Looking ahead, NBN Co will assess a longer-term carbon reduction target and implementation plan.

Managing climate change risks

As a provider of critical national communications infrastructure, NBN Co needs to adapt to the physical risks of climate change to support the resilience of the nbn™ network and the individuals, communities and businesses that rely on it.

Extreme weather events can impact network operations, affecting service availability, and pose safety hazards for the Company's workers. These could result in reputational damage, revenue loss, increased operating and insurance costs, and asset write offs. Climate change is likely to expose the nbn™ network to more frequent extreme weather events, such as the bushfires of December 2019 and January 2020.

Network innovations that supported climate adaptation in FY20 included developing and trialling mobile renewable energy and battery technologies to provide temporary power to the nbn™ network where required.

Aligning our climate risk approach to TCFD

NBN Co has already taken steps to manage climate risk in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) through business processes and programs; and has been strengthened by the development of the Company's Sustainability Program across the following core elements:

For further details on NBN Co's response to the bushfires and how the Company will improve network resilience, see the

→ [Annual Report 2020](#)

→ [Corporate Plan 2021](#)



Governance

The executive-led Sustainability Governance Committee will have oversight over climate risks and strategy development, commencing in FY21.



Risk management

NBN Co's current management of the network includes a focus on resilience and responding to extreme weather risks to the network.

For further details of NBN Co's key corporate risks, see the
→ [Annual Report 2020 - Risk Management](#)



Strategy

NBN Co's Sustainability Program has defined the following actions for the climate strategy:

- align management and reporting approach to the TCFD framework
- undertake a business-wide climate risk assessment and scenario analysis to identify and confirm physical and transitional risks and opportunities. This will inform climate adaptation planning for network resilience, management of financial risks and opportunities and integration into business risk management processes



Metrics and targets

In FY19, NBN Co publicly committed to its first carbon reduction target. In FY20 a program was established that aims to reduce greenhouse gas emissions by a cumulative total of 91 kT over a three-year period, and result in a 15 per cent reduction in the FY23 forecast emissions. The climate risk assessment in FY21 will further define metrics and targets relating to the Company's physical and transitional risks and opportunities.



Cross Dependency Initiative (XDI)

In FY20, NBN Co participated in the Cross Dependency Initiative (XDI) Sydney; a three-year pilot project led by the New South Wales government. XDI-Sydney has helped NSW-based infrastructure owners stress-test critical assets against the damaging effects of climate change and Australia's extreme weather events. It brings together private and public utility operators – including electricity, roads, rail, gas, telecommunications and water – onto a geographic information system (GIS) platform where they can visualise the financial and operational risks that extreme weather events like flooding, fire, storms and cyclones can have on infrastructure.

While the design of the nbn™ network relied on published environmental data and national standards, XDI Sydney has provided additional data insights and cross dependency analysis, highlighting that small parts of the nbn™ network in the Sydney Basin have an increased likelihood of being impacted by extreme climatic events. The insights from XDI Sydney will inform NBN Co and other utilities planning for managing physical climate change risks.

Protecting the environment during build and operational activities

During the initial build, NBN Co's focus on environment risk was centred on construction activity and its potential impact.

Construction activities can adversely impact natural and heritage values at build locations; and pollution from spills and mishandling of waste can potentially harm the environment.

NBN Co's integrated HSE management system¹ includes processes and controls such as guidance for employees, which address environment protection during design, construction, operational and maintenance activities, with the Company's Critical Risk Control for environment protection outlining the minimum requirements for the internal and Delivery Partner workforce. During FY20, as the Company progressed through the complex aspects of the build, NBN Co maintained focus on environmental and heritage protection. In order to minimise NBN Co's impact, the Company's approach is to always use best practice principles in the design and planning stages. In order to do this, NBN Co's Heritage and Environment Considerations (HEC) processes require:

- a planned and consistent approach for undertaking robust due diligence to identify areas of HEC
- identification and assessment of requirements for undertaking statutory/ third-party approvals and exemptions
- creation and communication of due diligence and approvals documentation
- compliance with NBN Co and regulatory requirements during works.

Our environment protection performance

NBN Co internally monitors environmental protection performance through key metrics related to environmental incidents, hazards and assurance activities.

In FY20, NBN Co maintained environment and heritage protection controls and assurance, and aligned systems and processes to changing business requirements. This included additional support for the Company's internal field workforce through updated work instructions and procedures, including the Company's Heritage and Environment Considerations Policy and supporting guidelines, and Community Noise Management procedures.

With the completion of the initial build, the rate of environmental incidents steadied in FY20. Incident trends were similar to prior years, with the most common types of incidents related to impacts from the release of wastes and physical damage from build activities such as:

- release of material to the environment from activities including refueling plant, directional drilling operations, discharge of pit and manhole water and the failure of plant or equipment
- unexpected discovery of heritage artefacts or sites of environmental contamination
- mishandling of waste.

During FY20 NBN Co did not receive any fines or prosecutions under any environmental regulations. However, the New South Wales Department of Planning, Industry and Environment issued a Delivery Partner with a penalty notice in August 2019, in relation to compliance with an Aboriginal Heritage Impact Permit, for works being undertaken at Stony Chute, New South Wales in 2019.

Environmental protection risks will change as NBN Co transitions from predominantly build to operation and maintenance activities, however, significant challenges will remain. Specifically, as the Company undertakes remaining complex builds, it will face sensitive environment and heritage considerations.

For further illustration of NBN Co's approach to HEC, see the case study

→ [Approaching a complex build – bringing the nbn™ network to Broken Hill](#)



Managing the impact of our waste

The effective management of waste generated by NBN Co's facilities and network brings with it an opportunity to reduce its cost to the business, and impact on the environment and community.

Efficient and effective waste management is important in reducing NBN Co's environmental impact and meeting stakeholder expectations.

During FY20, NBN Co implemented waste management improvements through:

- addition or expansion of waste recycling services for e-waste, metals, fibre-optic cable and end-of-life lead-acid and lithium batteries
- a drop-off solution for minor quantities of asbestos waste collected by NBN Co's internal field workforce
- support for regional Delivery Partners to recycle redundant fixed-wireless and satellite customer network termination devices
- revising office waste services and staff information programs.

In FY20, NBN Co had a waste diversion target of 50 per cent (12-month rolling average) for NBN Co depots and some offices for which there is complete and reliable data. In FY20 the Company achieved a waste diversion rate of 49 per cent for these locations. NBN Co will continue to expand e-waste solutions for its offices and scrap metal, e-waste and battery recycling at depots.



¹ In FY20 the HSE Management System maintained certification to ISO 14001:2015 Environmental Management Systems.

Our people



Material topic

Diversity and inclusion

Related issues

Culture and engagement
Safety, health and wellbeing

Value created

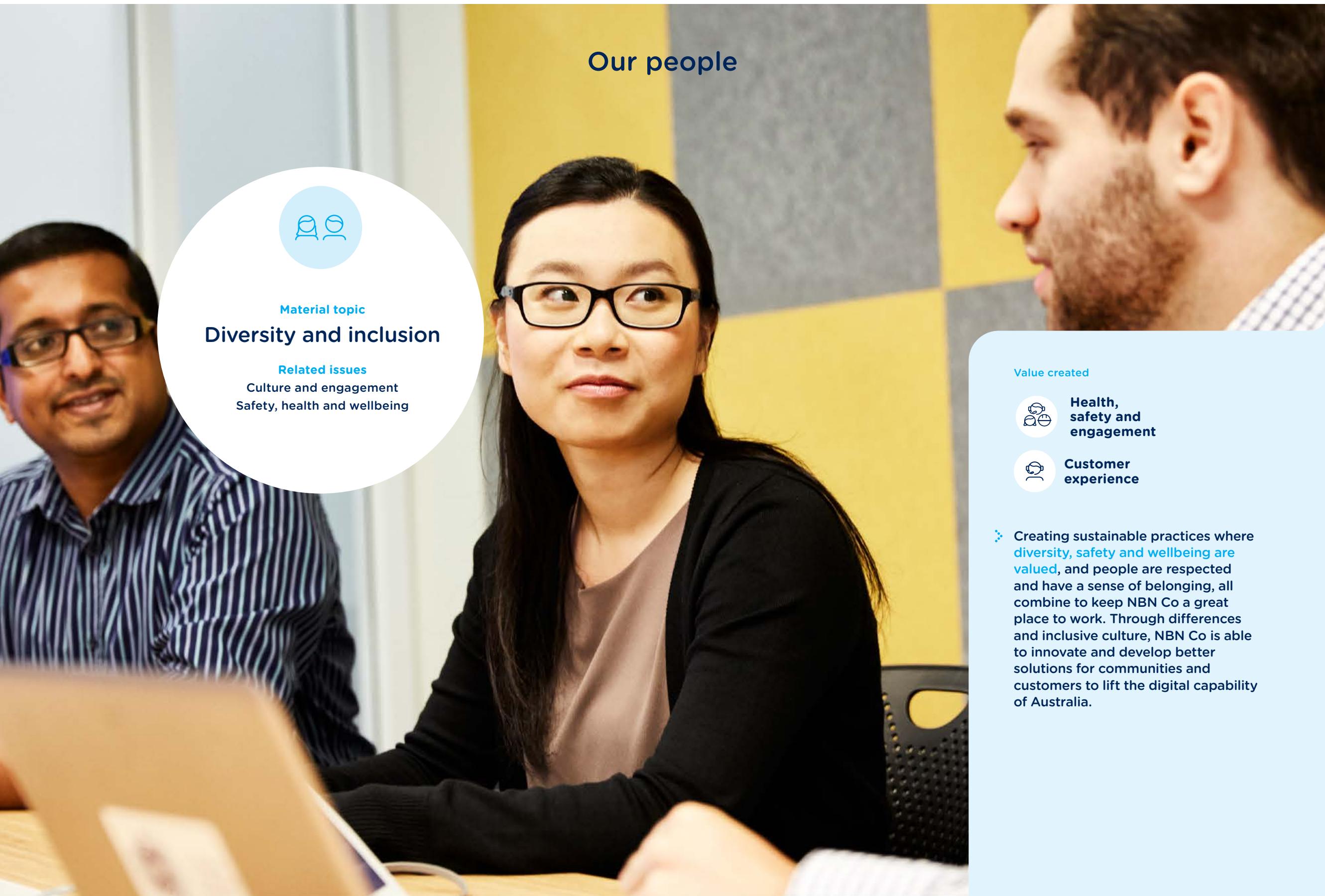


Health,
safety and
engagement



Customer
experience

- Creating sustainable practices where **diversity, safety and wellbeing are valued**, and people are respected and have a sense of belonging, all combine to keep NBN Co a great place to work. Through differences and inclusive culture, NBN Co is able to innovate and develop better solutions for communities and customers to lift the digital capability of Australia.



➤ The importance of a diverse and inclusive workforce

NBN Co aims to create and foster a work environment where diversity is celebrated and where its people have a sense of belonging and a connection to the Company's purpose.

NBN Co believes a diverse and inclusive work environment positively impacts:

- attraction and retention of the highest calibre of people from the widest talent pool available
- better decision making and problem solving by harnessing the diversity of thought, approach and experience that the Company's workforce offers
- employee engagement and productivity
- a customer-led, one-team culture.

NBN Co's approach to improving diversity and inclusion – not only within its business, but also with its customers and communities – is supported by the Company's Diversity and Inclusion Policy and strategy centered around:



Gender Equality

Commitment to providing a fair and equitable workplace in which both men and women have equal access to opportunity, and to develop and succeed in their career at NBN Co.



Accessibility

Providing an inclusive workplace free from barriers where people with disability can feel safe, welcome and empowered.



Cultural Diversity

Creating an inclusive environment for the Company's people to express the uniqueness of their cultural identity and an appreciation of and respect for the range of cultural differences that exist across NBN Co.



LGBTI+ Inclusion

Creating a safe workplace which connects, celebrates and supports the diversity and inclusion of Lesbian, Gay, Bisexual, Transgender, Intersex (LGBTI+) employees and their allies, and of the broader LGBTI+ community.



First Peoples

NBN Co's vision for reconciliation is to connect communities across Australia, where Aboriginal and Torres Strait Islander people share equally in the benefits of the **nbn™** network. NBN Co strives to develop cultural competence across the Company with respect to First Nation Peoples.

Inclusion

Fostering an inclusive environment where the Company's people have a sense of belonging and connection to NBN Co's purpose and commitment to living its values.

For additional details on gender diversity in NBN Co leadership, women in management, and objectives and targets for female representation within the Company, see the
 ➔ [Annual Report 2020](#)



► Diversity & Inclusion strategy

All teams at NBN Co are empowered to deliver the Company's purpose and strategy in a diverse and inclusive workplace created by sustainable practices.

The Diversity and Inclusion strategic plan has four streams, covering NBN Co's workforce, workplace culture, leadership and community engagement.

Strategy stream	Key initiatives
Promoting a diverse workplace A diverse workforce that represents NBN Co's customer base is imperative to achieving the Company's business goals.	<ul style="list-style-type: none"> NBN Co is committed to achieving the Company's gender equality aspirations of 40 per cent women in leadership positions by FY25 through sustainable practices of building a talent pipeline with targeted approach to attract, develop and retain female talent fostering the Company's female talent through career development, sponsorship and mentoring opportunities developing recruitment, retention and development strategies with First Peoples employees and delivering actions under NBN Co's third Reconciliation Action Plan (2018-2020) (RAP) supporting employment pathways at NBN Co via Career Trackers Indigenous Internship Program and focused recruitment at NBN Co and Delivery Partners delivering actions under NBN Co's first Accessibility and Inclusion Plan (2019-2021) (AIP) supporting and commitment for flexible ways of working.
Inclusive workplace culture An inclusive culture and environment that encourages diversity of views and approaches, leading to delivery on NBN Co's purpose through the best solutions for communities and customers.	<ul style="list-style-type: none"> building a shared understanding and ownership of inclusion at NBN Co where all employees have a role to create an inclusive workplace culture active and engaged employee networks for diversity pillars to boost engagement, and drive career and networking opportunities driving dialogue and understanding through resources and communications marking days of significance for cultural, religious, accessibility and LGBTI+ inclusion maintaining top quartile engagement outcomes on diversity, inclusion and safety.
Inclusive leadership Leaders value diversity and promote an inclusive culture.	<ul style="list-style-type: none"> influencing the hearts and minds of leaders so they are committed and take personal responsibility for achieving NBN Co's diversity and inclusion goals developing and strengthening inclusive leadership capability to support leaders to create and sustain an inclusive culture where employees feel respected, empowered, safe to speak up and their contribution is valued establishing for leaders a training program and resources for managing inclusive work practices, to support employees in a digital environment during COVID-19.
Community Engagement to Build Customer and Digital Inclusion Promoting diversity and inclusion with NBN Co's customers and communities.	<ul style="list-style-type: none"> supporting community engagement to build customer and digital inclusion and wellbeing, through initiatives such as: <ul style="list-style-type: none"> delivering cyber safety training with partners to children in First Peoples communities under the WillPOWER program supporting digital inclusion of senior Australians via the Connecting Older Australians Expressions of Interest (EOI) initiative developing podcasts translated into different languages to support culturally and linguistically diverse (CALD) customers regarding connecting to the nbn™ network improving access with First Peoples, by increasing the number of connected communities driving social and digital inclusion by supporting greater female participation in STEM education and growing the Company's reputation in the STEM community participating in the Positive Action towards Career Engagement Mentoring program run by the Australian Network on Disability (AND) to support students and job seekers with disability in their careers.



Case study

Project Evolve



Find

Building female talent pipeline



Grow

Navigate Sponsorship Program



Keep

Supporting women's engagement and career development



Building gender equality in technology at NBN Co

Creating a culture where gender equality is championed and can thrive remains an important part of NBN Co's commitment to improve the diversity and inclusiveness of its workforce. As part of this commitment, Project Evolve was launched in August 2017 to address the significant gap in engagement between male and female employees, and the low numbers of women in Systems Engineering and Operations (SEO).

Aligned with NBN Co's organisation-wide priorities, the Project's three focus areas were:

- **Find:** Build the female talent pipeline by using innovative sourcing strategies to attract more women into technology roles
- **Grow:** Accelerate the progression of women into leadership roles through the Navigate Sponsorship Program, helping emerging leaders develop leadership skills and connections with Executive leaders
- **Keep:** Make SEO a great place to work for women through a range of activities to support career development, wellbeing and engagement.

Impact and achievements

Since the launch of Project Evolve there has been a 36 per cent increase in female SEO employees' engagement from 2017, reaching parity with male employees in 2020.

The success of Project Evolve and the dedicated focus on gender equality within the SEO business unit has led to the establishment of an organisation-wide networking community, called *nbn Equals*. *nbn Equals* helps create company-wide awareness of gender equality, and has already gained more than 1300 active members in its first six months.



↳ Building a customer-led culture and engaged workforce

NBN Co's ambition to be a great place to work is underpinned by an inclusive and customer-led culture.

The Company's strategy focuses on evolving its culture to build expertise, work practices and capabilities that support a customer-focused mindset.

The most significant way NBN Co evaluates the success of this approach is through an annual employee engagement survey. In FY20 the Company's engagement score of 86 per cent placed it in the top quartile of global companies.



Talent anywhere

NBN Co will continue to support employees working in regional and remote locations where the Company has related business needs. This reflects the Company's commitment to meeting customer needs and raising the digital capability of regional and remote communities across Australia, by enabling employees to better understand and reflect the communities NBN Co serves.



Keeping our workforce safe

NBN Co workers, both employees and contractors working for Delivery Partners, faced several critical health and safety risks during the initial build of the network.

The management of these risks was, and still is, crucial to ensure the safety of every NBN Co worker and members of the public. These risks include:

- driving vehicles and working in remote locations
- working near underground and concealed services
- exposure to active network devices and live electrical equipment
- a person or object falling from height
- working around asbestos containing materials
- entering or working in confined spaces and manholes
- the use of mobile plant.

NBN Co has a robust approach to control health and safety risks, through governance processes, an integrated Health, Safety and Environment (HSE) Management System¹ and HSE Critical Controls. NBN Co's HSE Statement of Commitment and HSE Policy are operationalised in the business through the HSE Management System.

¹ In FY20 the HSE Management System maintained certification to AS/NZS 4801:2001 Occupational Health and Safety Management Systems and OHSAS 18001:2007 Occupational Health and Safety Management Systems.

HSE Management System overview



Risk management and assurance

NBN Co's HSE Critical Controls outline the Company's minimum expectations for carrying out work in order to prevent harm to people and the environment. Work-related hazards and associated risks are managed in accordance with the NBN Co Enterprise Risk Management Framework and the HSE Critical Planning Control #1: Risk Management.

NBN Co's first-line management and staff are responsible for identifying, assessing and managing health and safety risks. The HSE team, as a second-line risk management function, works with and supports the broader NBN Co business and its partners to manage health and safety risks through the provision of strategy, processes, systems, advice and programs.

NBN Co takes a risk-based approach to HSE assurance across its internal operations and suppliers. Assurance activities include inspections, leadership walks, and process audits.



Hazard and incident management

The HSE Incident Management Procedure outlines the process for managing HSE incidents, including notification, recording, investigation, management of actions and sharing of lessons learned. Incidents are investigated to determine their contributing factors and appropriate corrective actions. Incidents with an actual or potential consequence rating of 'major' or 'severe', or incidents which are notifiable to a regulator, require a higher level of investigation.

The HSE team reviews incident outcomes and, where appropriate, communicates learnings through HSE Alerts.



Communications

Key communications channels for safety matters include:

- HSE Alerts, in response to notable incidents or events, to raise awareness and give instruction
- HSE Information Updates to communicate new or updated requirements, processes, systems or documentation
- HSE News Articles to raise awareness of HSE-related matters with NBN Co workers

Alerts and Information Updates are made available to workers through the Company's intranet, emails, employee communications platform ('Workplace'), newsletters and office TV screens. HSE communications are also discussed at various team meetings and governance forums.



Supplier and contractor management

High-risk suppliers and contractors are assessed for health, safety and environment requirements through a pre-qualification process, and ongoing assurance processes.

Health and safety considerations are embedded into Delivery Partner governance forums, which are used to engage with Delivery Partners on their performance against contractual health and safety key performance indicators.



Internal metrics and targets, data analytics and reporting

NBN Co has several health and safety lead and lag metrics that are tracked against targets, including Total Recordable Injury Frequency Rate (TRIFR) – for further details see the [Annual Report 2020](#).

Data analytics and reporting is provided by the HSE Team to support decision making in risk and performance management. This includes:

- weekly Executive Committee review of safety results
- quarterly Executive Committee deep dive into performance
- monthly Board updates.





Our health and safety response to COVID-19

COVID-19 presented a significant health and safety risk to NBN Co's workers and customers. To support the physical health and safety of workers in the field, as well as increasing numbers of employees working from home, the Company moved quickly to introduce additional processes and controls, including:

- safe work protocols for social distancing, physical hygiene and appropriate Personal Protective Equipment (PPE)
- releasing NBN Co's COVID-19 Safe Operating Procedure and introducing a process to risk assess each customer appointment, to check occupants were well, and that it was safe for the appointment to proceed
- multi-lingual cards to assist in the communication of safe work protocols upon arrival at a customer's property
- limiting access to NBN Co facilities, implementing social distancing requirements, increasing scheduled cleaning and monitoring cases in adjacent tenancies
- increasing ergonomic programs to support employees working from home (move to working from home implemented mid-March)
- establishing a dedicated intranet page to centralise COVID-19 related material including FAQs for field workers, safe work procedures and ergonomics guidance
- providing regular People Leader guides to help leaders manage the response to COVID-19.

NBN Co is taking a cautious and phased approach to re-opening buildings and facilities by making them COVID-19 safe.

Our health and safety performance

NBN Co continued its positive trend in key safety metrics in FY20, with a reduction in the Total Recordable Injury Frequency Rate (TRIFR) for employees and contractors combined. This represents the total number of recordable injuries, including those resulting in a fatality, permanent disability, lost time, medical treatment or restricted duties, per million hours worked. Injury trends were similar compared to previous years, with musculoskeletal injuries and lacerations most prevalent. However, the TRIFR for NBN Co employees increased during FY20, indicative of the changing

nature and increase in volume of work being undertaken by the Company's internal workforce, with more field-based activities including network connection and assurance activities.

There was also a reduction in the frequency of HSE incidents with the potential to cause serious harm. Most of these incidents occurred in NBN Co's Delivery Partner contractor workforce and were associated with underground asset strikes, demonstrating the risks faced during the nbn™ network build.

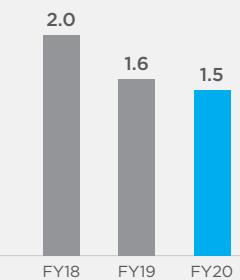
Although NBN Co has seen overall improvements in key safety metrics from FY18 to FY20, critical risks remain for the Company's workforce.

NBN Co will continue to strengthen controls, capability and governance of safety risks. In FY21 this will include further industry collaboration, uplift of both internal and industry capability, and alignment of systems and processes to changing business requirements. Focus areas will align to strategic HSE risks and opportunities including controlling Critical HSE Risks in the field and enhancing the safety of the network, and physical and psychological wellbeing and injury prevention.

For further details on NBN Co's FY20 performance, see the → [Annual Report 2020 – Regulatory Report](#)



NBN Co overall frequency of HSE incidents with the potential to cause serious harm²



Serious harm HSE incidents³



¹ Total Recordable Injury Frequency Rate (TRIFR) is the total number of recordable injuries per million hours worked. This includes work-related fatalities and permanent disability injury/illness (PDI), and work-related injuries or illnesses resulting in lost time (Lost Time Injuries or LTIs), restricted or alternate duties (Restricted Work Injuries or RWIs), and medical treatment (Medical Treatment Injuries or MTIs). It does not include any first aid injury/illness.

² Total number of potential serious harm HSE incidents per million hours worked includes incidents with a potential consequence of 'severe' but excludes incidents with an actual consequence of 'severe'. Serious harm HSE incidents are those resulting in a severe consequence such as a fatality or permanent disabling injury.

³ In FY19 there was one serious harm HSE incident reported. This occurred in September 2018, when there was a fatal motor vehicle accident involving an NBN Co Delivery Partner subcontractor in Melbourne.

⁴ In FY20 there was one serious harm HSE incident reported. This occurred in February 2020, when a Delivery Partner worker suffered a permanent disabling eye injury during cable hauling activities.

➤ Caring for our people's physical and mental health, and wellbeing

NBN Co has a strong focus on the health and wellbeing of its employees.

As the Company evolves and manages the impacts of COVID-19, it will be even more important to ensure there are processes and controls to address the risks related to mental health.

NBN Co's myWellbeing program was established in 2015, with the aim of enhancing the overall physical health and mental wellbeing of the Company's people.

Supporting employees experiencing domestic or family violence

NBN Co understands that anyone can experience domestic or family violence or be impacted by it. The Company is committed to providing an inclusive, safe and supportive working environment to ensure employees experiencing domestic or family violence feel supported and empowered. NBN Co assists employees by providing information, support and a safe place to work, and this is supported by the Company's Domestic and Family Violence Policy. Employees are encouraged to have confidential conversations with their manager, an NBN Co contact officer or Human Resources (HR) Business Partner, who can then create a support plan based on individual circumstances and requirements.

The program has provided employees access to services including an Employee Assistance Program with a variety of offerings covering career, financial, relationship, legal, and lifestyle support and coaching. The myWellbeing program provides videos and webinars on topics ranging from nutrition to mental wellbeing and stress management. NBN Co has also established a Mental Wellbeing Policy and tools to support mental health awareness and mentally healthy workplaces.

Throughout FY20, the myWellbeing program continued to provide opportunities to NBN Co's employees, to support their physical and mental health. The feedback on the program through employee engagement surveys demonstrates how much it is valued by the Company's people. In the FY20 employee engagement survey, 92 per cent of employees felt that their leader cares about their wellbeing.

The wellbeing of NBN Co's people during COVID-19 was of the utmost importance and a number of initiatives were offered to support employees including:

- webinars delivered by the Company's Employee Assistance Program provider, with topics covering sleep and health, mindfulness, dealing with uncertainty and positive parenting
- promotion of seven-day healthy habit challenges around topics such as regular movement, mindfulness and exercise
- issuing communications on the support options available to NBN Co employees who may be impacted by domestic and family violence
- release of wellbeing pulse surveys to check how the Company's people were feeling and identify any areas where further support could be provided.



Case study

Supporting the mental health of our employees

NBN Co is proud of the work undertaken to support the physical and mental wellbeing of the Company's people. In FY20 NBN Co embarked upon the development of its first Mentally Healthy Workplace Strategy, which involved input from across the business. This strategy has been developed in conjunction with external psychologists and is aligned to world-leading research. It covers seven workplace strategies to support a Mentally Healthy Workplace:

- leadership capability
- build better work cultures
- smarter work design
- build resilience
- early intervention
- support recovery
- mental health awareness.

Our business practices



Material topic

Transparent and accountable business

Related issues

- Transparency and accountability through disclosures
- Corporate governance
- Privacy and data security
- Ethical supply chain

Value created



Sustainable financial growth



Reduced environmental impact



Health, safety and engagement

- Sustainable and ethical business practices and disclosing information and performance, is critical for transparency and accountability, to build trust with stakeholders. This supports **sustainable financial growth, reduced environmental impact, and health, safety and engagement**, by reducing the costs and impacts associated with unethical and unsustainable business practices, and by providing better information for sustainable long-term decision making.



➤ Improving transparency through disclosures

NBN Co recognises that information is an invaluable resource to support transparency and accountability with the Company's stakeholders. Explaining actions and reporting performance holds the Company to account, and generates trust internally and externally.

As the Company intends to secure additional debt funding for new investment initiatives, NBN Co recognises the importance of ESG (Environmental, Social and Governance) issues in stakeholder decisions.

To further strengthen external disclosures, NBN Co will work towards reporting in alignment with recognised global sustainability reporting frameworks and standards such as the Task Force on Climate-related Financial Disclosures (TCFD). NBN Co plan to seek external assurance over key disclosures in future sustainability reports.

External disclosures

Voluntary reporting against ASX Corporate Governance Principles

NBN Co has for a number of years reported against relevant ASX Corporate Governance Principles within its Annual Report, which includes details on how the Company manages non-financial risks.

For FY20's Corporate Governance Statement, see the
→ [Annual Report 2020](#)

Regulatory reporting

NBN Co is subject to various regulatory reporting requirements, including the *Public Governance, Performance and Accountability Act 2013*, *Modern Slavery Act 2018*, *National Greenhouse and Energy Reporting Act 2007* and *Freedom of Information Act 1982*; information about NBN Co's approach to Freedom of Information (FOI) is available on its website.

For the FY20 Freedom of Information report, see the
→ [Annual Report 2020 - Regulatory report](#)

Corporate reporting

Non-financial disclosures are included in Annual Reports and Corporate Plans. Disclosures cover performance in employee engagement, diversity, health and safety, and environmental impact. NBN Co is moving towards Integrated Reporting. The FY20 Annual Report was prepared with reference to the International Integrated Reporting Framework (IIRF). This first Sustainability Report supports the transition to Integrated Reporting.

Website

Since 2018 the NBN Co website has published performance against key customer experience metrics including 'installed right the first time' and 'meeting agreed installation times'. These metrics are being reviewed to further reflect the Company's focus on customer experience and its evolution to a customer-led organisation.

➤ Corporate governance at NBN Co

NBN Co is committed to meeting high standards of corporate governance which it considers essential to its long-term performance and sustainability.

Risk management is fundamental not only to governance, but to addressing all of NBN Co's sustainability risks, issues and opportunities. Management and staff play a key role in identifying, assessing and managing their business risks, and provide assurance through formal executive governance channels (including the Board Audit and Risk Committee). These roles and accountabilities are formalised through the Company's Enterprise Risk Management Framework, which sets specific requirements for how risks are managed and reported for the attention of Management, the Executive Committee and the Board.

The challenges related to building and scaling the network and improving the customer experience remain central to the Company's risk profile. However during FY20 NBN Co's corporate risks evolved, driven by the challenges of undertaking a major transformation program and managing the impacts of COVID-19. Key corporate risks relate to the health and safety of employees, contractors and the public, ensuring the security of NBN Co people, information and critical infrastructure, the welfare of customers connecting and using the network and the resilience of NBN Co's network and operations to extreme environmental conditions.

To further strengthen NBN Co's sustainability governance and to oversee the implementation of the Sustainability Program, the Company has established an executive-led Sustainability Governance Committee. This Committee, consisting of six Executive Committee members, will support the integration of sustainability into business processes and programs. The Committee will initially meet quarterly and facilitate reporting to the full Executive Committee and the Board.

For further details on NBN Co's corporate structure and governance framework, refer to the Corporate Governance Statement within the
 ➔ [Annual Report 2020](#)

For further detail on NBN Co's key corporate risks and COVID-19 implications, see the
 ➔ [Annual Report 2020](#) or
 ➔ [Corporate Plan 2021](#)



Our Code of Conduct and values

The [NBN Co Code of Conduct](#) (the Code) outlines the standards of behaviour expected at NBN Co. It is based on the Company's values of *We are one team*, *We deliver*, *We are fearless* and *We care*. NBN Co's values are critical in supporting an accountable and transparent business, and in encouraging the Company's people to speak up, take accountability and own their actions. For more on the Company's values, see the [Annual Report 2020](#) or [Corporate Plan 2021](#).

The Code's purpose is to promote a safe, healthy and productive workplace wherever NBN Co operates. A breach of the Code of Conduct may result in disciplinary action being taken by NBN Co, including potential termination of employment or engagement with NBN Co. Supporting the importance of the Code, and to raise awareness amongst employees, annual training is completed through NBN Co's Business Standards Training Modules.

Embedding NBN Co's values and ethical practices is also reinforced through the Business Standards Training modules. These cover topics including integrity, ethical responsibilities, communications responsibilities, risk management, privacy and freedom of information. NBN Co employees are required to complete these modules annually and progress is monitored to ensure timely completion.

The Company also has a Conflicts of Interest (Employees and Contractors) policy, that provides guidance on the management of conflicts to employees and contractors of NBN Co and any of its subsidiaries.

NBN Co's Group Internal Audit and Fraud manage a confidential register of conflicts that have been disclosed to the Company; this is managed in accordance with NBN Co's legal obligations.

Protecting the privacy and security of our customer data

Protecting personal customer data is essential to building trust with NBN Co's stakeholders. NBN Co takes a respectful and transparent approach to the way personal information is managed, as outlined in [NBN Co's Privacy Policy](#).

NBN Co also operates a converged security model including physical, cyber and privacy functions to protect people, property and technology. For further details on how NBN Co keeps its network and organisation secure, see

→ [page 27 of this report](#)

The Company's key controls to keep personal information safe include:

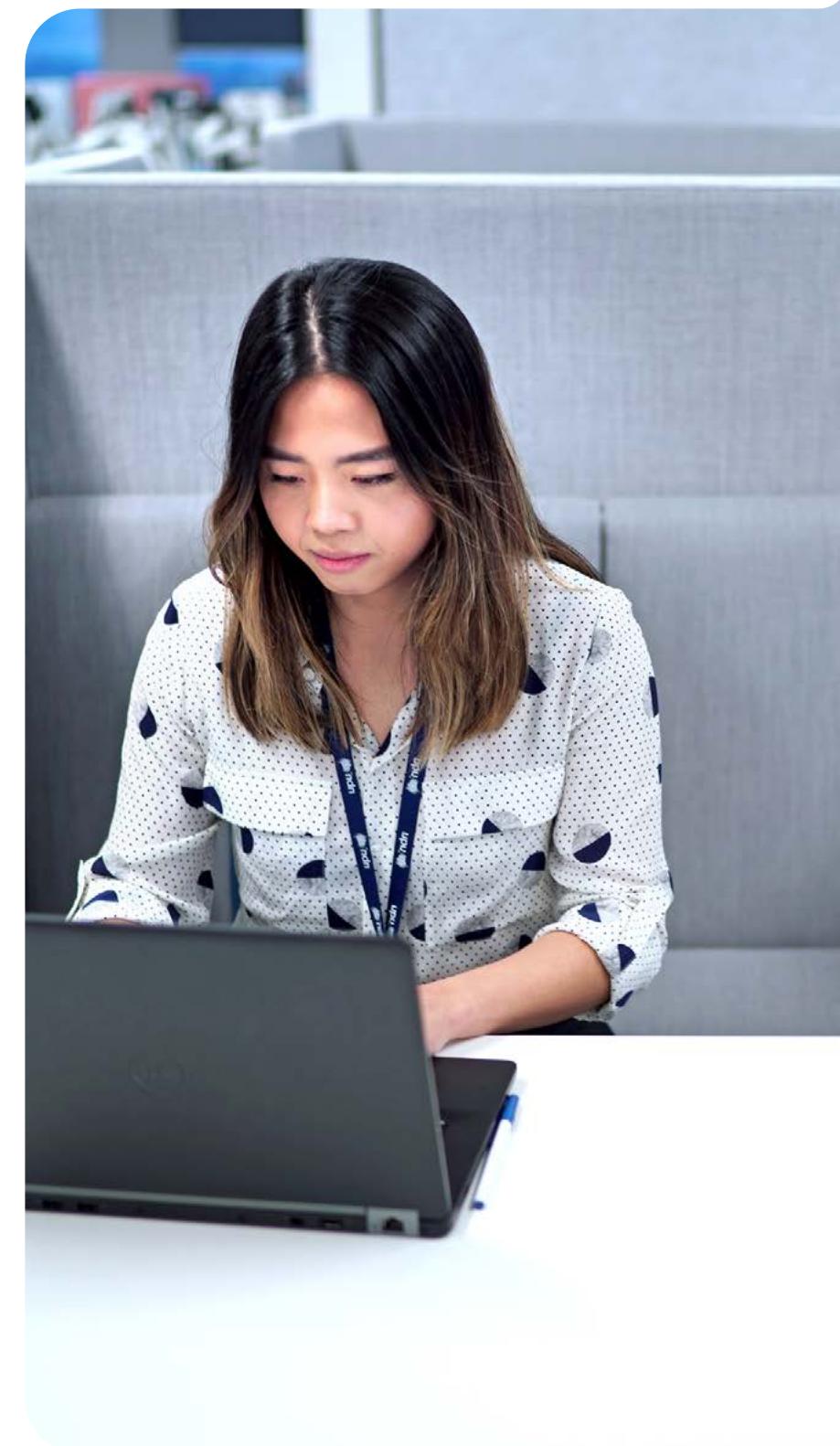
- training employees
- using secure systems with firewalls, intrusion detection and virus scanning tools to help prevent viruses, malware and unauthorised people accessing the Company's systems
- using secure networks or encryption when sending electronic data to other organisations
- secure and protected buildings
- only keeping personal information for as long needed or required by law to retain it.

NBN Co's Privacy Officer is supported by a team of privacy professionals who work in partnership with the business to deliver the Company's privacy objectives.

For further details, see the Corporate Governance Statement of the

→ [Annual Report 2020](#)

Privacy risks and controls are monitored as part of NBN Co's Enterprise Risk Management Framework and Three Lines of Defence model. Second line of defence functions including Group Security and Privacy, are responsible for providing risk advice and oversight to ensure that operational areas are managing risks and applying controls effectively. Material risks are regularly reported to the Executive Committee, the Audit and Risk Committee, and the Board.



➤ Ethical supply chain management practices

NBN Co acknowledges the complexity and far-reaching nature of economic, social and environmental risks associated with its supply chain, and the importance of managing these to mitigate any negative impacts on the Company's stakeholders.

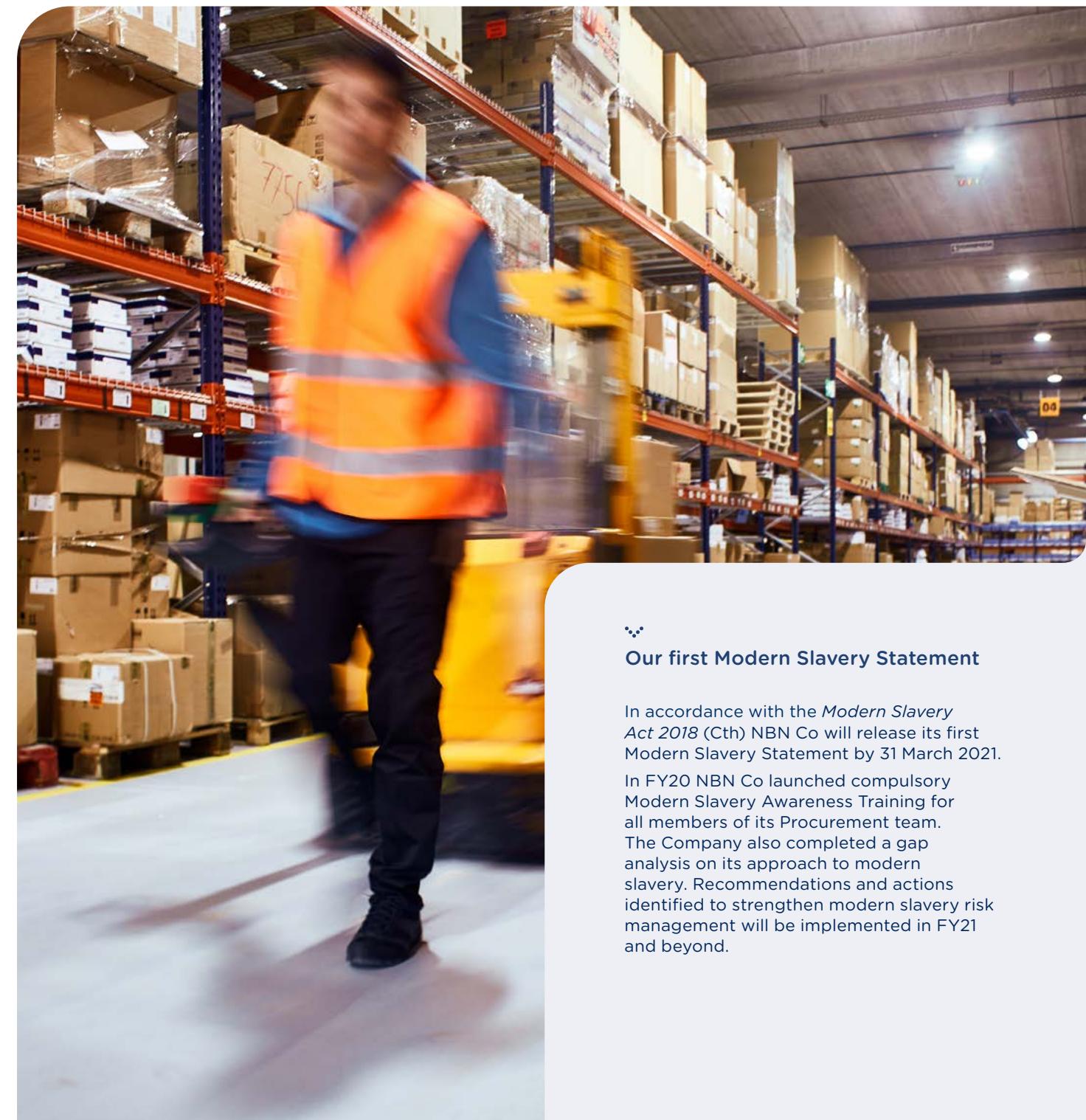
These risks include human rights, labour rights and modern slavery, corruption, health and safety of workers, and environmental impacts.

NBN Co's Supplier Code of Conduct ('Code'), introduced in FY19, outlines the requirements for all suppliers to behave ethically and sustainably, to support the management of such risks. The Code was updated in March 2020 to more specifically detail requirements in relation to human rights and modern slavery.

The Code's principles emphasise and promote the shared commitment with suppliers to ethical, safe and socially responsible practices and behaviours. NBN Co expects its suppliers, including all associated entities or individuals, to comply with the Code. The Code outlines minimum standards for:

- human rights and workplace relations, including child and underage labour, forced and compulsory labour, freedom of association, working hours, wages and benefits, discrimination, harassment and abuse, diversity and inclusion
- health, safety and environment
- ethical behaviour and good business practices, including business integrity, fraud, corruption and whistleblowing, resilience and business continuity, security and privacy, confidentiality and intellectual property publicity and advertising and trade sanctions
- management systems.

The Code is formally incorporated into contracts with NBN Co suppliers, and in some circumstances NBN Co may require suppliers to complete self-assessments and/or an annual declaration which confirms their compliance with the Code. Suppliers must promptly notify NBN Co if they, or another party in their supply chain, become aware or reasonably suspects that they are unable to comply with the principles in the Code. In this instance, NBN Co's approach is to discuss the issue with the supplier and may require the supplier to take such steps as NBN Co considers necessary to address the impact of, and remediate, the non-compliance.



Our first Modern Slavery Statement

In accordance with the *Modern Slavery Act 2018* (Cth) NBN Co will release its first Modern Slavery Statement by 31 March 2021.

In FY20 NBN Co launched compulsory Modern Slavery Awareness Training for all members of its Procurement team. The Company also completed a gap analysis on its approach to modern slavery. Recommendations and actions identified to strengthen modern slavery risk management will be implemented in FY21 and beyond.

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Disclaimer - forward looking information

This Sustainability Report contains forward-looking information, relating to intended activities of Management. This information is based on the best considered professional assessment of management and a number of assumptions regarding future events and actions, at the date of this document, are expected to take place.

Forward-looking information involves known and unknown risks, uncertainties and other factors beyond management's control that may cause NBN Co's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements in the Sustainability Report. While the forward-looking information is based on the best considered professional assessment, the Management team and officers (as defined in the *Corporations Act 2001* (Cth) (Corporations Act)) of NBN Co does not give any guarantee or assurance to any third party that the results, performance or achievements expressed or implied by the forward-looking information will actually occur, and the forward-looking information should not be relied on or considered to be a representation of what will happen by any third party.

Other than as required according to Reporting Obligations, NBN Co and its officers have no obligation to update the forward-looking information based on circumstances, developments or events occurring after the publication date of this document.

Management and the Board do not give any guarantee or assurance that the results, performance or achievements expressed or implied by such forward-looking information will actually occur.

NBN Co

NBN Co Limited (NBN Co or the Company) is wholly-owned by the Commonwealth of Australia as a Government Business Enterprise (GBE), incorporated under the *Corporations Act 2001* and operating in accordance with the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act).

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Any request or inquiry to so use the Sustainability Report should be addressed to:

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Glossary

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