



About NBN Co

NBN Co is committed to enabling the digital connectivity needs of all people across Australia. We work with Industry, governments, regulators and community partners to lift the digital capability of Australia.



As a Government Business Enterprise (GBE), the principal responsibility of NBN Co is to build, operate and evolve the National Broadband Network (nbn™ network) in accordance with the Commonwealth Government’s Statement of Expectations, 26 August 2021.¹

The Company’s key objective is to support Australia’s digital economy by creating opportunities for communities, governments and Industry to drive digital adoption and innovation.

In addition to building and operating a network that is reliable, fast, resilient and secure, NBN Co is committed to meeting the current and future broadband needs of households and businesses, fostering productivity and innovation, and supporting the nation to be a leading digital economy and society.

As the nation’s main broadband wholesaler, across Australia’s seven million square kilometres, 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 innovation, and providing greater choice for customers² across the country. It is through RSPs that customers connect to the nbn™ network for access to high-speed internet.

1. <https://www.nbnco.com.au/corporate-information/about-nbn-co>
 2. Final downstream customers to NBN Co’s Retail Service Providers (RSPs).

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In the spirit of reconciliation NBN Co acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Chair and Chief Executive Officer message

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

While tragic in so many ways, COVID-19 has shown how vital digital inclusion is to preserve our social fabric and economic prosperity. Having access to broadband has allowed people to work and remain productive from their homes; it has enabled a new crop of entrepreneurs to connect to new markets; it has allowed those without access to traditional modes of healthcare or education to enjoy the benefit of those services from remote and rural locations.

Of course, the economic opportunity and social support made possible by broadband access is not limited to what we can do in our homes. Thanks to increases in digital tools and services, we have seen dramatic changes in the way infrastructure is being considered, with broadband now rightfully sitting alongside water, electricity and gas utilities as essential services for cleaner, smarter, connected cities.

Having glimpsed what our digital futures will look like, it is important that the telecommunications industry, governments and communities work together to bring the social and economic benefits of broadband access to more Australian homes and businesses. For us at NBN Co,

our role in enabling this transition extends beyond building and operating the nbn™ network. It means being a company that takes seriously its role as a good corporate citizen, recognising the environmental, social and economic impacts we have in the places where we operate.

Sustainability at NBN Co

The Company's first Sustainability Report was released in January 2021. This year, we're pleased to announce our new Towards-Zero Carbon Ambition and three-year roadmap, which will include: the implementation of energy efficiency projects to deliver 25 GWh p.a. in energy reductions across the nbn™ network and facilities; the sourcing of 100 per cent renewable energy through further power purchase agreements and contracts for renewables; and, the electrification of our fleet, where suitably available, by 2030.

Whilst we recognise there is still much more to do, we are proud of the progress we have made against our wider environmental, social and governance initiatives.

- We have entered into an 80 GWh p.a. renewable energy power purchase agreement forecast to deliver around 19 per cent of power demand in FY23.
- In FY20, a program was established 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. To date, nearly 90 per cent of the program's initiatives are completed or near completion.
- A \$4.5 billion network investment plan to evolve the reach and capability of the nbn™ network to enhance digital inclusion across the country.

- Investing in network resilience, building fibre deeper into parts of the FTTN and FTTC footprints of the nbn™ network, and deploying Temporary Network Infrastructure used to support emergency services and communities during extreme weather events while increasing network resilience to physical climate change risks.
- Six straight years of improvement in gender equality. As at 30 June 2021, 33 per cent of management positions are held by women against a target of 40 per cent by 2025, up from 23 per cent in 2015. We also have a strong commitment to pay equity and, as at 30 June 2021, we have a gender pay gap of less than one per cent and we are committed to reducing this to zero.
- Our external disclosures are guided by global sustainability reporting frameworks. We have completed an Environmental, Social and Governance (ESG) inherent risk assessment on our supply chain, and released our first and second Modern Slavery Statements.

Coordinating this work is an executive-led Sustainability Governance Committee as well as a team of sustainability professionals with expertise in environment, diversity and inclusion, governance, reporting, stakeholder engagement, communications, and finance.

Looking to the future

A more sustainable future will require exploring innovative ways to tackle our most pressing challenges. For our part, NBN Co is focused on a number of key future initiatives. This includes a continued commitment to digital inclusion – ensuring all Australians have the access and ability to unlock the benefits of broadband connectivity, maturing our network asset lifecycle management

systems, refinement of our long-term carbon and waste reduction strategy, improved gender balance across the organisation, and further integration of sustainability into business processes and programs.

As we continue to evolve, it is also important we diversify our sources of funding to support future growth ambitions. NBN Co's Sustainability Bond Advisory Group is leading the exploration of both domestic and global market sustainability bond issuance opportunities.

Nearly a year on from the release of our first Sustainability Report, NBN Co's work forges ahead. Our focus is on six areas where we believe we can have the greatest impact: social equity, economic contribution, a resilient network, climate action, diversity and inclusion, as well as being a transparent and accountable business. As well as providing a summary of our progress against these topics, this report outlines our ongoing commitment to a range of initiatives to drive further positive impact for our people, our communities and the environment.

Dr Ziggy Switkowski
AO
Chairman



Stephen Rue
Chief Executive Officer





Our approach

Why sustainability matters to NBN Co

Embedding sustainability in the Company's activities supports NBN Co's purpose to lift the digital capability of Australia. NBN Co focuses on three main aspects of sustainability: social, economic and environmental, ensuring that positive impacts are enhanced and potential negative impacts are mitigated.

NBN Co's company-wide Sustainability Program focuses on six material topics and their related risks, issues and opportunities.

[See page 5 for an overview of the Company's material topics and sustainability objectives.](#)

Taking action on these topics creates value across all five streams of the Company's [value creation model](#). Supporting NBN Co's transition to Integrated Reporting, this report provides further insight into how we create and measure social, economic and environmental value.

Identifying what matters

NBN Co's Sustainability Program and Sustainability Reports are informed by the Company's first sustainability materiality assessment, conducted in FY20. This identified topics and related issues that either have a significant impact on NBN Co or are impacted by the Company's operations (or both). For an overview of the process undertaken see page 12 of the [2020 Sustainability Report](#).

To inform development of this report, NBN Co undertook a high-level review of the material topics, taking into account external trends and stakeholder sentiment.

No significant updates were made to the six material topics this year.

NBN Co will conduct its next materiality assessment in FY22, including engagement with a wider group of internal and external stakeholders.

How NBN Co engages with stakeholders

Outside the Company's materiality assessment process, NBN Co engages extensively with a broad group of stakeholders on various issues. This engagement supports action across the Company's material topics.

Stakeholders

Engagement channels

Employees

Annual employee engagement survey, with interim check-in
'Workplace' - internal social media
Town Halls and team meetings
People leader and employee one-on-one quarterly performance and career discussions

Customers and communities¹

Direct and virtual engagement through **nbn**[™] local and community and stakeholder engagement teams
Information and education programs and campaigns via traditional and digital media channels
NBN Co website and blog, social media (including Facebook, Twitter, LinkedIn)

Retail Service Providers (RSPs)

Ongoing consultation and implementation relating to the Wholesale Broadband Agreement (WBA)
Collaboration on products, services, initiatives and customer experience
Services to support small and medium businesses
Periodic Wholesale Pricing Reviews

Service Delivery Partners, suppliers and contractors

Industry forums
Governance forums
Performance improvement initiatives

Shareholders, government and regulators

Engagement and briefings with regulators and policy makers
Departmental and Shareholder Minister briefings, and regular reporting to Commonwealth Government and Parliament via Shareholder Ministers

Industry bodies and non-governmental organisations

Formal partnerships with key business groups, industry peak bodies and community-focused groups at the national, state and local level

Media

Provision of regular media releases, as well as financial and operational briefings
Timely and transparent responses to queries
Access to the Executive Team and technical specialists to deepen awareness and understanding

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.

Material topics overview

Material topic	Social equity	Economic contribution	Resilient network	Climate action	Diversity and inclusion	Transparent and accountable business
Report section	<p>Customers and communities</p> <p>Page 8 →</p>		<p>The nbn™ network</p> <p>Page 13 →</p>	<p>Environment</p> <p>Page 17 →</p>	<p>People</p> <p>Page 23 →</p>	<p>Business practices</p> <p>Page 29 →</p>
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
Sustainability Program focus areas	Investigating and choosing a measurement framework, inclusive of social and economic impact metrics, to support digital inclusion and capability, and internal and external reporting		Evolving our management of climate risks, energy use and network assets	Increasing our focus on mitigating our climate impacts, including setting a new carbon reduction target	Investigating ways to measure inclusiveness in the workplace	<ul style="list-style-type: none"> Enhancing our approach to sustainability governance, management and reporting Increasing our focus on ethical supply chain management, inclusive of modern slavery Improving our social, economic and environmental disclosures in external reporting
FY21 progress	Developed a model to articulate how NBN Co supports digital inclusion and capability; this will inform development of an impact measurement framework		Commenced company-wide climate change risk assessment	Developed a new Towards-Zero Carbon Ambition and three-year roadmap towards zero emissions that includes: <ul style="list-style-type: none"> further addressing energy efficiency in the nbn™ network furthering renewable energy purchasing opportunities 	<ul style="list-style-type: none"> Using the employee engagement survey for insights on inclusiveness and sustainability, by introducing sustainability factor Increased number of management roles held by women to 33 per cent Maintained our strong commitment to pay equity and reduced the gender pay gap to less than one per cent 	<ul style="list-style-type: none"> Established executive-led Sustainability Governance Committee Undertaking an ESG inherent risk assessment on supply chain Released first Modern Slavery Statement Using global sustainability reporting frameworks to guide development of sustainability report

Supporting the UN SDGs

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

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 representing business activities that support indirect impact creation.

Primary SDGs we can directly impact through action



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Achieve gender equality and empower all women and girls



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Take urgent action to combat climate change and its impacts

Secondary SDGs which our network and business supports



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Make cities and human settlements inclusive, safe, resilient and sustainable



Ensure sustainable consumption and production patterns

SDG targets aligned to material topics

Action on NBN Co's material topics supports the SDGs, with related targets outlined below.

Material topic	Social equity	Economic contribution	Resilient network	Climate action	Diversity and inclusion	Transparent and accountable business
Report section	Customers and communities Page 8 →	The nbn™ network Page 13 →	Environment Page 17 →	People Page 23 →	Business practices Page 29 →	
Related UN SDGs and targets	<ul style="list-style-type: none"> SDG 4: Quality Education (Targets 4.1, 4.3, 4.4, 4.5) SDG 8: Decent Work and Economic Growth (Targets 8.1, 8.2) SDG 9: Industry, Innovation and Infrastructure (Targets 9.1) 	<ul style="list-style-type: none"> SDG 9: Industry, Innovation and Infrastructure (Targets 9.1, 9.4) SDG 13: Climate Action (Targets 13.1) 	<ul style="list-style-type: none"> SDG 9: Industry, Innovation and Infrastructure (Targets 9.4) SDG 11: Sustainable Cities and Communities (Targets 11.4) SDG 12: Responsible Consumption and Production (Targets 12.2, 12.5) SDG 13: Climate Action (Targets 13.1, 13.3) 	<ul style="list-style-type: none"> SDG 4: Quality Education (Targets 4.3, 4.4) SDG 5: Gender Equality (Targets 5.1, 5.2, 5.5, 5.c) SDG 8: Decent Work and Economic Growth (Targets 8.8) 	<ul style="list-style-type: none"> SDG 8: Decent Work and Economic Growth (Targets 8.7) SDG 12: Responsible Consumption and Production (Targets 12.6, 12.7) 	

How we create value

This report supports NBN Co's transition to integrated reporting. This report shows how action on the Company's material topics can create value for stakeholders, across the five areas outlined below.

Our resources

What we do

The value we create



Our network

A reliable, fast, resilient and secure wholesale 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 customers and industry

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



Our environment

Natural resources to build and operate the network



Our financial resources

Capital from our shareholders and lenders



Australia's digital backbone

As Australia's digital backbone, the nbn™ network is enabling greater productivity, economic prosperity, social connectivity and digital inclusion

A safe, inclusive and engaged workforce

A safe, inclusive and engaged workplace where people feel valued and can become the best they can be

Customer experience and industry enablement

Enabling excellent customer experience and driving industry sustainability by working collaboratively with RSPs, the industry and the communities we serve

Environmental responsibility

An efficient, low carbon and climate resilient network and business, which protects the natural environment and areas of cultural heritage significance

Sustainable financial growth

Long-term ethical and sustainable financial growth to enable reinvestment in the network to benefit Australians

To lift the digital capability of Australia

Our purpose

Customers and communities

By evolving the nbn™ network and focusing on issues that matter to its customers and communities, NBN Co is enabling social and economic opportunities for all.

Material topics and objectives

- Social equity – create social equity through digital inclusion and capability, to maximise the benefits of connectivity for all Australians
- Economic contribution – empower individuals, businesses and communities to stimulate economic productivity and growth

Key actions

Digital inclusion and capability

- NBN Co's network investment plan, a \$4.5 billion commitment to advance the capability, reach and value of the nbn™ network
- Helping Australians to connect to services over the nbn™ network, including industry engagement and programs for unconnected and underserved customer segments

Aboriginal and Torres Strait Islander reconciliation

- Reconciliation Action Plan

Value created



Australia's digital backbone



Customer experience and industry enablement



Sustainable financial growth

FY21 performance

Premises Ready to Connect (RTC)

12m

Homes and businesses connected

8.2m

Customers on a 50 Mbps plan or higher¹

75%

Customer take-up

68.6%

Reconciliation Action Plan (RAP) outcomes progress

Less than one year into RAP IV, 54 of 118 actions are complete or in progress (45.8%), as at end of June 2021

Customer health and safety

- Processes and industry agreements to manage migration activities for vulnerable customers
- Processes and COVID-19 safe work protocols to protect the health and safety of members of the public during build and connection activities

Economic empowerment and stimulation

- nbn™ Business Fibre Zones and business nbn™ Satellite Service
- Increasing digital opportunities in regional Australia across segments including agriculture, business, arts, education, health, tourism and First Peoples

Future focus

- Continue network investment plan to support digital inclusion and capability
- Creation of digital opportunities with a focus on supporting low income families, Indigenous, seniors and those with disabilities
- Continue to engage with stakeholders and communities across Australia to lift digital capability
- Continue implementation of RAP IV, focusing on efforts to increase employee awareness and engagement and connect communities safely
- Focus on creating digital opportunities for all Australians by partnering with government, Retail Service Provider (RSPs), industry and community groups, engaging stakeholders through targeted initiatives to address digital inclusion and capability barriers, and increasing awareness of the nbn™ network's capability, coverage and connectivity options

1. In this metric, '50 Mbps (download) wholesale speed plan' includes wholesale plans available to RSPs with download speeds of 50 Mbps and 25-50 Mbps.

Improving digital inclusion and capability

The digitisation of our society and economy means that access to fast, reliable broadband services, and the ability to use these services, has never been more important.

NBN Co's strategy, to lift digital inclusion and capability, focuses on ensuring people across Australia have access to high-speed, resilient and secure broadband via a product and pricing portfolio that addresses customers' diverse needs.

NBN Co delivers this by:

- building, operating and investing in the nation's largest fixed-line, wholesale broadband network
- working with Retail Service Providers (RSPs) and broader Industry to connect Australians to services over the **nbn**TM network
- partnering and engaging with stakeholders to help people get the most from their broadband connection.

Delivering critical communications infrastructure

In December 2020, Minister for Communications, Urban Infrastructure, Cities and the Arts, the Hon Paul Fletcher MP, declared the **nbn**TM network built and fully operational.

NBN Co continues to support digital inclusion and capability by investing in the next evolution of the **nbn**TM network.

UN SDG contribution



4. Quality education



8. Decent work and economic growth



9. Industry, innovation and infrastructure

The Company's 2021 Corporate Plan outlined a \$4.5 billion commitment to advance the capability, reach and value of the **nbn**TM network. For further details on the network investment plan, see the:

- [2022 Corporate Plan](#)
- [2021 Annual Report](#).

NBN Co has continued its network rollout to new homes and businesses around Australia. The Company has also completed complex installations at difficult to reach homes and businesses, new development sites, and heritage and culturally significant sites. For an example of how NBN Co has delivered complex premises, see [Reconnecting Mallaacoota](#), on the Company's website.

Supporting people across Australia in connecting to services

NBN Co actively works to address digital inclusion and capability barriers for those underrepresented in digital connectivity. This may include low-income families, senior Australians, First Peoples, and those living in regional, rural, and remote Australia.

NBN Co focuses on products and pricing, and partnerships and engagement, to address these segments' diverse needs. In FY21 NBN Co initiatives to address digital inclusion and capability barriers included a discount offer "Illuminate" for long-term unconnected premises, which supported low-income households by providing discounted plan options. In response to COVID-19, NBN Co provided financial assistance packages to help RSPs connect low income households

with home schooling needs, support emergency and essential services, and assist small and medium businesses and residential customers facing financial hardship.

Engagement with RSPs and regulators

NBN Co undertakes ongoing consultation with RSPs and regulators to support residential and business customers. In FY21 this included transitioning RSPs to a new two-year Wholesale Broadband Agreement (WBA4) and a 2021 Pricing Review Consultation.

In response to industry and regulator feedback, NBN Co initiated a Special Access Undertaking (SAU) variation process. This is also serving as the vehicle for further consultation on long-term pricing reform. In June 2021, NBN Co released its SAU 2021 Variation Discussion Paper to RSPs and consumer advocacy groups to engage Industry on likely proposed key changes to the SAU. Engagement will continue in FY22.

For further details see the:

- [2022 Corporate Plan](#)
- [2021 Annual Report](#).

Partnerships and engagement with stakeholders

In FY21, NBN Co partnered with industry and community groups, engaging stakeholders through targeted initiatives to address digital inclusion and capability barriers.

The Company partnered with the:

- Australian Communications Consumer Action Network (ACCAN) on initiatives to support vulnerable communities
- Good Things Foundation on community-level training on connecting and getting the most out of the **nbn**TM network
- Australian Red Cross to pilot communication approaches for communities during disasters.

For more examples on how NBN Co is addressing digital inclusion and capability barriers for vulnerable people across Australia, see the [NBN Co blog](#).

Responding to increased customer data demand

Working, learning and seeking entertainment at home during COVID-19 has resulted in increased data demands from customers. NBN Co responded to this during FY21 through:

- **CVC (Connectivity Virtual Circuit) boost campaign** – offering up to 40 per cent additional CVC capacity to RSPs at no additional charge.
- **Focus on Fast** – a campaign providing incentives to the industry to upgrade customers to High Speed Plans (**nbn**TM Home Fast, **nbn**TM Home Superfast, **nbn**TM Home Ultrafast) at no additional cost.



Helping people across Australia maximise the benefits from a nbn™ network connection

NBN Co engages collaboratively with different stakeholder groups to listen to their concerns, resolve issues, provide timely and accurate information, and educate on the benefits of being connected to the nbn™ network. NBN Co's community and stakeholder engagement teams also play an important role during times of crisis (such as extreme weather events) providing on-the-ground support to help keep people connected.

The Company also uses awareness campaigns and tools, education, and partnerships to support engagement. In FY21 key activities included:

- tactical education campaigns across social media channels, covering topics including optimising at home Wi-Fi set-up and the benefits of investing in business-grade connectivity or higher speed residential plans
- showcasing a series of households and businesses connected to the nbn™ network, to demonstrate the social and economic benefits for businesses and communities through access to fast and reliable connectivity
- running a community education campaign during Scams Awareness Week in August 2020
- hosting on-the-ground education, awareness and literacy campaigns, through the Company's Community Ambassadors Program
- launching a new online nbn™ Digital Capability Self-Assessment Tool, to help people measure their digital capability, and suggest resources that could help address any gaps in knowledge or skills. [See the Company's website for further details.](#)

Digital inclusion and capability performance

As at 30 June 2021, almost 12 million premises were declared Ready to Connect (RTC) and 8.2 million premises were connected to services over the nbn™ network.

Since the release of the 2021 Corporate Plan, the network investment plan has progressed. Premises in the Fibre-to-the-Node (FTTN) network eligible for Fibre-to-the-Premises (FTTP) upgrades have been identified and the Hybrid Fibre Coaxial (HFC) network enhancement program has commenced.

[For a summary of FY21 network investment plan achievements, see the 2021 Annual Report.](#)

New research commissioned by NBN Co found the price for telecommunications services has significantly reduced, as the rollout of the nbn™ network increased. [For further details, see the 2022 Corporate Plan.](#)

To further support digital inclusion and capability, in the Corporate Plan period FY22 to FY25 NBN Co will continue to evolve the nbn™ network through the network investment plan and connect remaining complex installations that were identified in NBN Co's previous Corporate Plan. These premises include difficult to reach homes and businesses, heritage sites and culturally significant areas.

For details of the network investment plan's activities over the Corporate Plan period FY22 to FY25, see the [2022 Corporate Plan](#).

The value and affordability of the nbn™ network

Research from Accenture, commissioned by NBN Co, has found that Australians are continuing to derive value from Internet connectivity, using the nbn™ network to stay connected, access conveniently essential tasks including banking, telehealth and working remotely.

Research on affordability has found:

- seven in eight nbn™ network users surveyed reported no concerns with the affordability of their nbn™ service

- the average weekly Australian household spend on services over the nbn™ network is lower than the spend on other household essentials including water and electricity.

For further details on the value and affordability of the nbn™ network, see:

- [Accenture Consumer Value Report 2021](#)
- [Consumer affordability of nbn™ services.](#)

Supporting digital inclusion and capability in regional, rural and remote communities

NBN Co is committed to connecting more regional homes and businesses to high speed broadband. This is critical to enable access to educational, health, social connection, employment and other economic opportunities.

The company's Regional Development and Engagement (RDE) team, established in 2019, is supported by a dedicated engagement team, nbn™ Local, which has regionally based members who live and work in their local community. The team plays a digital advisory role for regional Australians through targeted programs and events that drive digital engagement.

In FY21, NBN Co worked with different levels of government to proactively install emergency response connectivity solutions in regional and remote areas. Digital capability training and information sessions with culturally and linguistically diverse community members, seniors and other vulnerable groups were also conducted.

In FY21 NBN Co established a \$300 million fund to co-invest with governments and local councils to further enhance broadband services in regional and rural areas. The fund's application process has opened to all levels of government seeking to co-invest in regional broadband upgrades. [For details on this fund in the Corporate Plan period FY22 to FY25, see the 2022 Corporate Plan.](#)

To read more about actions that aim to support the economic and social wellbeing of people living in regional and remote areas, see the:

- [NBN Co website](#)
- [NBN Co blog.](#)

In FY22 and beyond, NBN Co will continue direct engagement with additional Community Ambassadors and education and awareness campaigns, in vulnerable communities, and across segments including agriculture, business, arts, education, health, tourism and First Peoples.

Our commitment to First Peoples

*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**TM network for First Peoples.*

The Company launched its fourth [Reconciliation Action Plan \(RAP\)](#) in November 2020 with an increased emphasis on connecting more communities, delivering customised product offerings and educational programs to lift digital literacy.

As at the end of June 2021, a little over six months into two years of RAP IV, 32 of 118 actions were completed and 22 are in progress. FY21 key achievements included:

- connecting 32 remote First Peoples communities, against a target of 30. Additionally, NBN Co also enabled ongoing connectivity for 20 communities with a significant First Peoples population, as part of an emergency response to COVID-19 restrictions
- collaborating with key government and peak industry bodies to improve telehealth capabilities and digital capability for Indigenous arts centres
- launching Liakukana Connect, an internal network to bring NBN Co's First Peoples employees together and support mentoring and leadership growth opportunities
- launching the LAKUN team, which consists of internal action owners and champions from different business units, to build awareness around the Company's reconciliation journey and support NBN Co in delivering on its First Peoples strategy and RAP actions

- celebrating NAIDOC and National Reconciliation week with daily events, including the launch of the Company's fourth RAP and an inaugural Welcome to Country performed at NBN Co's North Sydney offices
- direct and indirect Indigenous procurement spend of over \$11m.

In addition, in July 2021 the company announced a new partnership with Jawun, an innovative non-profit that places secondees from Australia's leading companies and government agencies into Indigenous organisations in regions across Australia.

Partnering with Jawun allows NBN Co to contribute to increasing the capacity of First Peoples leaders, organisations and communities to achieve their own development goals. This in turn leads to lasting, material and measurable improvement in the lives of First Peoples living in those communities.



UN SDG contribution



4. Quality education

Customer safety

It is crucial 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 connectivity.

How customer safety is managed

Robust processes and industry agreements are in place to help manage migration activities and support the ongoing connectivity customers rely on.

In FY21 these processes included enabling Medical Alarm owners to register on the Company's Medical Alarm Register and Fire and Lift services owners to register on the Company's Fire and Lift Register, which allows them to receive assistance from NBN Co in their migration off the legacy network. NBN Co continued to support

Priority Assistance customers as well as providing the Unmonitored Medical Alarm Upgrade program. This provides financial assistance to owners of eligible Unmonitored Medical Alarms, to upgrade their device to a mobile network enabled device.

NBN Co also has processes and controls to manage hazards to the health and safety of members of the public during build and connection activities, including ongoing COVID-19 safe work protocols.

Enabling economic opportunities

Access to fast, reliable and resilient broadband has never been more important for individuals, communities and businesses across Australia. Providing a network that enables everyone to participate in the digital economy is core to NBN Co's purpose.

The Company's network investment plan supports the digitisation of Australian businesses, including significant investments to help deliver enhanced digital capabilities that support business innovation, productivity and growth.

Since the release of the Corporate Plan 2021, 284 nbn™ Business Fibre Zones have been created, enabling more than 850,000 business premises across Australia, to access Central Business District pricing by RSPs for business-grade broadband services. This initiative is helping to level the business playing field so small and medium businesses can access the advantages of bandwidth-intensive applications such as online collaboration and cloud-based tools.

In addition to the 284 established zones, NBN Co has created a \$50m co-investment fund to engage state governments and local councils to create future Business Fibre Zones.

NBN Co is also supporting businesses in regional areas through the business nbn™ Satellite Service (BSS).

In March 2021 NBN Co announced BSS coverage would be expanded to cover 100 per cent of the Australian mainland and surrounding large islands. This will help RSPs deliver business-grade services to businesses with hard-to-reach remote operations. These include medium and large businesses and government organisations in sectors such as mining and resources, oil and gas, emergency services, forestry, construction, education, agriculture, tourism and healthcare.

It is critical for NBN Co to operate in a financially sustainable way so it can continue to meet its financial obligations and generate a sufficient return that enables reinvestment in its network, operations and people. [For details on how NBN Co manages the Company's financial sustainability, see the Annual Report 2021.](#)



UN SDG contribution



8. Decent work and economic growth



9. Industry, innovation and infrastructure

The nbn™ network

A resilient nbn™ network, and the people, processes and systems supporting it, is fundamental to lifting the digital capability of Australia.



Material topic and objective

Resilient network – operate a trusted, secure and reliable network to provide all Australians access to the essential infrastructure they need

Value created



Australia's digital backbone



Customer experience and industry enablement



Environmental responsibility

FY21 performance

Network investment plan progress

(see 2021 Annual Report)

Average network availability¹

99.96%

Key actions

Network reliability and resilience

- Network operations and maintenance activities
- Emergency preparedness and response
- Converged security model including physical, cyber and privacy functions
- Business resilience programs
- Network innovations to support climate resilience
- Power Centre of Excellence to drive sustainable engineering solutions for network power use and be the primary interface with national power distributors to drive energy requirements critical to the nbn™ network

Network investment and innovation

- Design and construction commenced on NBN Co's \$4.5 billion network investment plan
- Long-term network and systems technology strategy

Future focus

- Continue to operate a reliable, fast, resilient and secure network
- Focus on power reliance
- Increase collaboration with RSPs to deliver excellent customer experience

1. Refer to footnote 1 on [page 15](#).

Keeping our network reliable and resilient

COVID-19 and extreme weather events have tested the nbn™ network like never before. The nbn™ network needs to remain reliable and resilient to support the broadband needs and expectations of people across Australia and provide an acceptable level of service when faced with challenges to normal operations.

How NBN Co keeps the network reliable and resilient

The nbn™ network has demonstrated itself to be highly resilient in the face of challenges such as COVID-19, power loss, and extreme weather. Network availability¹, which itself measures how available the nbn™ network is to its customers, remained consistently high in FY21. NBN Co sets out a target of 99.90 per cent availability each month, however the Company manages the nbn™ network to an internal stretch target of 99.95 per cent as it recognises the inherent link between network availability and customer satisfaction.

To manage and protect the nbn™ network, the Network Management Centre is accountable for a range of operational processes including monitoring, issues diagnostics and restoration of the nbn™ network to ensure it is available 24/7 for all connected Australians. During the ongoing impact of COVID-19, the nbn™ network remained available by proactively delaying certain planned works on the nbn™ network during lockdown periods.

NBN Co also has mature processes and systems to prepare for and respond to widespread weather events and natural disasters.

The Company's emergency management framework includes a dedicated emergency response team that identifies and protects critical nbn™ network assets and works with emergency services to develop incident response plans and recover the nbn™ network as quickly as possible. The Major Incident Management team, who operate 24/7, receive and act on bushfire emergency warning messages. The framework also includes nbn™ network activities to restore services to customers and communities impacted by natural disasters.

To provide temporary backup when nbn™ network assets have been severely damaged and extended outages are anticipated, NBN Co deploys Temporary Network Infrastructure (TNI). TNI is also used to support emergency services and communities while increasing network resilience to physical climate change risks.

The TNI equipment includes:

- **Network/Wireless on Wheels** – compact, easily towed trailers that can replace damaged equipment in a telephone exchange or a Fixed Wireless tower while permanent repairs are completed
- **Road Muster trucks** – Sky Muster™ satellite dish-equipped vehicles that can provide a valuable Wi-Fi connection for emergency workers and evacuated residents, along with the ability to display important information on their external LCD screens
- **Portable Satellite communication kits** – used where no other communications services are available and to support emergency services in disaster situations
- **Hybrid generators** – custom-built generators that utilise more sustainable primary power sources, such as solar energy, and can switch to diesel in periods of low solar energy uptake to ensure continuity of service.

To read more about how [NBN Co responded to major events in FY21, including Cyclone Seroja in Western Australia and floods in New South Wales](#), see the posts in [NBN Co's blog](#).

NBN Co adopts the 'all-hazard' approach to business resilience, seeking to prevent, prepare, respond and recover from disruption events, regardless of cause. During FY21, NBN Co used this approach to respond and recover from not only extreme weather events, but also COVID-19 impacts to both office and field-based staff and customers, and the introduction of a new workforce scheduling system. For further details on the challenges presented by this issue, see the [2021 Annual Report](#).

Emergency Management and Community Response

Specific actions that have supported communities during extreme weather events and natural disasters include:

Rolling out the nbn™ Disaster Satellite Service across the country, as part of the Australian Government's Strengthening Telecommunications Against Natural Disasters (STAND) package – [see the Company's website for further details](#)

- Emergency preparedness and response education campaigns.

[For an example of how NBN Co reconnected a community following the devastating 2019/2020 bushfires, see the NBN Co website.](#)

UN SDG contribution



13. Climate action



9. Industry, innovation and infrastructure

1. Refer to footnote 1 on [page 15](#).

Network performance

Network availability, which measures how available the nbn™ network is to its customers, is a key network performance measure. The metric assesses all the downtime experienced by customers due to both unplanned network outages and single service faults, and calculates the percentage of network uptime based on the number of active services connected to the nbn™ network.

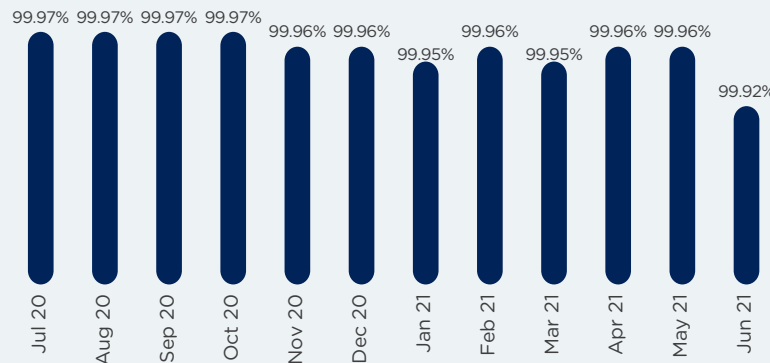
Network availability remained consistently high in FY21, despite challenges such as COVID-19, extreme weather events and power loss.

In FY22, NBN Co will focus on resilience, security, and sustainability through network design processes.

To minimise the impacts of power loss, NBN Co will look to invest in Point of Interconnect (POI) on Wheels, solar hybrid power cubes and Temporary Network Infrastructure. The company-wide climate change risk assessment will also consider power supply impacts (see page 20). To support service outage prevention, NBN Co will work to reduce the power reliance risk to the nbn™ network by looking at power resiliency with external stakeholders.

In addition, the new Power Centre of Excellence will enable and deliver a cohesive power strategy across the Company, centralising all activities that support the performance and availability of the nbn™ network, create a pathway to reduce power demand and supply of the nbn™ network, and support the shift to on-site renewable energy use to support power reliability and reduce carbon emissions. The Power Centre of Excellence will also work with power and utility providers to minimise power loss impacts on the nbn™ network and its customers.

Network availability¹ across FY21



Average network availability

99.96%
July 2020 to June 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 and provides 24/7 monitoring.

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 FY22 and beyond, NBN Co will continue to invest in security resources and capabilities to ensure the network remains secure and reliable.

¹ Network availability is defined as the 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.

How focus on a resilient network supports customer experience

*People across Australia expect the broadband services provided by the **nbn**TM network to be available and perform to an acceptable level when they need it. When these expectations are not met, customer experience can be negatively impacted.*

How NBN Co manages customer experience

NBN Co maintains a company-wide focus on improving customer experience from connection to daily use, the reliability of the network, and the rapid resolution of any service incidents.

In FY21 this included work on outage communications and management. NBN Co conducted research on how planned and unplanned outages impact customers and considered information from RSPs on what customers care most about when they are impacted by an outage, to inform a new outage communications strategy.

To minimise the impact of interruptions to customers from planned and unplanned outages, NBN Co's focus is reducing the volume and frequency of day outages, which can affect those customers working from home. NBN Co will continue to evolve its approach to outage management, including end-to-end communication management with the industry to support customers in the event of planned and unplanned network outages.

Over the period of the 2022 Corporate Plan, NBN Co will continue to implement initiatives, in collaboration with industry and regulators, to support customer experience. This includes working with RSPs to address customer dissatisfaction in the assurance process, and developing and delivering tools to help RSPs better support customers. For further details, see the [2022 Corporate Plan](#).

Investment and innovation to support the resilience and capability of the **nbn**TM network

*Reinvestment and innovation are critical to the ongoing resilience and reliability of the **nbn**TM network so it continues to meet Australia's needs. Maintaining resilience in the longer term also relies on evolving **nbn**TM network capabilities to meet changing customer needs.*

NBN Co's approach to investment and innovation

NBN Co's network investment plan details how the **nbn**TM network will evolve and grow to meet the challenges of the next decade.

In FY21 this included building fibre deeper into parts of the FTTN and FTTC footprints of the **nbn**TM network. This not only improves the availability of NBN Co's highest wholesale speed plans in the fixed-line network, but can also improve energy efficiency, and increase network resilience by decreasing the sensitivity to power outages, particularly during extreme weather events.

Over the long-term, the evolving technology landscape offers significant opportunities for NBN Co to improve beyond its current state. To help understand and incorporate emerging technologies and network/systems improvements in investment planning, NBN Co has an active innovation program of investigations and industry partnerships.

Formal partnerships with universities, peer network operators, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), key network and systems suppliers and global technology standards bodies extend NBN Co's ability to explore emerging technologies, and their long-term applicability to the **nbn**TM network. A formal collaboration agreement with CSIRO has provided opportunities for NBN Co to participate in studies of national significance, such as research programs to inform emerging policy and industry development in the COVID-19 environment.

NBN Co continues to explore the next generation of access technologies to help determine their suitability as pathways to evolving the **nbn**TM network over the long term.

These investigations assess capabilities, including the ability to deliver peak speeds above 1 Gbps, studying 5G antenna properties, to inform future 5G deployment and understanding emerging service delivery architectures as future options for managing increased data consumption and application demands.



UN SDG contribution



9. Industry, innovation and infrastructure

Environment

Reducing emissions and addressing climate risks, protecting the environment and cultural heritage, and reducing waste are fundamental to NBN Co managing its environmental impact.

Material topic and objective

Climate action – reduce emissions and address climate risks to support a more sustainable business, network and low carbon Australia

Value created



Environmental responsibility



Sustainable financial growth



Australia's digital backbone



A safe, inclusive and engaged workforce



Customer experience and industry enablement

FY21 performance

Seven of eight initiatives planned in the three-year carbon reduction program completed or nearing completion. Initiatives include the Company's first renewable power purchase agreement ([see 2021 Annual Report](#)).

Alignment with Taskforce on Climate-related Financial Disclosures (TCFD)

Commenced climate change risk assessment to support disclosures in alignment with TCFD recommendations

Total scope 1 and 2 emissions

329 ktCO₂-e

Waste diversion rate

52%

Key actions

Energy efficiency and greenhouse gas emissions

- Carbon reduction target and program, inclusive of renewable Power Purchase Agreement and energy efficiency projects

Climate risk

- Company-wide climate change risk assessment

Environment and cultural heritage protection

- Health, Safety and Environment Management System and Indigenous Cultural Heritage Framework

Waste management

- Waste minimisation program

Future focus

- Implement a new Towards-Zero Carbon Ambition and three-year roadmap towards zero emissions, inclusive of:
 - further addressing energy efficiency in the nbn™ network
 - furthering renewable energy purchasing opportunities
- Continue company-wide climate change risk assessment
- Implement waste audit findings to improve waste diversion from landfill

Managing NBN Co's energy use and emissions impact

NBN Co has a responsibility to manage its energy consumption and reduce its greenhouse gas emissions.

NBN Co's emissions profile

NBN Co's energy use and emissions have increased in line with the growth of the nbn™ network and connection of customers across Australia.

The evolution of the nbn™ network, through the network investment plan, is expected to initially increase energy use, before enabling long-term reductions in power demand, with the transition to more energy efficient technologies.

NBN Co emissions come primarily from electricity use (scope 2), the majority of which is related to the nbn™ network itself. NBN Co uses electricity across the country, drawing directly from the electricity grid or via property owners. Direct (scope 1)¹ emissions are much smaller and mostly attributable to diesel use by NBN Co's fleet of leased vehicles. Non-reportable sources of indirect emissions arise from NBN Co's supply chain, nbn™ network equipment at customer premises, and waste generation.

In FY21 the Company's energy use was 1,515,814 GJ. Total scope 1 and 2 combined emissions were 328,833 tCO₂-e.

Scope 1 emissions decreased from FY20, to 3,962 tCO₂-e, reflective of a reduction in fuel consumption for NBN Co's leased vehicle fleet. Scope 2 emissions increased from FY20, to 324,871 tCO₂-e, in line with the continued growth of the nbn™ network and connection of customers.

[For further details on historical energy use and emissions, see the 2021 Annual Report.](#)

NBN Co has reported its emissions under the *National Greenhouse and Energy Reporting Act 2007* (Cth) (NGER) since FY15. [For further details on NBN Co's assurance approach for this data, see page 33.](#)

How NBN Co manages its energy use and emissions impact

To support the management of the Company's energy use and emissions impact, in FY20 a program was established 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 program aims to decrease emissions against a forecast business-as-usual scenario. A total of eight initiatives are included in the current program, of which seven have been completed or are nearing completion.

The reductions from this program, include scope 1 and 2, and some scope 3 emissions (from employees and end-user devices), with projects aiming to reduce energy consumption and increase the use of renewable energy. Updates on carbon reduction projects are provided quarterly to the Executive Committee and periodically to the Board.

In FY21, the Company developed a 10-year energy forecast baseline. This model is being used to assess the energy and carbon benefit or impact of major new technology and engineering decisions.

Energy efficiency

By understanding how and where energy is used across the nbn™ network and facilities, NBN Co can identify efficiency opportunities achievable within the operational control of the Company. In FY21 this included:

- turning off more than 17,000 inactive line cards in the nbn™ network that will save over 2 GWh of electricity use per year. An automated process is used to power line-cards so they consume power only when needed, reducing operating temperatures and extending the lifetime of the line cards
- installing more than 1,000 LED lights across Transit Aggregation Nodes and Depots (TANDs).

Renewable energy

While NBN Co employs a range of opportunities for energy efficiency, its energy use is still substantial and projected to grow. Therefore, the most significant opportunity to reduce the Company's greenhouse gas emissions is the source of electricity used to power the nbn™ network.

Supporting renewable energy sourcing, NBN Co has entered into an 80 GWh p.a. renewable energy power purchase agreement. This will support the development of a new solar farm in New South Wales. For further details, see:

- [2020 Sustainability Report](#)
- [2021 Annual Report.](#)

NBN Co also generates renewable energy on site at many of its larger facilities. In FY21, this included installing additional solar panels at six facilities to provide over 500 kW of power.

Solar energy was also integrated within Temporary Network Infrastructure (TNI) to power equipment and charge batteries.

UN SDG contribution



13. Climate action



9. Industry, innovation and infrastructure

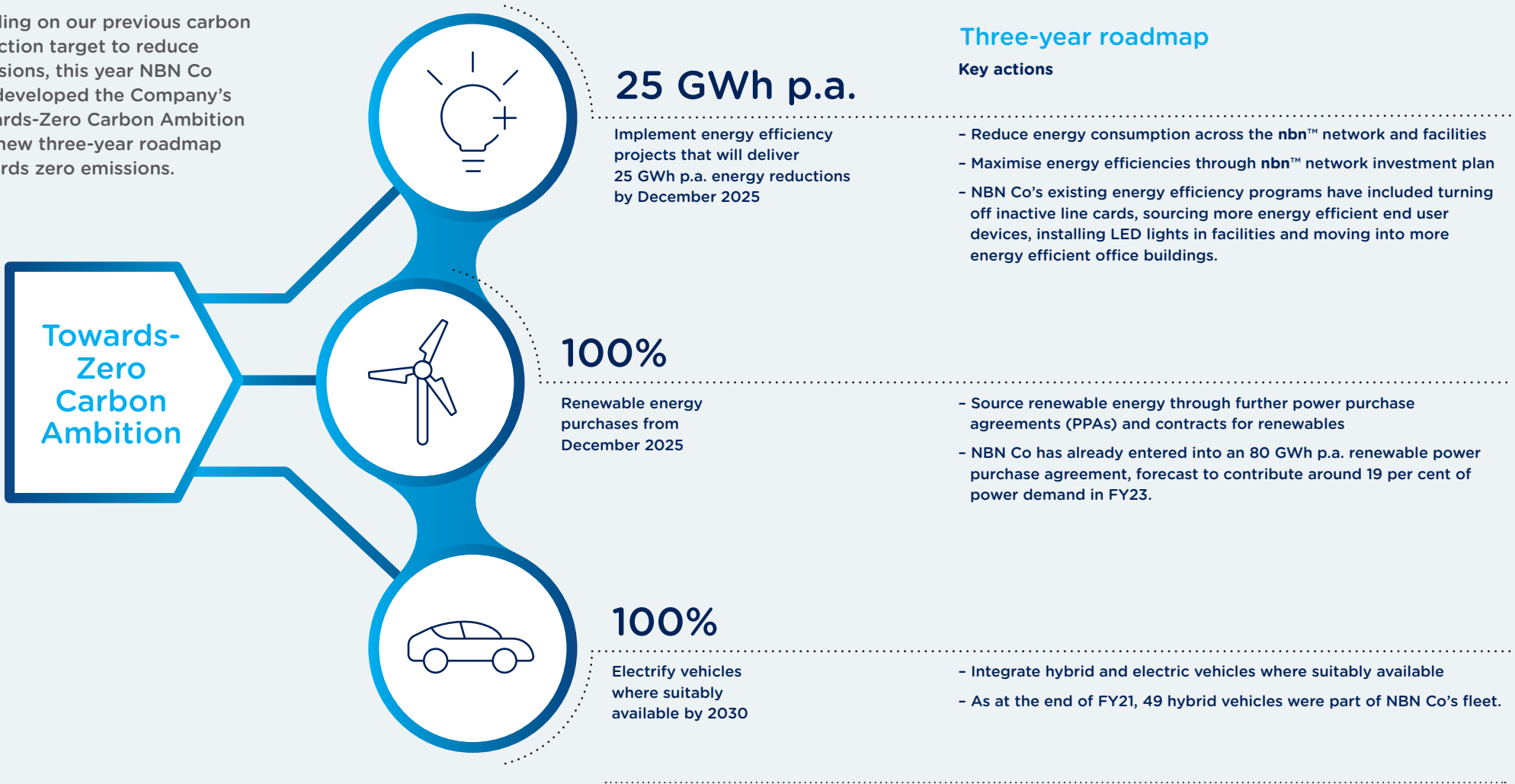


12. Responsible consumption and production

1. Scope 1 emissions as defined in the *National Greenhouse and Energy Reporting Act 2007*.

Towards-Zero Carbon Ambition

Building on our previous carbon reduction target to reduce emissions, this year NBN Co has developed the Company's Towards-Zero Carbon Ambition and new three-year roadmap towards zero emissions.



25 GWh p.a.

Implement energy efficiency projects that will deliver 25 GWh p.a. energy reductions by December 2025

Three-year roadmap

Key actions

- Reduce energy consumption across the nbn™ network and facilities
- Maximise energy efficiencies through nbn™ network investment plan
- NBN Co's existing energy efficiency programs have included turning off inactive line cards, sourcing more energy efficient end user devices, installing LED lights in facilities and moving into more energy efficient office buildings.

100%

Renewable energy purchases from December 2025

- Source renewable energy through further power purchase agreements (PPAs) and contracts for renewables
- NBN Co has already entered into an 80 GWh p.a. renewable power purchase agreement, forecast to contribute around 19 per cent of power demand in FY23.

100%

Electrify vehicles where suitably available by 2030

- Integrate hybrid and electric vehicles where suitably available
- As at the end of FY21, 49 hybrid vehicles were part of NBN Co's fleet.

In FY22, NBN Co will also develop a strategy for indirect emissions associated with the Company's products and supply chain (scope 3 emissions).

Managing climate change risks

Climate change is likely to expose the nbn™ network, business, supply chain, customers, communities and workers to more frequent extreme weather events, such as floods, cyclones and bushfires. These events can negatively impact worker safety, network performance, reputation and operating costs.



Governance

- The executive-led Sustainability Governance Committee has oversight over actions within the Company's Sustainability Program
- NBN Co's key corporate risks, including nbn™ network, business operations, and systems resilience to adverse events like extreme weather, are reported to the Executive Committee quarterly and Audit and Risk Committee and Board biannually
- Management and staff play a key role in identifying, assessing and managing business risks, and will participate in the Company's climate change risk assessment.



Strategy

- As part of NBN Co's Sustainability Program, in FY21 a company-wide climate change risk assessment commenced. This will include analysis to identify physical and transitional risks and opportunities under three different climate scenarios. The analysis will include key hazard mapping to assess the impact of riverine and overland flooding, extreme wind and heat, fires, coastal inundation, soil movement and power supply impacts
- Once completed, it will inform further climate mitigation actions and adaptation planning for network resilience, management of financial risks and opportunities, and integration into business risk management activities.



Risk management

- NBN Co's risk management processes include consideration of resilience and responding to extreme weather risks
- In FY22, the company-wide climate change risk assessment will use analysis provided by the XDI (Cross Dependency Initiative) platform. This platform will support visualisation of the quantified future financial and operational risks that climate change driven extreme weather events like flooding, fire, storms and cyclones will have on NBN Co infrastructure
- Actions supporting adaptation to physical climate risks include NBN Co's business resilience framework, further enhancement of the Company's readiness capabilities including deploying several disaster response solutions to ensure communications and power resiliency across the country, and continual improvements in Temporary Network Infrastructure (TNI).



Metrics and targets

- To support and further mitigate NBN Co's emissions impact, the Company established a carbon reduction program in FY20 ([see page 18](#))
- In FY21, NBN Co developed a new, long-term carbon reduction strategy and plan
- The climate change risk assessment will further define metrics and targets relating to the Company's physical and transitional risks and opportunities
- For NBN Co's energy use and emissions profile (including scope 1 and 2 greenhouse gas emissions) [see page 18 of this report](#). For network availability performance see [page 15](#).

UN SDG contribution



13. Climate action



9. Industry, innovation and infrastructure

NBN Co provides critical national communications infrastructure. To support the resilience of the network and the individuals, communities and businesses that rely on it, the Company needs to understand and proactively manage the risks of climate change.

NBN Co aims to align risk management processes and reporting with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Protecting the environment and cultural heritage

The construction, operation and maintenance of the nbn™ network has the potential to adversely impact natural environments and cultural heritage values. Key risks from construction activities associated with the network investment plan include harm to flora and fauna or cultural heritage values, generation of solid and liquid wastes, and pollution.



How NBN Co protects the environment and cultural heritage

NBN Co's approach to environment protection is supported by its Health, Safety and Environment Policy, which is reviewed annually and approved by the Board, and the integrated Health, Safety and Environment (HSE) Management System, which is certified to ISO 14001:2015 Environmental Management Systems. The Company's Indigenous Cultural Heritage Framework includes policies and supporting documents relating to protecting places and sites of cultural significance.

The HSE Management System includes processes and controls that outline environment and cultural heritage protection requirements at all stages from network planning, design and construction through to operation and maintenance. Metrics related to environmental incidents, and assurance activities are reported monthly to the HSE leadership team. The Board receives monthly updates on key HSE metrics, risks and improvement initiatives. [For further details on the HSE Management System, see page 26.](#)

To monitor compliance with risk management controls, NBN Co undertakes activities including in-field inspections. At the network design and planning stage, due diligence is applied to identifying areas of Indigenous and non-Indigenous cultural heritage, and of environmental significance. In FY21 this process was simplified to enable Delivery Partners to fulfill NBN Co requirements more efficiently for identification and mitigation of harm to environment and heritage values.

Environment and cultural heritage protection performance

As the volume of construction activity decreased, the overall number of environment incidents fell in FY21. The most common types of incidents related to release of waste from work activities. In FY21, there were no fines, prosecutions or official cautions issued under environmental or cultural heritage regulations, and no notable environmental or cultural heritage incidents.

In FY22 NBN Co will continue to work with Delivery Partners to meet its environment protection requirements for construction and site operations. The Company's assurance approach will shift to process audits to verify the controls for primary environmental issues such as asbestos containing material disposal and sediment control from civil works. NBN Co will also lift the HSE capability of the internal field workforce so they are better informed and more confident in their ability to manage interactions on HSE matters with Delivery Partners. The program aims to include face-to-face infield coaching, ride-alongs, and training.

UN SDG contribution



11. Sustainable cities and communities

Managing the impact of our waste

The evolution, operation and maintenance of the nbn™ network generates waste including construction wastes, scrap network cable, batteries and e-waste, that needs to be managed to minimise impact on the environment and community.

How NBN Co manages waste

Waste management is integrated into NBN Co's HSE Management System, through a Waste Management Procedure. This is supported by a waste minimisation program. In FY21, the waste minimisation program focused on:

- establishing and improving dedicated recycling services for:
 - e-waste and metals wastes, and end-of-life lead-acid and lithium batteries collected at TANDs
 - redundant Fixed Wireless customer network termination devices in regional areas
- establishing e-waste collection services in selected corporate offices.

Waste data is used to identify sites where there are opportunities to improve waste management practices. This was used in FY21 to prioritise sites in Queensland, New South Wales and Victoria for conducting waste audits. These audits identified opportunities to improve bin and signage locations, new waste services and to increase worker awareness. Changes to expand and optimise recycling services based upon the audit findings will be implemented in FY22.

Waste management performance

The waste diversion rate for FY21 (based on a 12-month rolling average) was 52 per cent, against a target of 55 per cent. The sites and waste streams included in this metric were broadened in FY21 and capture waste from NBN Co operational sites, depots and select offices, for which there is complete and reliable data.

Although the Company fell slightly short of its target, the diversion rate improved on the FY20 result (49 per cent). Factors that limited the amount of waste diverted from landfill included locations of bins, lack of diversion services for soft plastics and worker awareness of recycling practices. These factors will be a future focus of waste management practices.

FY21 waste summary - waste recycled and waste to landfill¹

Waste type	Amount recycled (metric tonnes)
Batteries - all chemistries including lead acid batteries	71.91
e-waste	2.47
Technical waste - scrap metal, cable	0.28
Cardboard/paper	57.25
Commingle	16.44
Other ²	0.08

Waste type	Amount to landfill (metric tonnes)
General waste	70.39
Total waste (metric tonnes)	219

1. Not all data for waste recycled and sent to landfill is captured in the waste diversion rate, as this metric only captures waste from a select number of NBN Co sites. The waste summary table includes data captured across these specific NBN Co sites plus NBN Co corporate offices. For NBN Co corporate offices, waste data is limited to specific waste streams such as cardboard/paper.

2. 'Other' includes waste that makes up less than 1 per cent of total waste recycled.

UN SDG contribution



12. Responsible consumption and production

People

NBN Co's people are central to delivering the Company's purpose. To create a purpose-led and inclusive workforce, NBN Co focuses on creating practices where diversity, safety and wellbeing are valued.



Material topic and objective

Diversity and inclusion – set the example of a diverse, inclusive and healthy workforce, with a strong culture, purpose-driven people and high level of engagement

FY21 performance

Employee engagement

76%

Female representation in management

33%

Frequency of HSE incidents with the potential to cause serious harm

0.7

Total Recordable Injury Frequency Rate (TRIFR)

2.2

Gold Employer, Australian Workplace Equality Index

Gender pay gap of less than one per cent as at 30 June 2021

#14

Debut ranking in Australian Association of Graduate Employers (AAGE) top 75 Graduate Employers

Value created



A safe, inclusive and engaged workforce

Key actions

Culture and engagement

- Leadership, engagement and learning and development programs

Diversity and Inclusion

- Diversity and Inclusion strategy, policy and initiatives

Safety, health and wellbeing

- Health, Safety and Environment Management System, Critical Controls, myWellbeing program and Mentally Healthy Workplace Strategy

Future focus

- Purpose-led engaged workforce to attract and retain key talent
- Critical future skills, leadership development, and meaningful work through a variety of career pathways
- Target 40 per cent female representation in management roles by 2025
- Further collaboration with Delivery Partners to reduce incidents and injuries in the field
- New and expanded initiatives designed to prevent psychosocial hazards in the workplace
- Review and update of Mentally Healthy Workplace Strategy

Building an engaged and purposeful workforce

NBN Co's people are central to how the Company delivers on its purpose to lift the digital capability of Australia.

How NBN Co builds an engaged and purposeful workforce

NBN Co's ambition is to be a purpose-led organisation, and a great place to work for its employees. The Company's strategy continues to focus on building capability, diversity, and a values-led culture, while striving to remain in the top quartile of global companies for employee engagement.

NBN Co uses strategic workforce planning to ensure the workforce has the critical capabilities needed to deliver its purpose and strategy.

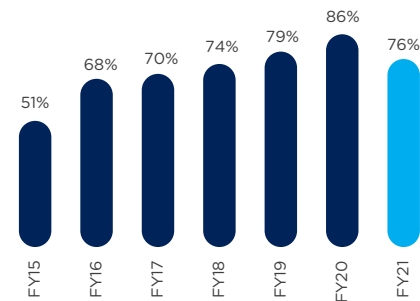
The Company focuses on the wellbeing of its people and providing a safe and inclusive working environment that respects and supports the diverse backgrounds and perspectives of all employees, and the communities the Company serves. NBN Co also seeks to create an environment where it is safe to speak up and teams work together to solve problems and innovate to achieve the Company's purpose and objectives.

NBN Co understands the importance of being recognised as a purpose-led company, with a strong commitment to sustainability. For the first time in 2021, the Company's FY21 employee engagement survey included two factors to measure this sentiment: 77 per cent of employees provided a favourable response recognising NBN Co as being a purpose-led company, and 79 per cent of employees provided a favourable response to the Company's commitment to sustainability.

For details on NBN Co's workforce, including breakdown of employees, see the [2021 Annual Report](#).

NBN Co continues to measure employee engagement through an annual employee engagement survey, supplemented by an abbreviated 'pulse' survey every six months. NBN Co's 2021 employee engagement survey, conducted in June 2021, achieved an engagement score of 76 per cent. This remains a significant achievement given the complexity of leading a transformation process and workforce change during the COVID-19 pandemic. NBN Co is committed to being a great place to work and will continue to focus on its people's ambition and drive to deliver great products and services, while simultaneously dealing with the challenges of COVID-19.

Employee engagement historical trend



Early career development at NBN Co

Since 2013 NBN Co has run a graduate program, to support the Company's recruitment and talent growth. This program aims to provide graduates with exposure to a range of stimulating programs of work and varied roles across the Company. Graduates are matched to roles aligning with their area of study and are supported by a senior mentor, rotational leader and alumni graduate. Graduates are also supported by various learning programs.

In FY21 the Company received its first graduate employer ranking, debuting at a credible 14 in the Australian Association of Graduate Employers (AAGE) top 75 Graduate Employers. The survey is completed anonymously, and graduates are asked to rate their employer on factors relating to their experience through induction, training and development, the quality of work and company culture.

As part of the Company's commitment to diversity and First Peoples, NBN Co offers an internship program in partnership with Career Trackers which also aligns to the Company's graduate and scholarship programs. The Company has also built external relationships and partnerships to support females in STEM (Science, Technology, Engineering and Maths) careers.

NBN Co provides ongoing learning and development opportunities to employees, including skills development, study assistance for professional development and qualifications, and access to learning libraries for technical and people leadership capabilities.

UN SDG contribution



4. Quality education

The importance of a diverse and inclusive workforce

NBN Co serves the entire Australian population, and to be a customer-led organisation, its employee base needs to mirror that population. This is also critical to enable the Company to fulfil its purpose of lifting the digital capability of all Australians, regardless of geographic location or socioeconomic background.

NBN Co understands greater diversity and inclusion leads to higher employee engagement and stronger business performance through the attraction and retention of employees with diversity of thought. NBN Co's approach to strengthening diversity and inclusion is guided by its [Diversity and Inclusion Policy](#), overseen by a Diversity and Inclusion Council comprising Executive Committee members. Key metrics and progress against initiatives are reviewed quarterly by the Council, and reported annually to the Board.

NBN Co has five diversity and inclusion pillars:

- Gender Equality
- Accessibility
- Cultural Diversity
- LGBTIQ+ Pride
- First Peoples.

Each pillar has an Executive Committee sponsor, and active affinity group.

Action is supported by specific plans, including the [Reconciliation Action Plan](#) (see page 11 for further details) and [Accessibility and Inclusion Plan](#), which have an external focus on community as well as an internal focus on employees and contractors.

In recent years, the Company has shifted from a programmatic approach of initiatives towards a leader-led sustainable culture change, achieved by building the understanding and awareness of leaders. Inclusion has been added as both a skill and a behaviour to the Company's core leadership practices, values and signature behaviours. Also, there has been a focus on building inclusive leadership capability through education.

In FY21, NBN Co reviewed and updated a number of policies, procedures and internal communications across the organisation to embed inclusive principles and language. This included developing a new Workplace Adjustments Procedure to better cater for employees, including Temporary Staff Augmentation (TSAs), with accessibility needs, a Gender Affirmation Workplace Policy including provision of an additional 20 days paid Gender Affirmation Leave for employees who are affirming their gender, and updates to the Flexible Working and Domestic and Family Violence policies.

The Company's people processes, such as recruitment and remuneration, are regularly reviewed to ensure diversity is factored into policies and practices.

[For further details on diversity and inclusion, see the 2021 Annual Report.](#)

Pillar	Selected FY21 highlights - see 2021 Annual Report for further achievements
Gender equality	Enterprise-wide virtual events for International Women's Day with over 1,800 attendees nbn™ Equals program shortlisted finalist in ACOMM Awards 2021 for diversity and inclusion
Accessibility	Implementation of Accessibility Inclusion Plan; trebled participation in the Accessibility Committee
Cultural diversity	Expanding the Cultural Diversity Committee and establishing a formal governance structure; awareness raising through communications program
LGBTIQ+ Pride	Significant policy updates including introduction of 20 days paid Gender Affirmation Leave for NBN Co employees; Gold Employer, Australian Workplace Equality Index
First Peoples	See page 11 for further detail

Diversity and inclusion performance

NBN Co evaluates performance in gender diversity through three key measures: female representation in management; female employee engagement; and female representation in graduate intake.

The Company reached 33 per cent female representation in management roles at 30 June 2021, and remains committed to increasing the participation of women in the workforce and achieving 40 per cent female representation in management by 2025.

Females scored 2 per cent higher on engagement in the FY21 employee engagement survey compared to males. Female representation in the Company's graduate intake was 25 per cent (below the target of 50 per cent).

As at 30 June 2021 NBN Co had a gender pay gap of less than one per cent.

In the FY21 employee engagement survey 81 per cent of employees provided a favourable response regarding diversity and inclusion at NBN Co.

In FY21, NBN Co was awarded Gold Employer status in the Australian Workplace Equality Index, a rigorous and evidence-based tool for benchmarking LGBTIQ+ Inclusion.

[For details on FY21 achievements in the First Peoples pillar, see page 11 of this report.](#)

[For further details on workforce demographics see the 2021 Annual Report.](#)

In FY22, NBN Co will continue to integrate diversity, equity and inclusion principles to ensure the Company is building teams that represent the diverse communities across Australia.

UN SDG contribution



5. Gender equality

Keeping our workforce safe

*NBN Co workers face health and safety risks during construction, operation and maintenance activities associated with the **nbn**™ network. The management of these risks is crucial to ensure the safety of every NBN Co worker and members of the public.*

How NBN Co manages worker safety

NBN Co has a robust approach to identify health and safety risks, develop and implement controls, and monitor their effectiveness through assurance and performance indicators. NBN Co's HSE Statement of Commitment and HSE Policy are operationalised in the business through the HSE Management System, which successfully transitioned its certification to ISO 45001 Occupational Health and Safety Management System in FY21.

To strengthen Delivery Partner health and safety governance processes, in FY21 the Company introduced:

- a new contractual key performance indicator on strategic contracts, the Delivery Partner HSE Confidence Score, to drive consistency and comparability in monitoring HSE across multiple Delivery Partners
- new assurance requirements to provide NBN Co increased visibility over Delivery Partner HSE assurance activities, findings and actions.

To further support internal workforce safety, in FY21 NBN Co implemented injury awareness and prevention campaigns, introduced new safe work procedures, training, and skills assessments for field workers, and HSE in design training and tools for engineering and build standards teams. Training, support mechanisms and awareness campaigns to support the physical and psychological health and safety of internal workers working from home, NBN Co locations and in the field during the pandemic was also implemented.

The ongoing impact of COVID-19 was monitored, with continued implementation of controls to protect office and field-based employees.

HSE Management System

Risk management	In accordance with legal and other requirements, HSE risks and obligations are identified, assessed, controlled and regularly reviewed. NBN Co implements the Critical Risk Controls to prevent or mitigate the most severe HSE risk events.
Hazard and incident management	Hazards and incidents are reported, investigated and corrective actions implemented, with hazard data and lessons learnt shared to inform further HSE risk reduction strategies.
Training, communication and consultation	Minimum HSE training requirements are in place for employees and contractors. HSE alerts and information updates are shared regularly, and worker consultative arrangements are in place.
Supplier and contractor management	HSE risks are managed during procurement through prequalification, selection and onboarding. HSE performance also forms part of ongoing contract governance.
Monitoring and assurance	Performance against HSE objectives and targets is continually monitored, and key HSE risks and controls undergo regular audits and inspections.

UN SDG contribution

- 8. Decent work and economic growth**
- 5. Gender equality**

Safe and respectful workplaces

NBN Co is committed to ensuring safe and respectful workplaces for all. In FY21 NBN Co conducted a review of existing policy, governance and response frameworks, focusing on the framework for workplaces provided in the Respect@Work report of the National Inquiry into Sexual Harassment in Australian Workplaces 2020. The Company identified opportunities to further strengthen prevention and response strategies to sexual harassment, including completing a health and safety deep-dive risk assessment.

NBN Co's commitment to providing an inclusive, safe and supportive working environment, is also 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. In FY21, as many employees continued working from home, NBN Co issued several communications and broadened the number of support officers available to employees who may be experiencing or being impacted by domestic or family violence.

Health and safety performance

For the third year in a row, NBN Co saw a reduction in the Total Recordable Injury Frequency Rate (TRIFR) for employees and contractors combined.

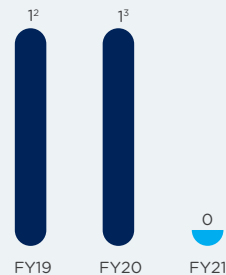
However, the TRIFR for NBN Co employees increased from 2.0 in FY20, to 2.4 in FY21, indicative of the changing nature of activities undertaken by the Company's internal workforce. Conversely, the TRIFR for NBN Co contractors fell from 2.9 in FY20 to 2.0 in FY21, indicative of a lower volume of construction activity, following the initial build of the nbn™ network.

For the third year in a row, 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. Compliance rates with HSE Critical Risk Controls remained consistently high across the Delivery Partner and internal workforce. No serious harm HSE incidents occurred in FY21.

To maintain focus on continual improvement in health and safety performance, in FY22 NBN Co will:

- further collaborate with Delivery Partners to reduce incidents and injuries in the field
- introduce new and expanded initiatives to prevent and reduce psychosocial hazards in the workplace
- embed new health and safety consultative arrangements
- review the HSE Management System to ensure it meets the changing operational requirements of the Company
- develop and embed a new suite of HSE metrics to support the goal of a developing and maintaining a positive and proactive HSE culture.

Serious harm HSE incidents¹



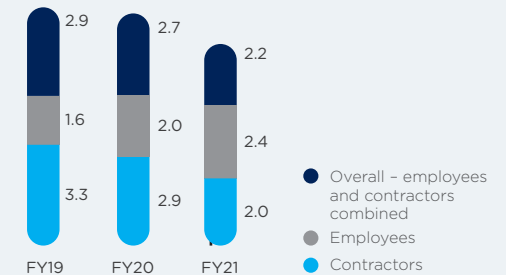
1 Serious harm HSE incidents are those resulting in a severe consequence such as a fatality or permanent disabling injury.
 2 In FY19 there was one serious harm HSE incident reported. This occurred in September 2018, when there was a fatal motor vehicle accident involving an NBN Co Delivery Partner subcontractor in Melbourne.
 3 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.

NBN Co overall frequency of HSE incidents with the potential to cause serious harm⁴



4 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.

TRIFR trending⁵



5 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.

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

With the transformation of NBN Co's organisation and workforce, and the ongoing challenges of COVID-19, the Company's focus on the physical and mental health and wellbeing of its employees has never been more important.

How NBN Co cares for employees' wellbeing

NBN Co's approach to managing the risks associated with physical and mental health and wellbeing is driven by the principles within the Company's HSE Policy, and implemented through the Company's myWellbeing program. The program includes NBN Co's Mentally Healthy Workplace Strategy, released in FY21.

The myWellbeing program includes access to the Company's Employee Assistance Program (EAP), providing services related to career, finances, relationships, legal, and lifestyle, and resources including videos and webinars on topics ranging from nutrition to mental wellbeing and stress management.

In FY21, the wellbeing program included a company-wide movement challenge to promote physical activity and a flu vaccination program. With many employees still working from home, face-to-face activities were limited, and support was provided to employees at an individual level through leader-led support or through the EAP. NBN Co also provided support to employees through the challenges of COVID-19 with ongoing wellbeing communications and increased promotion of the EAP, with significant take-up of services by employees throughout the year.

In addition, and in support of the community effort to increase vaccination rates, NBN Co allows employees to be vaccinated against COVID-19 during work time, without using personal leave.

To provide guidance and advice on how to further support the Company's employees during COVID-19, NBN Co has and will continue to engage with independent experts (as needed), and stay across any emerging physical or mental health issues or trends resulting from the pandemic experience.

The Mentally Healthy Workplace Strategy supports the implementation of NBN Co's Mental Wellbeing Policy, which outlines the Company's approach for creating and maintaining a mentally healthy workplace. In FY21, two learning modules were released, aimed at equipping people leaders with strategies to enable a mentally healthy workplace, and increasing mental health awareness across the Company's employees. RUOK Day was also promoted and supported.

The strategy will be reviewed and updated to ensure it aligns with new challenges that are being faced by employees.



UN SDG contribution



8. Decent work and economic growth

Business practices

Building trust with stakeholders requires an ethical, sustainable and well-governed NBN Co.

Material topic and objective

Transparent and accountable business – demonstrate our values through ethical and sustainable business practices to build trust with Australians

Value created



Environmental responsibility



A safe, inclusive and engaged workforce



Sustainable financial growth

FY21 performance

Alignment of external disclosures to global sustainability reporting frameworks

Sustainability Report informed by Global Reporting Initiative (GRI) Standards and includes contribution to UN SDGs

Evolution of our public reporting of performance metrics on our website

Published additional data transparency metrics during COVID-19 until January 2021

99%

completion rate for Code of Conduct Business Standards Training Module – calendar year 2020

No notifiable data breaches identified in FY21

Key actions

Transparency and accountability through disclosures

- Voluntary reporting against ASX Corporate Governance Principles
- Regulatory reporting
- Non-financial disclosures in corporate reporting including release of first Modern Slavery Statement
- External disclosures on NBN Co website, including monthly performance reporting

Corporate governance

- Corporate governance framework
- Employee Code of Conduct
- Whistleblower Policy

Privacy and data security

- Converged security model including physical, cyber and privacy functions

Ethical supply chain

- Supplier Code of Conduct and supplier due diligence processes

Future focus

- Prepare for external assurance over ESG disclosures
- Embed sustainability into business processes and programs
- Update ESG risk profile for NBN Co's supply chain
- Further strengthen modern slavery risk management processes

Improving transparency through disclosures

Information is an invaluable resource to support transparency, accountability and trust with NBN Co's stakeholders.

NBN Co's external disclosures

NBN Co recognises the importance of Environmental, Social and Governance (ESG) issues in stakeholder decisions, including those of investors.

To strengthen external ESG disclosures, NBN Co published its first Sustainability Report in January 2021. The Company's disclosures are guided by recognised global sustainability reporting frameworks and standards such as the Global Reporting Initiative (GRI) Standards 2016, Task Force on Climate-related Financial Disclosures (TCFD), and Sustainability Accounting Standards Board (SASB) Telecommunications Services Sustainability Accounting Standard.

External disclosures

Voluntary reporting against ASX Corporate Governance Principles

Although not a listed entity, NBN Co continues to report in alignment with relevant ASX Corporate Governance Principles within its Annual Report, which includes details on how the Company manages non-financial risks.

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.

Corporate reporting

Non-financial, including ESG, disclosures are included in Annual Reports, Corporate Plans and Sustainability Reports.

Public reporting of performance metrics on NBN Co 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'. In FY21 NBN Co continued its review of internal metrics, definitions and business rules to reflect the company's focus on customer experience, and published additional metrics during COVID-19 on network performance and throughput, to demonstrate the reliability and capacity of the network during a time of high digital dependency.

Corporate governance at NBN Co

To protect the interests of the Company's stakeholders, high standards of corporate governance are essential to NBN Co's long-term performance and sustainability.

The Board and its Committees have overall responsibility for corporate governance and have embedded a framework that enhances corporate performance to protect the interests of all key stakeholders. The Board regularly reviews its corporate governance policies and processes to ensure they are appropriate and align with Government, regulatory and legislative requirements, and market practice. Areas of specific responsibility include financial performance, setting strategy and overseeing its implementation, providing leadership and direction on workforce culture and values, and agreeing and overseeing the risk framework and risk appetite.

For further details on the Company's corporate governance structure, framework and practices, see NBN Co's [Corporate Governance Statement in the 2021 Annual Report](#).

Supporting NBN Co's sustainability governance and risk management, is the executive-led Sustainability Governance Committee. This Committee, consisting of six Executive Committee members, met quarterly in FY21 to oversee the implementation of the Sustainability Program. The Committee and the Sustainability Program will continue to support the integration of sustainability into business processes and programs in FY22 and facilitate reporting to the full Executive Committee and the Board.

Risk management

Risk management is fundamental to both governance and to address NBN Co's sustainability risks, issues and opportunities. NBN Co is committed to implementing robust risk management practices, with management and staff playing a key role in proactively identifying, assessing and managing their business risks. The roles, responsibilities and accountabilities in relation to risk are formalised through the Company's Risk Management Policy, underpinned by the Risk Management Standard, which sets specific requirements for how risks are identified, managed and reported for the attention of Management, the Executive Committee and the Board. [For further details on NBN Co's risk management approach, see the 2021 Annual Report.](#)

During FY21, NBN Co's key corporate risks evolved in line with the transformation of the Company and its capabilities to a customer-led wholesaler with a competitive cost base, digitally enabled processes and simplified technology environment.

[For further detail on NBN Co's key corporate risks, see the 2021 Annual Report.](#)

UN SDG contribution



12. Responsible consumption and production

Our Code of Conduct and values

The NBN Co Code of Conduct outlines the standards of behaviour expected at NBN Co. It is based on the Company's values:

- We are one team
- We deliver
- We are fearless
- We care.

NBN Co's values are critical in ensuring the company continues to be a great place to work and in encouraging employees to speak up, take accountability and own their actions. For more on the Company's values, see the:

- [2022 Corporate Plan](#)
- [2021 Annual Report](#).

The Code of Conduct'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 the potential termination of employment or engagement with NBN Co. Supporting the importance of the Code of Conduct, and to raise awareness amongst employees, annual training is completed through NBN Co's Business Standards Training Modules.

Business Standards Training Modules also reinforce NBN Co's values and ethical business practices. These cover topics including integrity, ethical responsibilities, communications responsibilities, discrimination, harassment, bullying, risk management and managing close personal relationships. NBN Co employees are required to complete these modules annually and progress is monitored to ensure timely completion. The Code of Conduct module training completion rate is reported annually to the Audit and Risk Committee, with a completion rate of 99 per cent reported for the 2020 calendar year.

The Company 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 (potential, actual or perceived) that have been disclosed to the Company; this is managed in accordance with NBN Co's legal obligations.

NBN Co also has an established formal Whistleblower Policy. [For further details, see the Corporate Governance Statement in the 2021 Annual Report.](#)

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 transparent approach to personal-information management, as outlined in NBN Co's Privacy Policy.

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 as needed or required by law.

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.

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.

For details on how NBN Co addresses cyber security threats, see the:

- [2022 Corporate Plan](#)
- [2021 Annual Report](#).

FY21 performance

There were no notifiable data breaches identified during FY21.

Key focus areas for FY22 will include policies and practices that mitigate risks to customer privacy, and protect against data breaches.



Ethical supply chain management

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

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

How NBN Co manages ethical supply chain risks

NBN Co's [Supplier Code of Conduct \('Code'\)](#) outlines the requirements for all suppliers to behave ethically and sustainably.

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, health, safety and environment, ethical behaviour and good business practices, and management systems.

In some circumstances NBN Co may require suppliers to complete self-assessments and/or an annual declaration to confirm their compliance with the Code. The Code outlines that suppliers must promptly notify NBN Co if they, or another party in their supply chain, become aware or reasonably suspects 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.

In FY21 NBN Co strengthened the Company's approach to management of ESG risks in its supply chain, through an inherent risk assessment. Key risk factors associated with NBN Co's suppliers' location and or industry were greenhouse gas emissions and climate change, indigenous peoples' rights, and corruption. This work will inform ESG risk profile updates for NBN Co's supply chain, and future associated management actions.

Modern slavery risk management

NBN Co's approach to the management of modern slavery risks is supported by governance, reporting and procedures. NBN Co's first Modern Slavery Statement (released in March 2021), outlined the Company's risk management approach and key modern slavery risks.

[See the Company's website for NBN Co's Modern Slavery Statements.](#)

Following the Company's FY20 modern slavery gap analysis, actions were implemented in FY21 to strengthen modern slavery risk management.

The most significant action undertaken was a risk assessment, with causation analysis, of the Company's supply chain and operations. This assessment, conducted by an independent third-party, identified NBN Co suppliers which operate in higher risk industry segments and/or countries. Key actions were identified to improve supplier due diligence including periodic updates to the supplier modern slavery risk assessment, building internal capability, and ongoing supplier monitoring and improvement. The assessment has already informed enhanced due diligence processes over new or renewed suppliers.

Other actions implemented in FY21 included:

- assigning governance and program responsibility to the Chief People and Culture Officer (CPCO) and the Chief Financial Officer (CFO) for modern slavery risks managed within their business units for operations and supply chain respectively
- assigning responsibility for overseeing and tracking implementation of modern slavery to the executive-led Sustainability Governance Committee
- enhancing due diligence processes relating to modern slavery risks and suppliers
- training on the NBN Co modern slavery risk profile and management processes, for key employees.

Using the results of the FY21 risk assessments NBN Co will evolve its ethical supply chain risk management strategy, to further strengthen management practices and internal workforce capability. Specifically, the Company will continue to improve and embed modern slavery risk management processes. This includes engaging in active conversations with suppliers on how they manage modern slavery risks, and improving reporting to the executive-led Sustainability Governance Committee.

UN SDG contribution



8. Decent work and economic growth



12. Responsible consumption and production



About this report

This is NBN Co's second Sustainability Report (released 13 December 2021). 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 FY21 corporate reporting, along with the Corporate Plan 2022 and Annual Report 2021, providing further insight into how the Company manages its material sustainability risks, issues and opportunities, to create social, economic and environmental value.

This material references Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016. 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. The Company has used these standards to inform the development of this Sustainability Report. [For further details, see NBN Co's sustainability reporting index.](#) This report covers the year ended 30 June 2021. Where appropriate for completeness, it also includes information on events arising after the financial reporting period, but before the publication of this report.

In addition, and in alignment with NBN Co's Annual Report, and to support the transition to Integrated Reporting, this report has also been prepared with reference to the Value Reporting Foundation's International Integrated Reporting Framework.

[For more details on NBN Co's transition to Integrated Reporting, see the Company's 2021 Annual Report.](#)

This report is structured to show the impact NBN Co has on five areas of influence - the Company's customers and communities, the **nbn**[™] network, the environment in which the Company operates, NBN Co's people and business practices. The Company's six material topics, and their key related issues, which were identified during NBN Co's FY20 materiality assessment, have been aligned to these five areas of influence.

These topics capture what is important to the Company's stakeholders, internally and externally, and include issues related to:

- social issues such as digital inclusion and capability
- environmental issues such as climate change
- governance issues such as ethical and transparent business practices.

For each area, this report outlines how the material topics and their related issues are managed, and where possible, progress and performance in FY21 and future actions.

For why these six topics are material to NBN Co, see pages [8](#), [13](#), [17](#), [23](#) and [29](#) of this report.

Assurance approach

Energy and greenhouse gas emissions data included in this report, submitted to the Clean Energy Regulator in compliance with the *National Greenhouse and Energy Reporting Act 2007*, is subject to voluntary reasonable external assurance.

This Sustainability Report has not been subject to external third-party assurance. In FY21 NBN Co sought improvement in data management processes for some ESG data, in preparation for future third-party external assurance. NBN Co aims to obtain external third-party assurance over future reports.

For further details on NBN Co's process for verifying unaudited periodic corporate reports, see the [Annual Report 2021 - Corporate Governance Statement](#).

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 do 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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Glossary

Defined terms within this Sustainability Report should be read in conjunction with the Glossary on the NBN Co website:

www.nbnco.com.au/utility/glossary-of-terms

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