2025

STATEMENT OF CORPORATE INTENT

CONTENTS

Legal Notice

The Statement of Corporate Intent has been prepared by NBN Co Limited (NBN Co) for its Shareholder Ministers, the Honourable Michelle Rowland MP, the Minister for Communications, and, Senator the Honourable Katy Gallagher, the Minister for Finance, (Shareholder Ministers) as required by the *Public Governance, Performance and Accountability Act 2013 (Cth) (PGPA Act)* (in particular sections 95(1), (2) and (3) of the *PGPA Act*), the *Public Governance, Performance and Accountability Rule 2014 (Cth)* (PGPA Rule), the Commonwealth Government Business Enterprises Governance and Oversight Guidelines (January 2018) (GBE Guidelines) and Commonwealth Government policy as communicated to NBN Co by the Commonwealth Government from time to time (together, 'Reporting Obligations'). This Statement of Corporate Intent has been prepared for the 2024-25 financial year (FY25) and covers the reporting periods FY25 to and including FY28.

This Statement of Corporate Intent was authorised for publication in August 2024, and was made available on NBN Co's website.

Glossary

Defined terms within this Statement of Corporate Intent should be read in conjunction with the Glossary on the NBN Co website:

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

Disclaimer

This document contains various projections, high-level estimates and other forward-looking information (Estimates). These Estimates are based on the best considered professional assessment of present economic and operating conditions, present Commonwealth Government policy, and a number of assumptions regarding future events and actions, which, at the date of this document, are expected to take place. The Estimates involve known and unknown risks, uncertainties and other factors beyond 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 Estimates. While the Estimates are based on the best considered professional assessment, the Management team and officers (as defined in the *Corporations Act 2001 (Cth)*) 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 Estimates will actually occur, and the Estimates should not be relied on or considered to be a representation of what will happen by any third party. Other than required according to Reporting Obligations, NBN Co and its officers have no obligation to update the Estimates 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 Estimates will actually occur.

RECONCILIATION ACTION PLAN
INNOVATE

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 First Nations peoples today.

ABOUT NBN CO

The Company's purpose is to lift the digital capability of Australia.

NBN Co Limited (the Company or NBN Co) was established in 2009 as a Government Business Enterprise (GBE) and is a wholly-owned Commonwealth company. The principal responsibility of NBN Co is to operate and continue to build and upgrade the nbn® network in accordance with the expectations of the Government.

NBN Co works to fulfil the objectives set out by its Shareholder Ministers being the Minister for Communications and Minister for Finance in accordance with the Government's Statement of Expectations (SoE).

Purpose and objectives

The Company's purpose is to lift the digital capability of Australia. NBN Co aims to achieve its purpose by providing fast, reliable and affordable connectivity via wholesale broadband services which meet the current and future needs of Australian households, communities and businesses. Providing equitable access to affordable and reliable wholesale broadband services is essential in enabling access to key services, including health services, maximising employment and educational opportunities, supporting economic growth and promoting digital inclusion.

As a Commonwealth company, NBN Co operates on a commercial basis and drives a culture of efficiency and innovation whilst ensuring the highest standards of transparency, governance, and accountability are maintained.

Wholesale-only network and working with Retail Service Providers

NBN Co operates a wholesale-only access network that is available to all access seekers and promotes competition in retail broadband markets. Lifting the digital capability of the nation requires collaboration with Retail Service Providers (RSPs). The Company seeks to offer products and pricing that promote the take up and utilisation of the nbn® network, meeting the needs of RSPs and other stakeholders. The Company looks to support the smooth connection of end users to the network and works with RSPs to improve processes that manage and reduce faults and outages in order to minimise disruption for consumers.

Upgrading the network

The Company continues to upgrade and improve the network with the aim of enhancing service quality and consumer experience, improving network reliability and meeting both current and future consumer demand. This includes the delivery of the fibre upgrade program as well as Fixed Wireless upgrades and improving Satellite services. In order to meet future demand, promote innovation, improve services and generate efficiencies in service delivery, NBN Co will continue to undertake proactive network planning to utilise emerging and future technologies.

Network security and resilience

Network security and resilience are an integral part of NBN Co's decision making, and the Company continues to demonstrate best practice in managing these issues. In addition, NBN Co continues to develop and maintain its disaster and crisis management plans in collaboration with governments and RSPs to restore services to disaster affected communities as soon as possible.

As a critical infrastructure owner and operator, NBN Co acknowledges the inherent risks that climate change poses to its operations, network continuity and service obligations. The Company strives to operate a climate-resilient and resource-efficient network, that supports Australia's current and future social wellbeing and economic prosperity, and aims to achieve Net Zero emissions by 2050, or sooner.

Promoting equitable access

A continued focus for the Company is to improve digital inclusion, particularly for low-income households, other vulnerable groups and First Nations communities who face barriers to accessing high-speed broadband. As part of its Reconciliation Action Plan, NBN Co will work collaboratively with First Nations people to improve access and affordability as well as partner with First Nations communities and organisations to deliver services such as Community Wi-Fi.

NBN Co will continue to improve its services and assist in addressing access and connectivity challenges in regional and remote areas by proactively engaging with governments and stakeholders to deliver enhanced services and digital inclusion.

This will be achieved through initiatives such as the Fixed Wireless Upgrade Program and enhanced offerings on Sky Muster® Satellite services.

Operating commercially

NBN Co will continue to operate on a commercial basis and must be commercially sustainable to support the efficient ongoing investment in the network and to service and repay its debt obligations. Both NBN Co and the Commonwealth Government recognise that there may need to be trade-offs between NBN Co's commercial objectives and the Company's obligations and policy expectations. NBN Co may not be able to generate a commercial return in delivering all policy objectives under the SoE, particularly in regional and remote Australia. NBN Co will continue to support Government initiatives and take a flexible approach to supporting these initiatives, which includes utilising contributions from the Regional Broadband Scheme (RBS) and, where necessary, returns in other parts of its business.

NBN Co continues to proactively engage with governments and its stakeholders to help deliver enhanced services and digital inclusion.

HOW WE CREATE VALUE

INPUTS

Network
A reliable and resilient wholesale broadband network available to people across Australia.

Products
Products to meet current and future broadband connectivity needs of the nation.

Customers & Partnerships
Relationships with RSPs, customers, local communities, suppliers, government, regulators and industry groups.

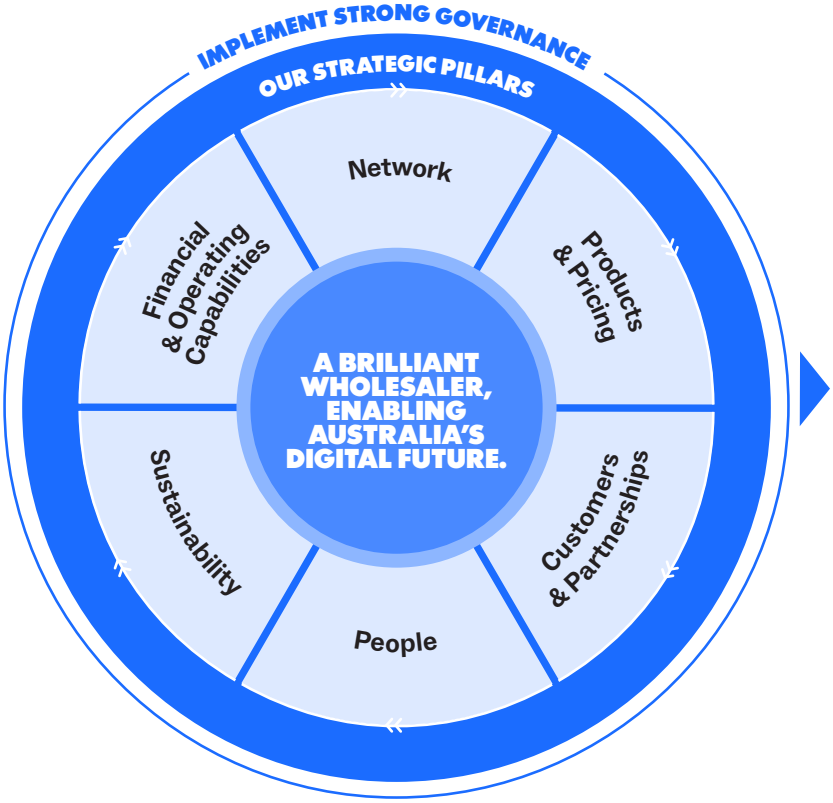
People
Highly capable teams who contribute their knowledge and experience to deliver NBN Co's purpose and strategy.

Natural Resources
Efficient use of natural resources to build and operate the network.

Financial Resources
Capital from our shareholders, lenders and operating activities.

OUR BUSINESS MODEL

OUR PURPOSE
To lift the digital capability of Australia



OUR VALUES

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

ENABLED VALUE FOR OUR NATION AND CUSTOMERS

OUTPUTS

Upgrade and expand the network
- Number of premises ready to connect (RTC) to the nbn® network
- Availability of nbn® Home Ultrafast speed tier plans
- Regional network capability

Support greater use of the network
- Homes and businesses connected to the nbn® network
- Percentage of customers on higher speed tier products
- Delivery of fibre connect upgrades

Enhance RSP and customer experience
- Overall customer satisfaction levels
- Percentage of faults resolved within the agreed timeframes
- Frequency of service assurance faults

A safe, inclusive and engaged workforce
- Workforce engagement
- Percentage of females in management positions
- Number of work-related health and safety injuries

Protected environment
- Scope 1, scope 2 and scope 3 emissions
- Percentage of renewable energy purchases
- Percentage of waste recycled

Deliver commercial value
- Achieve sustainable long-term financial growth
- EBITDA performance via operational efficiencies
- Responsible capital management of financial risks

OUTCOMES AND IMPACT

ECONOMIC

- Improved financial performance enabling NBN Co's long-term financial stability, ability to invest in the network and driving greater shareholder value
- Higher numbers of active premises and utilisation of higher speed products increasing productivity and economic growth for the nation
- Wholesale broadband business services support innovation and efficiency and facilitate new businesses.

SOCIAL

- Access to and take up of high-speed broadband services enables greater connectivity and access to education, health and government services, supporting individuals' wellbeing
- Uplifting regional network capability and performance helps provide employment opportunities and community benefits across rural and regional areas
- Maintaining a respectful, safe, inclusive and diverse workplace and empowering employees, contributes to employee engagement and retention, and Company performance.

ENVIRONMENTAL

- Delivery of NBN Co's Science Based Targets for emissions reduction, contributing to the Government's stated target of Net Zero emissions by 2050
- Improved digital connectivity can increase take up of digital technologies that can support emissions reductions
- Fibre upgrades support greater network resilience to climate change.

OUR COMPANY STRATEGY

The Company's strategy aims to provide reliable and resilient high-speed network infrastructure that meets the current and future needs of residential and business customers.

NBN Co's principal responsibility is to operate and continue to expand and upgrade the nbn® network in accordance with the Government's Statement of Expectations (SoE) issued on 19 December 2022. The SoE explicitly informs the Company's strategy.

NBN Co was established to improve wholesale broadband services across the country, while also enabling the provision of reasonably priced services to consumers and businesses via RSPs on a non-discriminatory basis.

The Company exists to help level the playing field in the Australian telecommunications industry, enhance competition and innovation, and provide greater choice for customers across the nation.

This will create access to new economic opportunities and different ways of working, accessing information and obtaining essential services which will ultimately improve social outcomes for people across Australia. It is the Company's responsibility to continuously prepare for and respond to these societal changes in the way humans interact, live and work.

The Company has worked closely with the industry and the Australian Competition and Consumer Commission (ACCC) to establish a revised Special Access Undertaking that will provide improved terms of access for the Company's customers and regulatory certainty for NBN Co.

The future is digital and the nbn® network will need to deliver faster upload and download speeds and carry far greater capacity than ever before. NBN Co continues to focus on expanding and improving the nbn® network which is essential to meeting current and future demand. These network upgrades will require continuous innovation and investment into new architecture and technology.

The growing need for broadband will reach even higher levels over the next decade as the internet continues to transform how we live and work, and even how the infrastructure within our cities communicates.

These societal changes both rely upon and create a greater need for connectivity, driving the growth of the Australian and global digital economies with the development of Artificial Intelligence (AI) and large language models will further accelerate this change.

NBN Co is key to enabling these changes and continues to evaluate the current and future broadband connectivity needs of the nation, invest in the network and develop products to support customers and enable economic growth.

The Company aims to deliver upon its purpose by progressing the following strategic pillars:

Network

Build and maintain a nationwide network capable of delivering access to high-speed, reliable and resilient broadband.

Products & Pricing

Develop a product and pricing portfolio that addresses both RSP's and customers' diverse needs and drives greater use of the network.

Customers & Partnerships

Deliver a customer experience that drives network use, satisfaction and preference as well as strengthen relationships with government, industry and communities to optimise customer benefits.

People

Deliver the Company's purpose and strategy through a safe, inclusive and engaged internal and external workforce, where highly capable, skilled and motivated people live the NBN Co values.

Sustainability

Enable long-term social, economic and environmental value for the nation and customers.

Financial & Operating Capabilities

Build capabilities for the future and grow profitability to enable financial sustainability, network reinvestment to benefit the Company's customers, and deliver greater stakeholder value.

Network

As Australia's digital backbone, lifting the digital capability of the nation can only be achieved by building, upgrading, and maintaining the nbn® network. The network must cover the length and breadth of the country while seeking to deliver the levels of speed, capacity and reliability that customers require and expect.

Data traffic over the network has grown significantly over the years and is forecast to continue to do so. The Company's network investment plans ensure that NBN Co continues to meet this need by growing both the capability and capacity of the nbn® network – pushing fibre deeper into communities, improving and extending Fixed Wireless coverage and Satellite capabilities.

NBN Co remains committed to enabling up to 90 per cent of the Fixed Line network to access services which are capable of delivering wholesale download speeds of close to 1 Gbps[1,2] by the end of 2025. The key enabler of this strategy is extending access to Fibre to the Premises (FTTP) to 3.5 million premises that were previously served by Fibre to the Node (FTTN) infrastructure.

In line with the SoE, NBN Co is also delivering upon its commitment to expand the capacity and capability of the Fixed Wireless network by deploying the latest 4G and 5G technology under the Fixed Wireless and Satellite Upgrade Program. This has begun delivering faster speeds to Fixed Wireless customers and allowed them to achieve typical wholesale busy period download speeds of at least 50 Mbps[3]. It also extends the reach of the Fixed Wireless network to approximately 120,000 premises previously served by Satellite and enables the remaining Satellite footprint to be served by enhanced product plans.

The Company plays a critical role in enabling construction of infrastructure to benefit communities in new developments. The Company will continue to work in partnership with property developers to provide Australian residential and business customers in new communities with fast, reliable and resilient broadband over the nbn® network.

1. Regardless of the retail service a customer purchases, the actual wholesale speeds delivered by NBN Co's highest residential wholesale speed tier of 500 to close to 1000 Mbps will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. Reference to speeds are not customer speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers. A customer's experience, including the speeds actually achieved over the nbn® network, depends on some factors outside NBN Co's control (like equipment quality, software, and how a Retail Service Provider designs its network) and the NBN Co technology used for the connection.
2. NBN Co provides wholesale services to phone and internet providers. nbn® wholesale speed tiers available to providers vary depending on the access technology in a customer's area.
3. This measure will be calculated from actual throughput tests conducted over a sample of nbn® Fixed Wireless wholesale services and will measure the average speed at certain points in each hour of the busy period between 7-11pm to identify a 'typical busy period speed', broadly in line with the methodology outlined in the ACCC's Broadband Speed Claims Industry Guidance Paper (October 2020). For each sample measured, it will take into account factors outside of nbn's control such as environmental impact on radio signal strength, but will not take into account retail level, in-premises or user factors that could impact the customer service. Actual customer speeds will differ as a number of factors influence this, including the particular customer applications in use at the time, customer equipment and software, and the number of concurrent customers on the nbn® Fixed Wireless service. This means that this measure is not the same as, but is likely to be similar to, the connection's capability (if retail level and end user influences are minimal). Currently NBN Co publicly reports on a network design metric that influences its cell upgrade program (which prioritises cells for upgrades to ensure a minimum 30-day average busy hour wholesale download speed of 6 Mbps on at least 99 per cent of cells), but which is not referable to customer experience.

Products and pricing

NBN Co seeks to develop and implement product and pricing strategies that meet the needs of a diverse range of customers who are supplied and serviced through Retail Service Providers (RSPs).

The Company is also focused on providing a smooth connection experience to reliable broadband services at speeds that allow customers in homes and businesses across Australia to experience the full value of the nbn® network.

In March 2024, the Company announced a proposal to offer faster wholesale download speeds on its highest residential speed tiers to customers connected to the nbn® network via FTTP and HFC technologies.

Subject to industry consultation, NBN Co will provide up to five times faster download speeds on its popular nbn® Home Fast product, which would see wholesale download speeds accelerate from 100/20 Mbps to 500/50 Mbps[1].

In May 2024, NBN Co announced its proposal to develop three new 'hyper-fast' wholesale products for residential and business customers connected to the nbn® network via FTTP or HFC technology. Subject to industry consultation, the new 2 Gbps wholesale product would be available[2] in three variants:

- nbn® Home Hyperfast for FTTP, offering speeds of 2,000/200 Mbps
- nbn® Home Hyperfast for HFC, offering speeds of 2,000/100 Mbps
- Business Fibre Plan for FTTP, offering speeds of 2,000/500 Mbps.

The Company is also proposing to triple the wholesale download speed of its nbn® Home Superfast product from 250/25 Mbps to 750/50 Mbps and increase the wholesale speeds of its highest residential speed tier, nbn® Home Ultrafast, from 500-1000/50 Mbps to around 1000/100 Mbps[3].

Customers and partnerships

NBN Co is a vital link in the chain that delivers broadband across the country by expanding, upgrading and maintaining the nbn® network.

The Company aims to deliver a customer experience that drives user satisfaction, greater adoption of nbn® network services and enables customers to take advantage of the social and economic benefits that high-speed broadband services can provide.

These wider benefits relate to the increased levels of digital inclusion. Economic research, commissioned by NBN Co and prepared by Accenture (released in February 2024) estimated that a fast, high capacity and reliable nbn® network will improve Australia's Gross Domestic Product (GDP) by a total of around $400 billion over the eight years from 2023-2030.

This research included measurement of NBN Co's social impact using the Company's Social Impact and Value Measurement Framework. The results found that the nbn® network is having a positive impact on individual wellbeing with three in four users saying that having access to the nbn® network at home has had a positive impact on their satisfaction with life in the last 12 months[4].

The research additionally found:

- The economic impact derived from increases in average broadband speeds were 16 times greater in remote areas of Australia and twice as profound in regional areas relative to the impact in major cities
- Higher average broadband speeds enabled by the nbn® network has supported the creation of 169,000 jobs throughout Australia in the ten-year period from 2012 to 2022, equivalent to 1 per cent increase of Australia's labour force
- Over the last ten years, the nbn® network has created a 1.5 times stronger impact on female employment relative to male employment.

1. A customer's experience, including the speeds actually achieved over the nbn® network, depends on some factors outside NBN Co's control (like equipment quality, software, and how the customer's Retail Service Provider designs its network) and the NBN Co technology used for the customer's connection.
2. The availability of these speed tiers will be subject to the capacity within each individual HFC segment or FTTP PON port reflected in the service qualification function (and may affect RSPs' ability to place an order).
3. Regardless of the retail service an end customer purchases, the actual wholesale speeds delivered will be less than 1,000 Mbps due to equipment and network limitations.
4. The economic and social impact of investment in the nbn® network Methodology Report January 2024 – https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/reports-and-publications/accenture-2024-economic-and-social-impact-methodology-report.pdf.coredownload.pdf

People

Aligned directly to the Company's purpose, NBN Co's People Strategy prioritises a safe, respectful and inclusive workplace where highly capable, skilled and motivated people deliver the Company's purpose and strategy, underpinned by the Company's values and a customer-led culture.

Throughout the NBN Co workplaces, safety and wellbeing is prioritised, and it is known that respectful and inclusive behaviours are critical for the Company's people to succeed. NBN Co is strongly committed to Diversity, Equity and Inclusion (DEI) and delivering its Safety and Wellbeing Plan, which prioritises the physical and mental health and safety of its employees and extended workforce.

The Company's purpose is deeply embedded in decision making and work practices. The Company is committed to building skills, capabilities, and a connection to purpose within its workforce to foster an engaged, purpose-led workforce that creates value for Australia every day.

Through implementation of the Company's People Strategy, NBN Co has focused on equipping its workforce for the digital future, emphasising AI and other emerging technologies. This includes introducing a new career pathway tool for employees, expansion of early careers and graduate programs, and providing upskilling opportunities.

To support a larger in-field workforce, NBN Co has invested in traineeships.

The Company measures employee engagement annually and in June 2024 achieved an overall engagement score of 77 per cent, with a participation rate of 90 per cent. Employee satisfaction will also be measured through the Company's annual engagement survey.

Building strong leadership capability remains a focus to ensure the Company continues to execute on its business strategy. This is facilitated through a set of leadership expectations that guide how the Company hires, develops and holds people leaders accountable. A range of measures ensure leaders' development capability keeps pace with the standards required to deliver the outcomes customers, Retail Service Providers and the community expect of NBN Co.

Sustainability

Following completion of the key initiatives within the Company's FY23/24 Sustainability Program of Work, from FY25 NBN Co's strategic focus on sustainability will be expanded to consider the important role that the nbn® network can play in enabling economic, social and environmental value for the Company's stakeholders, both now and in the future, in line with the SoE.

High-speed and reliable digital connectivity enabled by the nbn® network supports economic, social and environmental value creation for the nation and for customers – now and in the future. NBN Co's position as Australia's wholesale broadband supplier means the Company has a key role in lifting the digital capability of the nation.

To deliver on this expanded focus, the Company is maturing from a centralised Sustainability Program to Business Unit-led action on sustainability, with accountable executives, underpinned by a principles-based approach, supported by the Company's Sustainability Governance Framework and Enterprise Risk and Compliance Frameworks.

The four principles to guide action are:

- Manage sustainability risks and opportunities through governance arrangements informed by an evidence-base and underpinned by reliable data
- Integrate sustainability into business strategies, processes, systems and communications
- Empower NBN Co's people with sustainability knowledge to build their capability
- Partner with internal and external stakeholders to support business objectives and the delivery of economic, social and environmental value.

Financial and operating capabilities

Under the SoE, NBN Co operates on a commercial basis and targets being a profitable and sustainable business, meeting service debt obligations, supporting future network investment and providing a reasonable return to its shareholders.

As the Company matures, it continues to target the development of capabilities that enable a more efficient and profitable operation of its core functions. Sustainable long-term financial growth is essential to NBN Co's purpose to lift the digital capability of Australia and helps deliver positive environmental and social outcomes.

The Company funds its operations in line with its Capital Management Strategy. This outlines the framework within which future investment decisions are made and the optimal capital structure and debt funding levels that the Company should target.

The operations of NBN Co, including debt funding, are subject to financial risks, such as liquidity, capital management, interest rate, foreign exchange and counterparty credit risks. These are managed in line with NBN Co's Board-approved Treasury Policy.

NBN Co is strongly committed to Diversity, Equity and Inclusion (DEI) and delivering its Safety and Wellbeing Plan, which prioritises the physical and mental health and safety of its employees and extended workforce.

OPERATING ENVIRONMENT

NBN Co was established to improve wholesale broadband services across the country, while also enabling the provision of reasonably priced services to residential and business customers via Retail Service Providers (RSPs).

NBN Co provides wholesale broadband infrastructure on open access terms to support the delivery of internet services across the nation. The Company currently operates 121 points of interconnect, enabling RSPs to connect to the local access network, and is the Statutory Infrastructure Provider of high-speed broadband for most of the country.

Network performance and availability

Data traffic over the network has grown significantly over previous years and is forecast to continue to grow. The level of data usage across the nbn® network is driven by increasing use of data-intensive applications across households and businesses.

This was demonstrated by an increase in the average monthly data download per customer, which rose from 424 GB per month across the year to 30 June 2023, to 460 GB per month for the year ended 30 June 2024, an increase of over 8 per cent.

In addition to higher total data traffic, the acceleration of the nation's digital demand is also driving higher peak network demand requirements which reached a new high of 29.9 terabits per second in the year, compared to 24.2 terabits per second during FY23, which represents an increase of 24 per cent.

The scale of the nbn® network continues to grow, driven by construction of network infrastructure for new developments, with over 147,000 new development premises added to the network during the year.

Drivers of demand for broadband

Advances in technology, alongside increasing internet accessibility, have led to new use cases and more data-intensive applications such as high-definition content streaming, video conferencing, virtual reality/augmented reality and online gaming. Demand for data is expected to continue to grow across residential and business markets as internet usage continues to integrate into everyday work and entertainment. COVID-19 was also a significant accelerator of Australia's data consumption needs.

Future demand for broadband is expected to be driven by factors such as increasing use of data-intensive applications, time spent online, and developments in the Internet of Things (IoT) within business and residential markets.

This includes the adoption of smart household devices, development of immersive technologies such as virtual reality and augmented reality, and increasing reliance on internet-based business applications for operations and data storage.

The rate of technological development and infrastructure, and the accessibility and affordability of higher speed broadband, will help shape the outlook of Australia's telecommunications industry into the future.

Pricing evolution

In October 2023, the Australian Competition and Consumer Commission (ACCC) accepted NBN Co's Special Access Undertaking (SAU) Variation, which was a landmark outcome for the industry and customers.

The SAU is a voluntary undertaking from NBN Co that forms a key part of the regulatory framework, which governs the prices, service standards and terms under which NBN Co can offer wholesale broadband services to RSPs.

The SAU delivers a new approach to wholesale pricing, supporting faster internet speeds, greater data demand and improved cost certainty for RSPs and customers. It also delivers greater long-term regulatory predictability for NBN Co, RSPs and customers, and sets out a range of measures aimed at delivering a better customer experience of the nbn® network.

The ACCC accepted the framework governing NBN Co's approach as being in the long-term interests of customers.

Investments and sustainable financing

As at 30 June 2024, NBN Co is the largest issuer of Green Bonds, with approximately AUD $5.9 billion equivalent of Green Bonds outstanding in the Australian and European debt capital markets, in line with the Company's Sustainability Bond Framework.

The net proceeds received under the Green Bond issuances have been allocated to eligible green projects undertaken as part of the Company's commitment to energy efficiency in line with its Sustainability Bond Framework[1].

There has been increased demand from institutional investors who seek environmentally and socially responsible investment opportunities, which supported the growth of the sustainable financing market.

NBN Co's sustainability approach enables the Company to access deep pools of liquidity in the global debt capital markets, thus supporting international institutional investors to meet their own targets for green investments.

In addition, NBN Co has relationships with banks and investors on global markets, which support its funding program and the Company's continued investment in its network and physical infrastructure.

NBN Co refinanced the remaining balance of $5.5 billion of the original Commonwealth Government loan of $19.5 billion in full and on time by 30 June 2024.

Financial risk will be managed over the period of the Statement of Corporate Intent 2025 in line with the Company's Treasury Policy.

1. www.nbnco.com.au/debt-investor

Network resilience

Ensuring the resilience of NBN Co's critical assets and systems is core to safeguarding the delivery of services to customers. NBN Co is always looking to deliver a faster network with enhanced security and resilience, especially in light of natural disasters.

NBN Co takes an all-hazards approach to assessing the resilience of the network and supporting systems as well as the potential for improvements. This is done in response to a landscape which is always changing, where new threats are emerging and existing ones are evolving. From climate change to cyber security risks, NBN Co continues to invest to protect continuity of service for customers and all communities across Australia.

NBN Co's approach to network resiliency involves proactively monitoring and treating resiliency risks across the network and supporting systems alongside ongoing activities.

This includes active monitoring, preventative upgrades, proactive fixes, strategic technology upgrades and cyber security activities. In situations where resiliency of the network is challenged, NBN Co swiftly enacts its emergency response and recovery processes.

NBN Co also runs an emergency management campaign, which operates year-round and emphasises critical work in emergency preparedness, response and recovery within the Company's communications network. The goal is to increase awareness of NBN Co's contributions within communities before, during and after emergency situations.

NBN Co uses these campaigns to explain how the Company enhances the security of the network against ever-increasing emergency threats, and how Emergency Management Liaison Officers (EMLOs) collaborate closely with government agencies and communities.

During FY24, the Company conducted more than 450 engagements and events focusing on emergency response capabilities and community preparedness. Notably, the Company jointly organised a Jurisdictional National NBN Co/Telstra Educational Roadshow (in Telstra's capacity as a national infrastructure owner alongside NBN Co), attended by 170 people and 63 emergency service agencies across Australia.

NBN Co is focused on continuous improvement to identify how it can make the network and its systems more resilient. This is supported by the Resilience and Security Program which helps identify and treat risks and issues, and also informs decisions on where to invest in resilience across the Company.

Network security

The nbn® network is Australia's largest critical infrastructure network and NBN Co has a pivotal role to help enhance its security. Ensuring its availability underpins everything the Company does as an organisation.

The Company is committed to ensuring that positive security obligations relating to business resilience, risk management, cyber, personnel, physical security and supply chain are embedded across the organisation.

This is reflected in the Company's Enterprise Security Risk Management Framework, which brings a unified view and approach to managing all security and privacy risks faced by the organisation.

NBN Co's Enterprise Security Risk Management framework combines the skills and expertise of various security disciplines into a coordinated effort, providing single accountability under NBN Co's Chief Security Officer.

The Company will continue to remain vigilant, constantly monitoring and seeking to improve threat prediction, detection, response, and mitigation strategies to ensure resilience in the face of evolving challenges and emerging risks.

NBN Co is focused on being an industry leader when it comes to mitigating and managing cyber risk.

OPERATING ACTIVITIES

Network

NBN Co continues to expand and upgrade the nbn® network to provide fast, reliable and affordable wholesale broadband services, which help meet the current and future needs of Australian households, communities and businesses.

NBN Co undertakes proactive network planning to cater for the ever-increasing usage requirements of customers, enhance service quality and customer experience, and improve network reliability. The Company's network and asset investment plan continues to meet the growing demand for data and fast broadband services by increasing the reach, capability and capacity of the nbn® network.

NBN Co continues to push fibre deeper into communities, improve and extend Fixed Wireless coverage and Satellite capabilities, and ensure a more reliable and enhanced security network through investments in network capacity and security.

The central component of the Company's network and asset investment plan is NBN Co's commitment to enable more than 10 million premises, or up to 90 per cent of homes and businesses across the Fixed Line network, to access nbn® Home Ultrafast, offering wholesale download speeds of up to close to 1 gigabit per second[1,2] (Gbps) by the end of 2025.

NBN Co's network investment strategy is designed to keep ahead of national data demand, and help enable social and economic benefits for the nation.

NBN Co will continue to operate on a commercial basis and the Company must be financially sustainable to support the prudent and efficient investment in the network and to service and repay its debt obligations.

Fibre Connect

NBN Co is making good progress in increasing the availability of higher speeds by making fibre upgrades available to more premises across Australia.

The Company is rolling out additional fibre to make 3.5 million premises that were originally served by Fibre to the Node (FTTN) technology, and a further 1.5 million premises that were originally served by Fibre to the Curb (FTTC) technology, eligible to upgrade to a Fibre to the Premises (FTTP) service.

This includes the 1.5 million FTTN premises being upgraded to FTTP technology through the Government's $2.4 billion equity funding.

These investments in fibre upgrades will enable the Company to significantly reduce the number of copper connections in the nbn® network, reducing disruptions and delivering a better customer experience overall.

In comparison to copper, fibre is not only inherently more capable of delivering faster upload and download speeds but is also more energy-efficient[3] and resilient to the physical effects of climate change.

The Company is also progressing well at enhancing its Hybrid Fibre Coaxial (HFC) network, which is capable of delivering nbn® Home Ultrafast products, with close to gigabit speeds as at 30 June 2024.

1. Regardless of the retail service a customer purchases, the actual wholesale speeds delivered by NBN Co's highest residential wholesale speed tier of 500 to close to 1000 Mbps will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. Reference to speeds are not customer speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers. A customer's experience, including the speeds actually achieved over the nbn® network, depends on some factors outside NBN Co's control (like equipment quality, software, and how a Retail Service Provider designs its network) and the NBN Co technology used for the connection.
2. NBN Co provides wholesale services to phone and internet providers. nbn® wholesale speed tiers available to providers vary depending on the access technology in a customer's area.
3. In relation to 'Environment', see details in the section titled 'Environmental Impact' on page 37 of this document.

Fixed Wireless and Satellite Upgrade Programs

NBN Co has continuously invested in its Fixed Wireless network to improve customer experience, speeds and meet evolving data capacity requirements.

A $750 million co-investment initiative with the Commonwealth Government was announced in March 2022, which aims to help residents and small businesses in remote and regional Australia access superfast broadband speeds.

The program is underway and NBN Co has been granted $480 million as the Government's contribution under the terms of the program.

The Fixed Wireless and Satellite Upgrade Program allows NBN Co to deliver typical wholesale busy period download speeds of at least 50 Mbps[1] across the Fixed Wireless network. Faster nbn® network speeds arrived by July 2024 with the potential maximum information rate download speed of Fixed Wireless Plus increased from up to 75 Mbps to up to 100 Mbps, as well as two new Fixed Wireless high-speed tiers with peak information rate wholesale download speeds ranging from 200 Mbps to 400 Mbps[2,3].

The Program includes the installation of next generation 4G technology and software enhancements, as well as 5G mmWave technology.

The expanded coverage of the Fixed Wireless network enables approximately 120,000 former Satellite-only premises to access NBN Co's Fixed Wireless network for the first time, allowing homes and businesses to access new speeds. The migration of Satellite customers to the Fixed Wireless network has released additional capacity on the nbn® Satellite network, which has enabled NBN Co to introduce its new nbn® Sky Muster® Plus Premium plans, with the first of these launching in June 2023.

In December 2023, NBN Co expanded the range of nbn® Sky Muster® Plus Premium plan options available, adding entry and mid-tier plan options offered at wholesale price points below the high-tier[5] option.

1. This measure will be an estimate based on a sample of nbn® Fixed Wireless wholesale services and will measure the average speed at certain points in each hour of the busy period between 7-11pm to identify a 'typical busy period speed', in line with the methodology outlined in the ACCC's Broadband Speed Claims Industry Guidance Paper (October 2020). For each sample measured it will take into account factors outside of NBN Co's control such as environmental impact on radio signal strength, but will not take into account retail level, in-premises or user factors that could impact the end user service. Actual end user speeds will differ as a number of factors influence this, including the particular end user applications in use at the time, end user equipment and software, and the number of concurrent users on the nbn® Fixed Wireless service. This means that this measure is not the same as, but is likely to be similar to, the connection's capability (if retail level and end user influences are minimal). Currently NBN Co publicly reports on a network design metric that influences its cell upgrade program (which prioritises cells for upgrades to ensure a minimum 30-day average busy hour wholesale download speed of 6 Mbps on at least 99 per cent of cells), but which is not referable to end user experience.
2. These are nbn wholesale speed tiers which nbn provides to retail phone and internet providers. Attainable wholesale speeds are subject to the rollout of network upgrades and some premises will require nbn to complete upgrades to the equipment at the premises.
3. Customer experience, including the speeds actually achieved over the nbn® network, depends on the nbn® network technology and configuration over which services are delivered to their premises, whether they are using the internet during the busy period, and some factors outside nbn's control (like the customer's equipment quality, software, broadband plans, signal reception and how the customer's service provider designs its network). Speeds may be impacted by the number of concurrent users on nbn's Fixed Wireless network, including during busy periods.
4. Fair Use Policy and shaping apply. To proactively protect and ensure the fair access to the nbn® network for all users, nbn may from time to time, at its discretion, shape the following activities to maximum wholesale upload and download speeds of 256 kbps: uploads and downloads via peer to peer; uploads and downloads to cloud storage platforms; PC and smartphone operating system updates; software/application updates; gaming software updates; any other traffic related to applications which nbn cannot identify. Other activity that nbn considers may cause adverse network impacts may also be added to the above list to be shaped, including streaming video and VPN.
5. Your experience, including the speeds actually achieved over the nbn® network, depends on the nbn® network technology and configuration over which services are delivered to your premises, whether you are using the internet during the busy period, and some factors outside our control (like your equipment quality, software, broadband plans, signal reception and how your service provider designs its network). Speeds may be impacted by the number of concurrent users on nbn's satellite network, including during busy periods. Satellite users may experience latency and shaping by nbn.

Fixed Wireless

Over the last two years, there has been a significant focus on uplifting the Fixed Wireless network performance and products.

As a result of the Fixed Wireless upgrades, NBN Co is uplifting the potential maximum information rate of the Fixed Wireless Plus product, which will enhance the level of service available to regional customers. Fixed Wireless Plus customers will be able to take advantage of higher speeds without any additional plan changes required, depending on their equipment.

NBN Co uplifted the Fixed Wireless Plus product at the end of May 2024 with wholesale speeds up to 100/20 Mbps[1,2] at a wholesale price of $52.52.

In June 2024, NBN Co introduced two new Fixed Wireless high-speed tiers (nbn® Fixed Wireless Home Fast and nbn® Fixed Wireless Superfast). nbn® Fixed Wireless Home Fast offers wholesale download speeds between 200-250 Mbps and upload speeds between 8-20 Mbps[1], and nbn® Fixed Wireless Superfast offers wholesale download speeds of 400 Mbps and upload speeds between 10-40 Mbps.

Both the nbn® Fixed Wireless Home Fast and nbn® Fixed Wireless Superfast are TC4 flat rate offers at $57.22 and $62.22, respectively.

In line with the Fixed Wireless upgrades, by the end of the program around 90 per cent of premises in the Fixed Wireless coverage areas will progressively be able to access nbn® Fixed Wireless Home Fast and around 80 per cent will progressively be able to access nbn® Fixed Wireless Superfast.

Satellite

Homes and small businesses in regional and remote Australia now have more options for uncapped data use for all their internet activities[2] following the launch of new nbn® Sky Muster® Plus Premium satellite plans.

Given the market continues to be highly dynamic, NBN Co will continue to monitor and assess opportunities that move the Company toward simplifying and focusing the overall satellite offering. This is to ensure that resources are directed to delivering products that serve the greatest demand or need.

In parallel, NBN Co will also continue to explore a longer-term network strategy to supply wholesale broadband services over satellite technology.

There have been substantial technological advancements since the launch of Sky Muster® both in next generation geostationary satellites and Low Earth Orbit (LEO) satellite technologies. Compared to geostationary satellites, LEO satellite networks can deliver internet at higher speeds and lower latencies.

NBN Co is currently conducting an Request for Information (RFI) process to better understand the capabilities and costs associated with LEO technology solutions as a service.

1. These are nbn wholesale speed tiers which nbn provides to retail phone and internet providers. Attainable wholesale speeds are subject to the rollout of network upgrades and some premises will require nbn to complete upgrades to the equipment at the premises.
2. A customer's experience, including the speeds actually achieved over the nbn® network, depends on some factors outside NBN Co's control (like equipment quality, software, and how the customer's Retail Service Provider designs its network) and the NBN Co technology used for the customer's connection. For nbn Fixed Wireless, speeds may also be impacted by the number of concurrent users on the nbn Fixed Wireless network, including during busy periods. For nbn Satellite, speeds may also be impacted by the number of concurrent users on the nbn Satellite network, including during busy periods, and Satellite users may experience latency and shaping by nbn.

Co-investments

NBN Co actively partners with all levels of government and other parties, where there is an interest to co-invest in the nbn® network. This is a core component of the Company's objective to improve its services and assist in addressing access, connectivity and productivity challenges, particularly in regional, rural and remote areas.

NBN Co continues to be successful in securing government funding via open government tender processes to support nbn® network upgrades, including through the Commonwealth Government's Regional Connectivity Program (RCP). These co-funded projects help to improve local connectivity.

As at 30 June 2024, NBN Co had been contracted $76.9 million in Commonwealth RCP funding and $20.4 million in funding support from state and local governments across the first two rounds of the Australian Government's RCP, with the Company contributing $43.9 million to deliver these co-investment projects. This funding allocation will enhance connectivity for around 10,000 homes and businesses which involve upgrades from either Satellite or Fixed Wireless to FTTP, and upgrades from Satellite to Fixed Wireless across regional Australia.

In December 2023, the Commonwealth announced that NBN Co was successful in a number of its applications under the third round of the Commonwealth Government's RCP, some of which are intended to benefit First Nations communities. NBN Co continues to work closely with the Commonwealth Government on the funding agreement to bring these projects to life.

Other co-investments and funding initiatives include but are not limited to:

- The Connecting Victoria Program, which was originally signed in October 2022 between NBN Co and the Victorian Government. This Program is facilitating the delivery of fibre upgrades to more regional areas of Victoria and created an additional 31 Business Fibre Zones (BFZs), allowing RSPs to supply Enterprise Ethernet services with zero upfront costs from NBN Co
- Planning and design work to deliver the NSW Gig State Program improving internet services for communities in regional NSW

Resiliency Projects

In May 2024, the Australian Government announced 11 projects to be funded through the Telecommunications Disaster Resilience Innovation Program. This funding will support the delivery of power back-up solutions for nine Fixed Wireless sites, Wireless Mast Trailers and a Digital Power Outage Notification via Application Programming Interface (API). This funding is contingent upon the successful execution of a grant agreement with the Commonwealth and subsequently with the relevant state and local governments.

During FY24, NBN Co was successful in securing funding with several local and state projects including support for improved power resiliency for the nbn® Nubeena Fixed Wireless network in Tasmania, a resiliency upgrade for the nbn® Fixed Wireless site in South Durras in NSW, and a fibre path resiliency project in Western Australia.

Lifting the digital capability of Australian businesses

The business market in Australia continues to grow with the Australian Bureau of Statistics projecting continued net new business growth. Overall, NBN Co's business market in Australia covers approximately 1.5 million businesses, ranging from home operated businesses up to Enterprise customers with multiple premises across Australia.

NBN Co continues to offer its premium business product, Enterprise Ethernet. To support business take-up, NBN Co created 322 Business Fibre Zones (BFZs) across Australia, of which 142 are located in regional centres.

As at 30 June 2024, approximately 950,000 businesses in those zones are able to access Enterprise Ethernet services at the same rate as major CBD areas, providing a more equitable price offering for many Australian businesses.

Multi-Dwelling Units

Multi-Dwelling Units (MDUs) continue to be an area of focus for NBN Co. MDUs are a cluster of residences or businesses (vertical or horizontal) on the same land parcel, generally connected via a central telecommunications room or shared cabling throughout the site.

As part of the Fibre Upgrade Program, NBN Co is enabling over 950,000 FTTN and FTTC MDU premises to be able to upgrade to fibre by December 2025. As at 30 June 2024, 773,000 MDU premises have been released to RSPs to offer fibre connection migration.

NBN Co continues to partner with industry, strata communities and body corporate representatives to ensure the Company's products and services meet the needs of this growing customer segment.

New Developments

NBN Co continues to work in partnership with property developers nationally, to provide households, businesses and communities with access to fast and reliable broadband.

The Company aims to be the Australian property development industry's first choice provider of broadband networks. NBN Co is bound by the Statutory Infrastructure Provider (SIP) Regime which provides a framework to ensure that premises in Australia can be connected to, and supplied with, high-speed broadband internet services. In most of Australia, NBN Co is the default SIP and is required to connect and supply services upon reasonable request from a carriage service provider on behalf of an end user.

Since the Company was established, NBN Co has delivered nbn® network access to more than 1.4 million newly-built households and businesses across Australia. In FY24, over 147,000 new development premises were made Ready to Connect to the network.

NBN Co is partnering with community makers to expand the nbn® network into new suburbs and towns, creating smart cities, and transforming CBDs into technology hubs.

One of the ways the Company is achieving this is through a new wholesale product called Smart Places, which is designed to allow customers to connect to smart infrastructure and the Internet of Things (IoT) outside of buildings. NBN Co is using innovative equipment including smaller, more robust and more energy-efficient network connection devices, which enable the power of the nbn® network to be delivered across outdoor locations that are not serviceable using standard equipment.

This allows the nbn® network to be connected to eligible locations outside of buildings, including digital billboards, public Wi-Fi in parks, traffic lights and CCTV. A smart place integrates technology into the surrounding built or natural environment which can increase liveability and productivity for residents and businesses. In FY24, 35 locations across the nation were connected to nbn® fibre via the Smart Places product compared to nine in FY23.

Encouraging greater use of the network

In Australia, data usage continues to double every five years and internet-connected devices in the home are expected to grow from 22 today to 40 by the end of the decade[1].

NBN Co is committed to providing value for all customers. Part of the Company's approach involves ensuring higher-speed plans are within reach for customers requiring faster broadband and greater volumes of data for work, education and entertainment.

NBN Co's pricing aims to balance affordability with ensuring continued investment in the network so that the Company can meet the demand for faster internet speeds and greater volumes of data.

To simplify the process for RSPs and to accelerate the upgrade of FTTC premises to a full fibre connection, NBN Co lowered the qualifying criteria for upgrades from nbn® Home Superfast (250/25 Mbps) to nbn® Home Fast (100/20 Mbps) from 3 July 2024, thereby aligning the FTTC and FTTN upgrade criteria.

This simplified the criteria by creating a consistent set of rules for RSPs across all fibre upgrades. This is expected to lead to increased FTTC migration volumes, as existing 100 Mbps (wholesale download speed tier) FTTC services are now eligible to move to fibre without ordering a higher-speed service and FTTC premises on 50 Mbps services who upgrade to a 100 Mbps service will be eligible for a full fibre upgrade.

Speed Tier Uplift Program

The mainstream adoption of new technologies is powering the demand for data and making high-speed, low latency, reliable broadband connections vital to all Australians.

This is expected to be further amplified by the anticipated long-term growth in connected devices, and more data-intensive applications and use cases across ultra-high-definition streaming, cloud-based computing and data transfer, work productivity including video and collaboration services, as well as gaming and virtual reality.

In response to this fast-paced technological step-change, NBN Co is consulting with the industry on several initiatives that enable the Company to optimise its offerings in preparation for expected future data usage trends.

NBN Co proposals include:

1. Increase speeds across three existing tiers on HFC and FTTP

NBN Co has proposed to provide five times faster download speeds on the popular Home Fast product, which would see wholesale download speeds accelerate from 100/20 Mbps to 500/50 Mbps.

The Company is also proposing to triple the wholesale download speed of its Home Superfast product from 250/25 Mbps to 750/50 Mbps and increase the wholesale speeds of its highest existing Residential speed tier, Home Ultrafast, from 500-1000/50 Mbps to around 1000/100 Mbps[2].

2. Launch a new era of high-speed plans on HFC and FTTP

NBN Co's proposal includes the launch of three new 2 Gigabit speed tiers across residential and business segments (subject to service qualification).

3. Next Generation FTTP Network Termination Device (NTD)

NBN Co's proposal is to introduce new single-port and quad-port NTDs to enable a multi-gigabit in-home experience and replace current end-of-supply devices.

1. Telsyte Australian IoT@Home Market Study (2022)
2. Regardless of the retail service an end customer purchases, the actual wholesale speeds delivered will be less than 1,000 Mbps due to equipment and network limitations and the peak information rate may fall anywhere in this range.

Customer and Partnerships

As the operator of Australia's wholesale broadband network, NBN Co is responsible for connecting end users to the network and helping enable fast and reliable broadband services.

Operating the nbn® network includes conducting maintenance on the network, continuously monitoring network performance and restoring services should any faults or unplanned outages occur.

It also involves processing the connection and disconnection of premises on the nbn® network and processing any amendments to the services ordered by Retail Service Providers (RSPs).

NBN Co works with partners to drive equitable access to the network. This is achieved by focused partnerships targeting areas of society with below-average broadband uptake. NBN Co aims to develop bespoke solutions to promote greater use of the network by these communities and enhance access to healthcare and education via broadband.

To further deliver an overall positive customer experience, the Company is focused on providing an improved connect and assure customer journey.

The Australian Bureau of Statistics (ABS) estimated approximately 12 per cent of all households (1.14m) move house each year. As such, the Company is committed to enhancing the experience of connecting to the nbn® network at the premises, especially for those who are moving home.

Working with Retail Service Providers

As the network wholesaler, NBN Co provides wholesale broadband services to access seekers, including Retail Service Providers (RSPs) on a non-discriminatory basis. This approach seeks to help level the playing field in the Australian telecommunications industry, enhancing competition and innovation and providing greater choice for customers across the country.

Customers connect to the nbn® network through RSPs for access to high-speed broadband. RSPs contract with the customers and manage most aspects of the commercial relationship, including onboarding, billing and customer support services, while NBN Co is responsible for installing and maintaining the connection to end user premises.

Growth in demand for NBN Co's services relies on a collective partnership with RSPs in marketing, promoting, delivering products and servicing customers to meet their needs.

NBN Co works collaboratively with the RSPs to deliver a positive customer experience and enable customers to realise the benefits of their broadband service.

Key initiatives that underpin the partnership include:

- Improving RSP experience through adoption of digital platforms, data quality and process efficiency improvements.
- Improving network resilience and customer experience with a commitment to meet service levels.
- IT simplification to drive efficiencies and reduce costs in the industry.
- Working with RSPs to deliver a long-term product and marketing roadmap based on future customer needs.

Digital inclusion

Digital inclusion is essential to NBN Co's purpose – the idea that everyone in Australia should be able to access and use digital technologies effectively. It plays a critical part in the Company's role as Australia's digital backbone to improve access for people across Australia to reliable and high-speed broadband.

There are no simple or quick solutions to addressing the barriers to digital inclusion – it is a complex, multi-faceted societal challenge that requires whole-of-industry and government-endorsed solutions. The Company has refreshed its Digital Inclusion Strategy and identified new priorities that enable NBN Co to play its part in improving digital inclusion in communities across Australia.

The strategy focuses on highly digitally excluded cohorts, including but not limited to, low income, vulnerable or isolated customers, and their barriers to broadband connection by partnering with government, industry and community stakeholders, and leveraging existing stakeholder relationships under current initiatives. This includes a specific focus on First Nations digital inclusion and implementing, on behalf of the Federal Government, the School Student Broadband Initiative (SSBI).

Complementing these targeted initiatives are existing digital capability programs delivered in regional and remote communities by the Regional Development and Engagement teams. Digital literacy sessions are two-way discussions that aim to increase awareness, share real life examples, and help the community and businesses understand how to get the most out of being connected while staying safe online.

Topics covered in digital ability sessions include in-home connectivity optimisation, emergency preparedness, online safety, scams awareness, leaving a positive digital footprint, and the Australian Government's Be Connected program. As part of every community session, participants have the opportunity to complete a short before-and-after digital skills survey.

The Company initiated and chairs the Low-Income and Digital Inclusion Forum (LIDIF) with the aim of identifying possible targeted initiatives to improve access, affordability, and digital ability for low-income and vulnerable users of the nbn® network.

At LIDIF, the Company collaborates and currently consults with 24 member organisations, representing not-for-profit organisations, customer advocacy groups, government agencies, RSPs, and research organisations. LIDIF members are working collaboratively on initiatives in support of uplifting digital inclusion for people in Australia, most importantly the evolution of the School Student Broadband Initiative (SSBI) and the establishment of a National Device Bank.

NBN Co will also continue to contribute to existing digital inclusion initiatives delivered by others, including as a founding Digital Partner of the WA Digital Inclusion Project (WADIP), and participating in state and local government forums, working groups and events.

School Student Broadband Initiative

NBN Co is proud to be supporting the delivery of the Australian Government's School Student Broadband Initiative (SSBI), established to provide free home broadband over the nbn® network until 31 December 2025 for up to 30,000 eligible families with school-aged children.

The Government has provided $8.8 million in funding towards the initiative, with the Company contributing towards the IT establishment and other operational costs incurred by participating internet providers to support the initiative.

As of July 2024, there were more than 15,000 families connected to the nbn® network through the initiative.

The role of education authorities and community organisations to identify eligible families through their existing programs and contacts, described as Nominating Organisations, is critical in reaching eligible families.

NBN Co will continue working with numerous organisations across Australia (60 as at the date of this report) to raise awareness during back-to-school periods, identifying other ways to reach families through existing programs or learnings from other jurisdictions, and ongoing support to families where this is required through the National Referral Centre.

The National Referral Centre, operated by Anglicare Victoria, provides support to families to self-nominate for SSBI and assist them in the process of getting connected as well as supporting Nominating Organisations with referrals or queries.

Community Safety

NBN Co is driving security conscious behaviours amongst all employees and the wider community. As such, the Company remains a trusted advisor and authoritative voice in the realm of cyber security.

The Company maintains an 'always on' approach to cyber security awareness and education, and actively participates in all the major awareness days:

- The Office of the eSafety Commissioner's 'Safer Internet Day'
- The Office of the Australian Information Commissioner's 'Privacy Awareness Week'
- The Australian Cyber Security Centre's 'Cyber Security Awareness Month'
- The National Anti-Scam Centre's 'Scams Awareness Week'.

NBN Co's primary campaign, Scams Awareness Week (SAW), is an annual scams education initiative spearheaded by the ACCC's National Anti-Scam Centre.

Since 2018, NBN Co has proudly partnered with this initiative, launching an annual, integrated communications and engagement campaign to underscore the Company's commitment to promoting community online safety, customer security and privacy.

While SAW provides an opportunity for NBN Co to engage with the broader community to raise awareness around the dangers of online scams, the Company's scams awareness campaign is 'always on'.

NBN Co delivers an online safety outreach program, including hosting interactive webinars and hands-on workshops in collaboration with local community organisations, schools, libraries and businesses.

NBN Co actively participates in community events and conferences, sharing insights and best practices for online safety. The Company offers 'train the trainer' opportunities for seniors' groups, empowering them to disseminate crucial information within their communities.

NBN Co runs successful education campaigns across traditional and digital media channels, leveraging the power of social media platforms to reach a wider audience. NBN Co is also proud to partner with organisations like Scamwatch and ID Care to share scam intelligence and discuss cybercrime trends to better support the Company's community education initiatives through a data-based approach.

All initiatives are underpinned by NBN Co's aim to educate individuals to recognise and avoid common online threats. By building confidence and capabilities, the Company enables individuals to fully embrace the social and economic benefits of NBN Co connectivity.

The Company continues to face new threats every day, prompting an ongoing emphasis on fundamental security practices: having strong passphrases, implementing multi-factor authentication, ensuring device and app updates are completed in a timely manner, not clicking suspicious links, and reporting suspicious activity, both physical and cyber. NBN Co does this because it:

- Helps protect the network
- Helps protect NBN Co's people and the community, at work and at home
- Meets NBN Co's responsibility as the nation's wholesale broadband provider to help people use the network safely and securely.

CONNECTING FIRST NATIONS COMMUNITIES

NBN Co's vision for reconciliation is to be deeply engaged and connected with First Nations cultures and their need for digital inclusion.

NBN Co actively works to improve connectivity for First Nations communities while deepening collaborative relationships with these communities and their organisations to foster digital inclusion. Additionally, NBN Co is committed to increasing employment opportunities for First Nations job seekers and engaging with First Nations-owned businesses in the Company's supply chain in a meaningful and sustainable way.

NBN Co recognises its pivotal role in partnering with First Nations people to boost digital capabilities and examining how digital connectivity can facilitate social, cultural and economic advantages for communities. NBN Co's responsibilities extend beyond connectivity. The Company also supports the culturally safe and appropriate use of technology, helps expand employment and business pathways for First Nations people, and continually promotes the success of programs and solutions led by the community.

The Reconciliation Action Plan (RAP) for 2023-26 (RAP V) is designed to progress reconciliation efforts, with a foundation based on four key areas that were developed through collaboration with industry experts. These areas correspond with the pillars of relationships, respect, opportunities, and governance set by Reconciliation Australia.

The focus areas are:

- Digital inclusion for First Nations,
- Career pathways,
- Procurement from First Nations businesses,
- Cultural education and learning.

Digital Inclusion for First Nations

NBN Co's expansion of its Community Wi-Fi program is enabling improved digital inclusion outcomes in remote First Nations communities.

In collaboration with NBN Co, the Commonwealth Government is providing up to $20 million to deliver free community Wi-Fi in around 20 remote communities to narrow the digital gap for First Nations Australians. This was announced in February 2024 and is a multi-faceted endeavour aimed at empowering remote First Nations communities.

Central to this initiative is the use of NBN Co's Sky Muster® Plus Premium services to provide internet access, which will be supported by the installation of wireless access equipment throughout each community. A key aspect of the service is its co-design process, which involves consultation with community leaders. These leaders will contribute their perspectives on the service and content filtering preferences, ensuring the service aligns with community needs and values.

In terms of affordability, the Community Wi-Fi program will offer free internet use to eligible communities, accessible via various devices such as mobile phones, laptops and other Wi-Fi-enabled devices. The service's reach extends to public areas within each community and includes up to three designated community buildings. Additionally, the service supports Wi-Fi voice calling, enhancing affordability and accessibility based on the capabilities of individual devices.

Part of the program will be to find ways to foster digital literacy and technical support for people in eligible communities. This will include exploring ways to educate the community on online safety, including protection from scams, cyberbullying prevention, and guidance on accessing government services and online resources.

The Commonwealth Government, in its ongoing commitment to digital inclusion, has agreed to fund around 20 sites as part of NBN Co's initiative to expand the Community Wi-Fi program.

This expansion is part of a broader strategy to deepen engagement with First Nations communities, ensuring that plans are tailored to meet local needs through close consultation and collaboration.

NBN Co is an active member of the First Nations Digital Inclusion Advisory Group (FNDIAG) Expert Panel, providing guidance and support that has helped shape the First Nations digital inclusion plan and roadmap.

In a concerted effort to integrate cultural elements, NBN Co is actively seeking partnerships with external stakeholders, including local governments and suppliers, to enhance First Nations participation in the Node Artwork Project. This unique project invites local communities to enhance NBN Co's node cabinets with community artwork, symbolising a fusion of tradition and innovation.

Moreover, NBN Co continues to collaborate with organisations like inDigiMOB and the Office of the eSafety Commissioner. Together, they aim to support the delivery of digital resources that are culturally attuned to the needs of First Nations people. These efforts align with the objectives of Close the Gap Target 17[1], with a commitment to report quarterly on progress.

To further support digital inclusion, NBN Co will continue to work with the First Nations Digital Inclusion Advisory Group (FNDIAG) to support families located in Limited Access Areas (LAA) who are currently ineligible or unaware of the School Student Broadband Initiative (SSBI). In partnership with First Nations groups, NBN Co will continue fostering on-the-ground engagement and building relationships with these communities to increase awareness and uptake of SSBI. The Company will also continue exploring potential partnerships with organisations that can support First Nations people.

Another initiative that NBN Co is supporting is the establishment of a National Device Bank, which is led by WorkVentures and amplified by the Low-Income and Digital Inclusion Forum (LIDIF). This work is aimed at creating a bank of refurbished, donated digital devices (laptops, tablets and mobiles) to be distributed to those who struggle to afford devices, enabling the recipients to participate in the digital world.

LIDIF is supporting the establishment of the National Device Bank, including by supporting the National Device Bank to trial effective device distribution mechanisms, particularly in First Nations communities.

Additionally, there is a keen interest in creating opportunities with First Nations organisations that have a focus on Science, Technology, Engineering and Mathematics (STEM), aiming to bridge the gap and foster an environment of inclusive technological advancement.

1. Closing the Gap targets and outcomes | Closing the Gap

Social Impact of Broadband

NBN Co's purpose to lift the digital capability of Australia helps enable social and economic outcomes for households, businesses, and communities across the nation. Ubiquitous, fast and reliable broadband supports a range of economic and social benefits that are essential to Australia's prosperity, such as improved wellbeing.

Social Impact Measurement

As outlined in the Company's Corporate Plan 2024, the development of a Social Impact and Value Measurement Framework was included in the FY23-24 Sustainability Program of Work. This framework was developed in FY24 to better measure and understand the social impacts enabled by the nbn® network.

The framework was applied in FY24 to measure the impact of digital inclusion for customers, which is defined as the social impact of the nbn® network on user wellbeing (life satisfaction) across five outcome domains:

- Employment and income
- Education and skills
- Health
- Social and community connection
- Environment.

Research was undertaken by Accenture and commissioned by NBN Co, with the results published in The Economic and Social Impact of Investment in the nbn network Key Insights Report in February 2024[1]. Measurement found that the nbn® network is having a positive impact on individual wellbeing, with three in four users saying that having access to the nbn® network at home has had a positive impact on their satisfaction with life in the last 12 months.

This framework will be used to continue to measure the social impact of the nbn® network on a regular basis. This will support better understanding of NBN Co's impact, inform decision making and support stakeholder engagement activities. It will also be used to improve the Company's external disclosures and reporting, with results demonstrating the social outcomes and impacts of the nbn® network that can lead to value creation for the nation and customers.

1. https://www.nbnco.com.au/content/dam/nbn/documents/about-nbn/reports/reports-and-publications/accenture-2024-economic-and-social-impact-insight-report.pdf.coredownload.pdf
Note: The analysis was specifically focused on broadband delivered to premises (both nbn® and non-nbn® broadband) and did not seek to measure or take into account the economic or social impact that may have come from mobile broadband. Although mobile networks account for only 13 per cent of downloads across retail nbn®, non-nbn® fixed and mobile networks in the June quarter of 2023 (ACCC Internet Activity Report for period ending 30 June 2023), the pattern of economic and social benefits set out in this report may change if mobile broadband was able to be explicitly included in the analysis.

Supporting a responsible supply chain

NBN Co is committed to conducting business with the highest standards of ethical and social responsibility to help protect the rights and wellbeing of individuals and the environment. Accordingly, the Company seeks to engage suppliers that are committed to socially and environmentally responsible practices, behaviours and procurement principles.

NBN Co manages the social and environmental impacts associated with the Company's supply chain through policies and processes including the nbn Supplier Code of Conduct (the Code) and Third-Party Risk Management Framework.

The Code outlines NBN Co's expectations of its suppliers in terms of responsible procurement. 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, where required. The Code outlines minimum standards for human rights and workplace relations, health, safety and environment, ethical behaviour and good business practices, and management systems.

NBN Co's enterprise-wide Third-Party Risk Management Framework supports the identification of risks in the Company's supply chain across nine risk areas: service delivery, sub-contractor, financial, health and safety, environment, modern slavery, technology/cyber/privacy, legal, and regulatory and strategy.

NBN Co's approach to modern slavery

NBN Co's approach to potential modern slavery risks is part of the Company's approach to sustainability, which supports the Company's Statement of Expectations (SOE). The SoE outlines the Government's expectations regarding adherence to the *Modern Slavery Act 2018 (Cth)*, NBN Co being a model employer and seeking to promote similar outcomes from its contractors.

In line with NBN Co's updated sustainability approach, following implementation of the 2023-2024 Modern Slavery Workplan and the continued maturation of the Company's approach, from FY25 the management of potential modern slavery risks and its potential impacts will be integrated into existing frameworks, processes and systems.

This includes NBN Co's Enterprise Risk Management and Compliance Frameworks, Third-Party Risk Management Framework, and Sustainability Governance Framework, alongside modern slavery procedures.

This will see the implementation of key processes and controls including expanded supplier risk assessment and screening, and associated due diligence activities.

A safe, inclusive and engaged workforce

Through its people, NBN Co brings to life its purpose, helping enable value creation for customers and the nation.

To support its people, the Company is committed to providing a safe, respectful and inclusive workplace where wellbeing, development and engagement is prioritised. This commitment is outlined in the Company's Code of Conduct and is supported by NBN Co's values, People Strategy, and approach to sustainability. In support of the Code of Conduct, NBN Co has refreshed Business Standards learning, which has been designed to be more engaging and effective, aiming to reinforce a more transparent and accountable culture.

Safety and wellbeing of workers

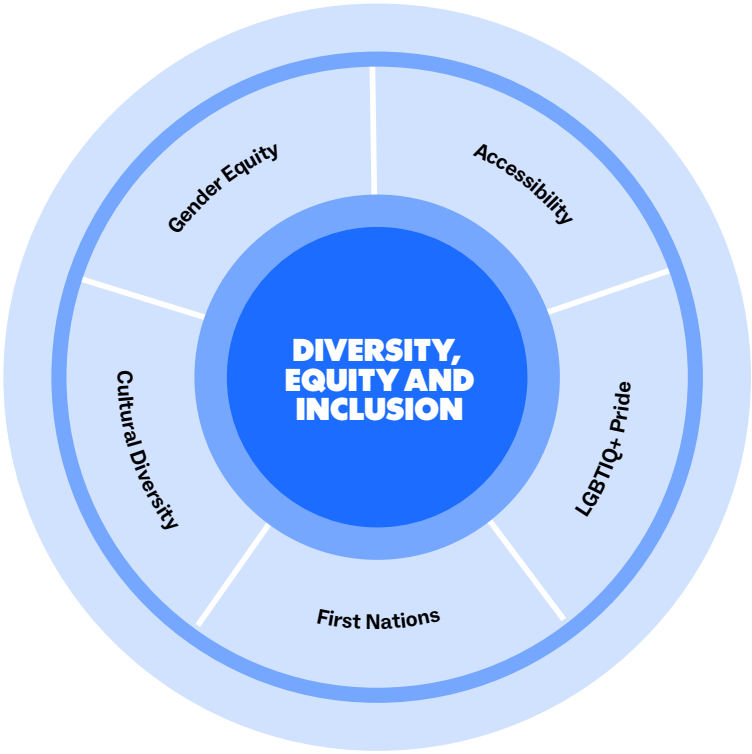
NBN Co is committed to creating a safe, respectful, inclusive and purpose-led culture underpinned by the Company's values, whilst ensuring compliance with its obligations and maintaining public trust. This is outlined in the Company's Safety and Wellbeing Policy, which sets NBN Co's commitments and expectations on the safety and wellbeing for its workforce.

To support continuous improvement in safety and wellbeing outcomes for its workers, in FY25, NBN Co will continue its focus on critical safety risk controls for high-risk work.

This includes enhancing controls through a competent and engaged workforce, improved tooling and work design, and effective safety instruction and training. In addition, support services provided to employees through the MyWellbeing program, including access to mental health resources and counselling services, will be further expanded allowing all employees and their families to access 24/7 online and phone-based medical assessments and triage services.

NBN Co has reviewed and updated the Company's safety and wellbeing lead and lag metrics for FY25. For FY25, Lost Time Injury Frequency Rate[1] is now included in the safety and wellbeing lead and lag metrics.

1. Lost Time Injury Frequency Rate (LTIFR) is the total number of lost time injuries per million hours worked. LTIFR includes work related injuries that relate to a nbn workplace or nbn activity undertaken by an NBN Co employee, contractor, or delivery partner (DP) that resulted in the injured person deemed medically unfit to work for at least one shift following the incident.



Diversity, equity and inclusion

NBN Co is dedicated to building an inclusive team and addressing risk factors for discrimination and harassment, ensuring NBN Co not only fulfills its legal obligation of providing a safe and inclusive workplace, but provides a positive working environment for employees. The Company's focus on diversity, equity and inclusion also aims to support effective outcomes and solutions to its workforce, communities, and customers across Australia.

NBN Co has updated its Diversity, Equity and Inclusion (DEI) goals for 2025 and beyond. This continues the progress made on DEI being leader-led and targeting people-related processes to make even greater progress on DEI objectives, including gender equity and First Nations reconciliation.

NBN Co aims to create an inclusive work environment for all employees through Inclusive Leadership training for people leaders and initiatives delivered by its five DEI employee networks (as illustrated above), sponsored by the Executive Committee and led by the NBN Co DEI Community of Practice. Leaders have and will continue to participate in the Company's Inclusive Leadership Program, and the employee networks aim to connect individuals from diverse backgrounds and experiences to act as reference groups. These groups strive to improve NBN Co's policies and practices by promoting intersectional initiatives and organising employee events. Furthermore, they support how the Company enhances services provided to customers and communities accessing the nbn® network by leveraging the diverse perspectives of its employees.

NBN Co is now integrating DEI considerations into its decision making and proactive planning process. This approach helps the Company retain the critical talent required to achieve its future strategic priorities and deliver more significant social value to its workforce and those who access the network. The impact of these efforts will be measured via the DEI-specific factors in the NBN Co employee engagement survey.

First Nations

NBN Co is dedicated to fulfilling its commitments in the 2023-26 Reconciliation Action Plan (RAP), which was released in May 2023. As part of its journey towards reconciliation, the Company has made progress in supporting the employment, development, and retention of First Nations people.

In FY25, NBN Co aims to increase the representation of Aboriginal and Torres Strait Islander people in its workforce by 15 per cent. Through the Company's Connecting First Nations to Telco program, NBN Co is on track to achieve its RAP commitment of 70 First Nations people within its Field Services workforce by April 2026, which was reported at 69 as of 30 June 2024.

NBN Co has established partnerships with First Nations suppliers to support First Nations talent attraction and retention. Additionally, the Company has established a First Nations employee community that shares experiences, provides feedback to the Company, and promotes NBN Co as a great place to work.

NBN Co will implement a cultural learning strategy to uplift employee knowledge and understanding of First Nations peoples' customs and traditions. It will achieve this through the Company's leadership development programs, its Code of Conduct, employee events and by continuing to foster a culture of connection and belonging that respects and promotes First Nations peoples.

The Company will also continue offering employees opportunities for deep cultural immersion through its ongoing partnership with Jawun, with up to 12 on-country placements and four executive immersions in community planned for FY25. NBN Co continues to support the Garma Festival, Australia's leading First Nations gathering, by providing its employees with the opportunity to volunteer at the event.

Accessibility

NBN Co will focus on delivering on commitments within the Company's Accessibility and Inclusion Plan (which was released in May 2023) over the next 12 months.

Supporting NBN Co's commitment to an inclusive workforce, the Company will work towards being a certified Disability Confident Recruiter by 2026, and continue to build the capability of its people across a range of functions to enable people to adequately consider disability and accessibility in their roles. NBN Co's Employee Reference Group will continue to provide insights that increase the Company's understanding of barriers many employees face in disclosing a disability at work, with the aim of improving employee experience.

In addition, there will be a continued focus on uplifting the accessibility of NBN Co's main offices. As part of future lease renegotiations for key buildings, the Company will aim to improve accessibility features of its workplaces.

LGBTIQ+ Pride

NBN Co will continue to participate in the Australian Workplace Equality Index (AWEI) external benchmarking tool, which assesses LGBTIQ+ inclusion. The Company has been recognised three times as a Gold Employer by AWEI and aims to maintain its position in the top 10 per cent of reporting employers in Australia by participating in future AWEI surveys. NBN Co takes pride in being a top employer of choice for LGBTIQ+ employees. The Company recognises the important role of allyship in creating a safe, respectful and inclusive workplace, and will focus on further opportunities to enhance LGBTIQ+ ally participation and impact.

Cultural Diversity

NBN Co understands that fostering an inclusive and culturally diverse workforce, reflective of the communities and customers it serves, helps the Company better meet the needs of people accessing the network. To increase cultural diversity within its workforce, NBN Co aims to improve its approach to collecting data to support leadership opportunities and diverse hiring within the Company.

The Company will continue sponsoring employees to participate in the Dr John Yu fellowship and showcase its diverse team through its employee profile series published on its internal and external social media channels. In recognition of its culturally diverse workforce, NBN Co provides the opportunity to exchange state or territory-based public holidays for another working day of significance. This flexibility supports employees who observe different cultural and religious traditions beyond the standard public holidays.

Gender Equity

NBN Co is committed to pay equity across all stages of the employee lifecycle and thoroughly analyses gender pay equity as part of its annual remuneration review. In the 2024 financial year, the Company demonstrated an unwavering commitment to achieving pay equity, and the Company's gender pay gap will be released as part of the Workplace Gender Equality Agency (WGEA) public sector reporting in the 2025 calendar year.

NBN Co set an ambitious target to achieve 40 per cent female representation in management roles by the end of 2025. Although this representation has increased from 34.3 per cent to 36.1 per cent during the last 12 months, achievement of the target is unlikely by the end of 2025.

The Company invests in developing female talent through its Navigate program, targeted at getting mid-level leaders ready for more senior roles. Success rates from this program on both retention and development in the form of lateral moves or promotions has been significant, against a backdrop of a male-dominated Australian telecommunications industry, evidenced by only 27 per cent of job holders on LinkedIn identifying as female.

NBN Co will continue to focus on attracting and retaining more women in science, technology, engineering and mathematics (STEM) roles. Through the Advancing STEM Research Innovation and Deployment (ASTRID) program, the Company aims to establish a strong STEM talent pipeline with the Australian Technology Network of Universities to foster diverse talent and provide teaching, learning and skills uplift for our people.

In FY25, the Company will run its enterprise female sponsorship program, offering its talented female employees development and mentoring opportunities with senior leaders.

NBN Co will continue its focus on attracting female talent through its partnership with Work180 and its dedicated female recruitment program, Connecting Women to Telco, to increase female representation in its Field Services workforce.

Objectives and targets for female representation

NBN Co is working towards achieving gender equality throughout the organisation, with the following objectives and targets.

Measure	Objective	Future Targets
Female representation in management[1]	Increase representation of females in management roles	Increase representation to 40% by the end of 2025
Employee engagement	Increase engagement score of females to equal to, or greater than, that of NBN Co-wide engagement	No material difference between males and females
Female representation in graduate intake	Maintain female representation in graduate intake	Maintain 50% female representation

Preparing our workforce for the future

NBN Co is focused on equipping its workforce for the digital future, emphasising AI and other emerging technologies. Initiatives to support a future-ready workforce include introducing a new career pathway tool for employees, expansion of early careers and graduate programs, and providing upskilling opportunities.

Career development and learning programs designed to develop skills and capabilities for the future include:

- **AI Capability Uplift** – Initiatives to help the Company's workforce understand and leverage AI in their roles
- **Upskilling Workshops** – Sessions aimed at enhancing both digital literacy and technical skills across various teams
- **Strategic Capability Uplift** – Targeted programs to assist in building team and individual skills for specific strategic capabilities.

NBN Co will continue to focus on continuous learning, adaptability, and preparing the Company's workforce for the challenges and opportunities ahead to support a sustainable and responsible business model.

An engaged, purpose-led team

NBN Co's commitment to maintaining a safe, respectful and inclusive work environment is paramount. It fosters a culture where innovation thrives, collaboration is encouraged and employees feel valued.

This approach ensures a workplace where employees can contribute to the Company's purpose, strategy and values, and feel accomplished in their roles.

In June 2024, NBN Co conducted an employee engagement survey, achieving a participation rate of 90 per cent and an engagement score of 77 per cent. NBN Co will work towards maintaining or lifting its engagement score in the next survey by delivering the objectives set out in its People Strategy over the Statement of Corporate Intent 2025 period.

The Company will build upon the work it has delivered in FY24, focusing on a safe and respectful workplace, diversity, equity and inclusion, professional development and digital skills, leadership capability, and performance and reward frameworks. In addition, employee satisfaction will also be measured through the Company's annual engagement survey.

1. Including Executive, Senior and Middle management, excluding Board.

Environmental impact

NBN Co aims to operate a climate-resilient, resource-efficient network and business, aligned with the latest climate science, which protects the natural environment.

The Company will support this objective through its principles-based approach to sustainability. This will include implementation of the Company's Climate Transition Plan, Circularity Framework and Environmental Management System.

Responding to climate change risks and opportunities

As a critical infrastructure owner and operator, NBN Co acknowledges the inherent risks climate change poses to its operations, network continuity and service obligations.

In response to the risks and opportunities of climate change, the Company has developed a Climate Transition Plan (CTP).

The CTP aims to align the Company's operations and planning, and capital expenditure, with its decarbonisation goals, whilst managing physical and transition climate risks to the nbn® network and business.

The CTP supports internal strategic planning, action implementation and stakeholder engagement on climate mitigation and adaptation, and is designed to address three key areas of focus:

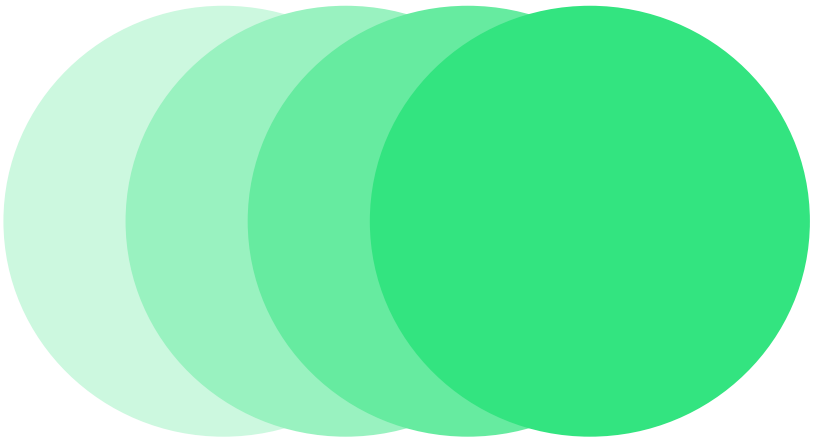
- Network
- Customer and Communities
- Partners.

An overview of the CTP's goals, interim commitments to FY30 and actions to FY27 is outlined below:

Goals	
Climate Mitigation Net-Zero emissions across all scopes by 2050 (or sooner) in line with NBN Co's Statement of Expectations	**Climate Resilience** Continuously improve reliability to meet current and future demand of customers in line with NBN Co's Statement of Expectations

Interim Commitments to FY30	
• Reduce absolute scope 1 and 2 GHG emissions 95% by FY30 from a FY21 base year • Reduce scope 3 GHG emissions from use of sold products 60% per device within the same timeframe • 80% of NBN Co's suppliers by spend, covering purchased goods and services, capital goods, and downstream transportation and distribution will have science-based targets by FY27	• Enable full fibre upgrades, which will be available to an additional 5 million premises by 2025 • Undertake proactive network planning, assessing and improving unscheduled customer downtime • Develop, regularly maintain, and test disaster and crisis management plans in collaboration with Government and RSPs

Key Actions FY24 to FY27		
Network	• Implement 100% Renewable electricity and energy efficiency programs including fibre deployment from December 2025	• Implement NBN Co's Network Investment Plan • Deploy and maintain Temporary Network Infrastructure
Customer	• Deploy energy efficient Network Termination Devices	• Perform regular climate scenario analysis to inform network resilience decision making to improve customer experience
Communities and Partners	• Engage the supply chain on science-based targets and partner on data sharing and emission reductions	• Develop and maintain climate and natural disaster crisis management plans with Governments and RSPs



Circularity and waste

NBN Co's recently developed Circularity Framework and strategy will further embed circular economy principles across the business. This aims to reduce environmental impacts and unlock value as the Company continues to build, upgrade and operate the nbn® network. To put these principles into practice and improve environmental outcomes, NBN Co will prioritise a number of circularity initiatives to implement and track as part of the Company's approach to sustainability.

Protecting the environment and cultural heritage

NBN Co's approach to environment and cultural heritage protection is guided by the Company's Environment Policy and supported by the Environment Management System (EMS), which is certified to ISO 14001:2015 Environmental Management Systems.

NBN Co will continue to monitor and evaluate emerging nature and biodiversity-related frameworks and market mechanisms across the domestic and international landscape, such as the Taskforce on Nature-related Financial Disclosures (TNFD) and assess the Company's planned approach to address requirements.

NBN Co will also continue to monitor and evaluate changes to environment and heritage legislation, including planned updates to the Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act), and ensure operational processes are updated to address revised compliance requirements.

OPERATIONAL AND FINANCIAL CAPABILITY

NBN Co is committed to continuing to develop its operational capabilities and delivering more efficient and better outcomes across all aspects of its business.

This includes embracing new ways of operating, interacting with RSPs and delivery partners, and embracing opportunities for automation. The Company operates on a commercial basis and must be financially sustainable to be able to support efficient ongoing investment in the network and service and refinance its debt obligations.

Operational simplicity

NBN Co maintains a strong focus on keeping critical platforms running, building new functionality and improving delivery processes while removing operating costs. Continuous improvements to the Company's Application Programming Interfaces (APIs) will make it easier for RSPs to access certain NBN Co platforms and in turn realise operational efficiencies. This collaborative approach will benefit the industry as a whole.

In addition, NBN Co continues to focus on creating a single strategic data environment that provides a single source of truth for NBN Co and its partners, enabling real-time decision making and providing an AI-ready data environment for the future.

Enterprise Simplicity forms a key part of NBN Co's overall strategy for operational simplicity and is intended to result in the redesign, replacement and uplifting of systems now approaching end of life, and importantly enable a radical end-to-end simplification that will ensure solution flexibility going forward.

Enterprise Simplicity will create the system and process foundation that aims to allow the Company to become a leaner, faster and more efficient wholesaler.

Capital management

NBN Co's capital management is governed by the NBN Co Board in accordance with the Commonwealth GBE Governance and Oversight Guidelines (GBE guidelines), the PGPA Act, the PGPA Rule and governance documents that operate between the Government, as shareholder, and NBN Co.

In accordance with the SoE issued by the Commonwealth, NBN Co operates on a commercial basis and must be commercially sustainable to support ongoing investment in the network, and to service and repay its debt and leasing obligations, whilst maintaining a strong liquidity position.

As at 30 June 2024, NBN Co had raised in excess of $33.2 billion from debt capital markets and bank facilities (including short-term promissory note issuances), with just under $6.5 billion of the funding raised during FY24. The bonds raised in FY24 include $850 million from its Green Australian Medium Term Note (AMTN) issuance, equivalent AUD $2.0 billion (USD 1.25 billion) in the US144A market, equivalent AUD $2.2 billion (EUR 1.3 billion) of Green Bonds in the European market and equivalent AUD $434 million in private placements.

During FY24, the Company also issued a further $1.2 billion in short-term promissory notes (with a total of $3.2 billion outstanding as at 30 June 2024).

This debt raising activity enabled the Company to refinance its previously held Commonwealth loan in full by the end of June 2024.

As one of the largest corporate borrowers in Australia, NBN Co needs a long-term sustainable capital structure and prudent capital management policies. Financial policy targets are set with this prudency in mind and aim to achieve a sustainable level of debt, while maintaining adequate liquidity levels.

NBN Co utilises capital from shareholders and external lenders to fund its operational activities and ongoing network investments. The Company is focused on delivering sustainable long-term financial growth, which is essential to achieve NBN Co's purpose to lift the digital capability of Australia and enable positive environmental and social outcomes.

NBN Co aims to continue moving towards a positive cash flow position and becoming more commercially sustainable. This requires stable revenue growth and an ongoing focus upon both capital and operating cost efficiency as part of a prudent capital management strategy.

Generating positive future cash flows is key to funding network investments required to meet future customer demand, satisfying the Company's contractual obligations and raising and servicing debt.

Board approved financial ratio targets guide NBN Co's decisions with respect to investments, dividends, business priorities and use of free cash flows. The use of future cash flows will be prioritised based upon ensuring the delivery of investments required to achieve the objectives of the SoE, whilst improving financial and leverage metrics, managing debt levels and maximising shareholder value.

Dividends are not expected to be paid over the Statement of Corporate Intent 2025 period.

Sustainable finance

NBN Co is the largest Australian corporate issuer in Green Bond format as at 30 June 2024, with approximately AUD $5.9 billion equivalent of Green Bonds outstanding in the Australian and European debt capital markets, of which AUD $3.0 billion was raised during FY24. This includes an AUD denominated Green Bond of $850 million raised in August 2023 and NBN Co's second Euro Green Bonds transaction of EUR 1.3 billion (swapped into AUD $2.16 billion equivalent) completed in March 2024.

The net proceeds received under the Green Bond issuances have been allocated to past and future eligible projects as part of the Company's commitment to energy efficiency, including pushing fibre deeper into communities, which will enable long term reductions in power demand in the network with the transition to more energy-efficient technologies.

The Company established its Sustainability Bond Framework in February 2022. NBN Co published an updated Sustainability Bond Framework in June 2024, and in August 2024, its Sustainability Bond Report 2024. These continue to demonstrate how the Company intends to enter transactions which support NBN Co's purpose as well as how NBN Co may issue Green, Social and Sustainability Bonds.

NBN Co will continue to raise sustainable funds from a range of global and domestic debt capital markets, further supporting the Company's purpose to lift the digital capability of Australia.

FY24 PERFORMANCE AND FUTURE OUTLOOK

Financial performance against Corporate Plan 2024 and FY25 outlook

The steady growth in NBN Co's customer base, and increasing average speeds over the network, ensured that the Company achieved its FY24 guidance for revenue and earnings before interest, tax, depreciation and amortisation (EBITDA)[1], as set out in the Corporate Plan 2024. FY24 revenue was forecast within the range of $5.3 billion to $5.5 billion and FY24 EBITDA was forecast within the range of $3.7 billion to $3.9 billion.

The Company delivered financial results at the upper end of these ranges with FY24 revenue increasing by 4 per cent year-on-year to $5.5 billion, and FY24 EBITDA improving by $337 million to $3.9 billion for FY24.

NBN Co is pleased to report these positive financial results and has policies in place that help shield the Company against fluctuations in the global and domestic economy. This enables the Company to better achieve its targets and mitigate any significant financial risks.

NBN Co's financial performance also demonstrates its commitment to achieving its strategic objectives and purpose.

Capital is allocated towards growing the capability and capacity of the nbn® network, upgrading and maintaining the network to improve the customer experience, investing in sustainability, and keeping the Company a great place to work.

The Company continues to operate on a commercial basis whilst meeting the expectations of the Australian Government under the SoE.

NBN Co's financial guidance for FY25 is that revenue will be within the range of $5.7 billion to $5.9 billion and EBITDA will be within the range of $4.1 billion and $4.3 billion.

FY24 operational performance

During FY24, NBN Co continued to make strong progress on expanding, upgrading and enhancing nbn® network infrastructure to meet current and future data demand.

The nbn® network performed well throughout FY24, with average monthly network availability[2] of 99.96 per cent, ensuring that more reliable and resilient broadband was delivered for households, businesses and communities across the country.

In addition, the network effectively managed peak traffic demands which reached new record levels of 29.9 terabits per second during the year.

Over 147 thousand residential and business premises were made Ready to Connect to the nbn® network during the year, taking the total number of Ready to Connect premises to 12.44 million at 30 June 2024.

As at 30 June 2024, more than 8.61 million homes and businesses were connected to the network. This is an incremental increase of approximately 50,000 residential and business premises compared to 30 June 2023.

During FY24, the Company made ongoing network investments that increased the available speed and capacity of the nbn® network for households, businesses and communities across the nation.

These network investments, including rolling out full fibre connections, are designed to help ensure Australia remains an economically productive and socially connected nation, alongside improving the reliability and resilience of the nbn® network.

Construction of the local fibre network for the Fibre to the Node (FTTN) to Fibre to the Premises (FTTP) upgrade is well progressed, with the roll-out of this additional fibre either underway or already in place to serve more than 2.3 million premises.

1. This also excludes other non-operating income and gains or losses on derivatives measured at fair value.
2. 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 doesn't include periods where the network is unavailable due to operational outages for network upgrades and improvements or events beyond NBN Co's control.

By the end of 2025, 3.5 million premises currently served by FTTN will be able to access FTTP and NBN Co's highest residential speed tiers on demand.

NBN Co is on target to enable more than 10 million premises, or up to 90 per cent of the Fixed Line network, to access the nbn® Home Ultrafast wholesale speed tier, which is capable of delivering peak wholesale download speeds of 500 Mbps to close to 1 Gbps[1] by the end of 2025.

This includes the existing FTTP network and premises eligible for Fibre Connect upgrades within the FTTN and Fibre to the Curb (FTTC) footprint, as well as the 2.5 million premises on Hybrid Fibre Coaxial (HFC) network, which is also capable of delivering nbn® Home Ultrafast products, with close to gigabit speeds as at 30 June 2024.

The Company is seeing strong demand for fibre upgrade connections and higher speed tiers, with approximately 6,000 homes and businesses per week, on average, upgrading to FTTP.

NBN Co continues to make these investments to ensure that households and businesses across Australia can access the economic and social benefits of a faster and increased capacity nbn® network now and into the future.

1. Regardless of the retail service an end customer purchases, the actual speeds delivered by NBN Co's highest wholesale speed tiers of 500 Mbps to close to 1000 Mbps will be less than 1 Gbps due to equipment and network limitations and the peak information rate may fall anywhere in this range. In addition, the HFC Home Ultrafast bandwidth profile downstream service provided to retail providers is a ranged profile with a maximum sustained information rate of 750 Mbps. Reference to speeds are not end user speeds; they are wholesale layer 2 peak information rate bandwidth provided to retail providers. An end customer's experience, including the speeds actually achieved over the nbn® network, depends on some factors outside NBN Co's control.

RISK OVERSIGHT AND MANAGEMENT

Risk management is central to the achievement of NBN Co's strategic objectives, and ensures the Company successfully navigates and manages the challenges in building and operating the nbn® network.

The Board of Directors and Management are committed to implementing a robust Enterprise Risk Management (ERM) Framework that enables proactive identification, assessment and management of all risks.

NBN Co's ERM Framework aligns with the ISO 31000 Risk Management standard, and includes the following key components:

- The Board-approved Enterprise Risk and Resilience Management Policy
- The Board-approved Risk Appetite Statement, which provides guidance to management on risk-based decision making in pursuit of the Company's objectives
- NBN Co's Risk Management Standard, which defines the approach, methodology and process for managing risk at all layers of the organisation.

The ERM Framework is integrated into business activities through the risk management governance structure and risk operating model.

NBN Co takes a holistic and principles-led enterprise approach to managing risk and fostering a positive risk culture. The Company has adopted an approach that aligns with the Institute of Internal Auditors (IIA) Three Lines model. Roles, responsibilities and accountabilities for managing risk are documented in NBN Co's Risk Management Standard and are executed through the Company's risk operating model.

Additionally, the NBN Co Enterprise Risk and Resilience Management Policy articulates specific accountabilities for key roles and groups in managing risks. These risks are recorded in the ERM system where risks, controls and treatment plan owners are identified.

At the strategic level, a Material Business Risk (MBR) profile is maintained for each of the Company's top risks. These profiles are reported to the Executive Committee, Audit and Risk Committee, and Shareholder Departments quarterly. Each MBR has an Executive Committee member allocated overall accountability for managing the risk. NBN Co also maintains a Risk Assurance Framework and a map of assurance activities across operational and business unit risks.

Consequently, NBN Co has appropriate risk management policies and practices in place, and adequate systems and experience are being applied, to achieve compliance with NBN Co's policies and procedures.

NBN Co's risk management framework is consistent with the intent of the 2014 Commonwealth Risk Management Policy.

Risk appetite and principles

The NBN Co Risk Appetite Statement (RAS) is owned and approved by the Board. The statement communicates NBN Co's appetite for taking and managing risk and directs the approach for the acceptance of risk (i.e. the amount of risk that NBN Co is willing to take in key areas in the pursuit of its strategic and operational objectives).

The RAS also represents the conscious recognition and acceptance of the risk/return trade-off that arises as business strategy and objectives are determined and implemented.

Material Business Risks

The Material Business Risks to achieving NBN Co's Statement of Corporate Intent are outlined below:

- Active Network Security
- Corporate Systems Availability, Data Governance and Security
- Critical Infrastructure Resilience (Active Network)
- Network Planning, Evolution and Performance
- Strategic Partner/ Performance and Disruption
- Supply Chain Disruption
- Operation Performance
- Stakeholder Trust and Social Licence
- Regulatory Strategy
- Governance and Compliance
- Competition and Customer
- Strategy Execution and Change
- Debt and Finance Management
- Health and Safety
- Workforce, Culture and Engagement
- Climate Change Transition

Where threats and risk events occur, NBN Co maintains a strong business resilience program and the capabilities required to navigate uncertainty and disruption. The Company regularly undertakes training, contingency planning and testing exercises to ensure it maintains a high degree of readiness.

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