

# Sustainability at SingTel

## Marketplace

- Innovate for sustainable business growth
- Pursue proactive market leadership
- Embrace responsible business practices
- Build customer loyalty and satisfaction

## People

- Build a winning team
- Attract and nurture talent
- Enhance employee well-being

## Environment

- Manage wastes and hazardous materials responsibly
- Manage efficient energy consumption
- Reduce impact on climate change and GHG emissions
- Conserve and manage water usage

## Community

- Support community development
- Activate staff volunteerism
- Engage future leaders

Our stakeholders are increasingly joining the discussion on what makes a sustainable company. At SingTel, we are committed to an ongoing process to better understand our internal and external drivers as we strive to stay ahead of our competition and contribute to sustainable development in the markets where we operate. As a result, our sustainability strategies and practices have been developed and refined over time.

Environmental, social and governance issues and performance are integral to our economic performance. While our sustainability framework continues to be based on the four key pillars of Marketplace, People, Environment and Community, our current 14 key sustainability goals will be reassessed and updated in the next phase of our sustainability journey.

Underpinning our aim to be a leading provider of multimedia and ICT solutions, we must ensure that we

meet the needs of our shareholders while increasing the Group's overall value. This has to include the consideration of a number of non-financial factors alongside more traditional and often better understood financial indicators.

Such aspirations include embracing responsible business practices, being an employer of choice, managing our environmental footprint and impact, supporting and investing in community development, and engaging a diverse group of stakeholders.

Through this report, we hope to provide an open and honest discourse with relevant data and insights into SingTel's performance against our stated goals. The reporting process also allows us to continuously assess and develop our improvement programmes and measure our progress in strategic sustainability objectives.

## Managing Sustainability at SingTel

A dedicated Group CSR function is tasked with managing sustainability throughout the SingTel Group. The Group Director of Human Resources assumes overall responsibility and is supported by Vice President for Group CSR.

There are two levels of sustainability management and oversight. Firstly, there is the Group level for the Asia-Pacific region. This brings together all the relevant working groups for SingTel in Singapore, Optus in Australia, and the regional associates. The focus at this level is on driving and collaborating on CSR programmes in key markets, as well as sharing best practices.

Secondly there is the country level for Singapore. The CSR Working Group in Singapore is led by Group CSR and is actively involved in developing and implementing the sustainability strategy and programmes together with the business. The working group is made up of representatives from both business and support units.

We also convened a working group for our Environmental Management System (EMS) as we embarked on a project to review and update our EMS. This working group comprises representatives from our fixed, mobile, submarine cable and satellite networks, property and data centre operations.

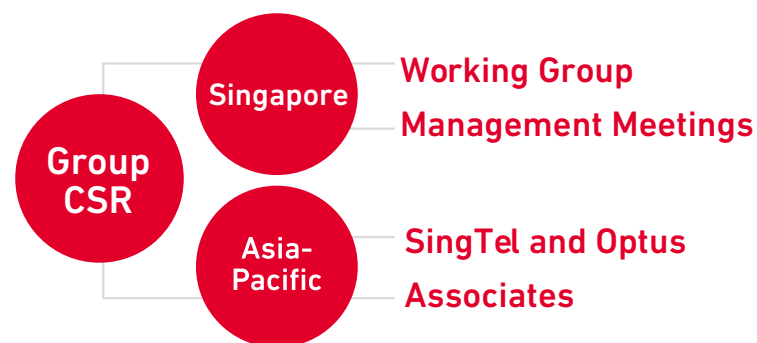
In addition, many of our management meetings now include sustainability-aligned agenda items. These issues are an important part of the strategic planning process and contribute to the overall operational improvement plans and targets.

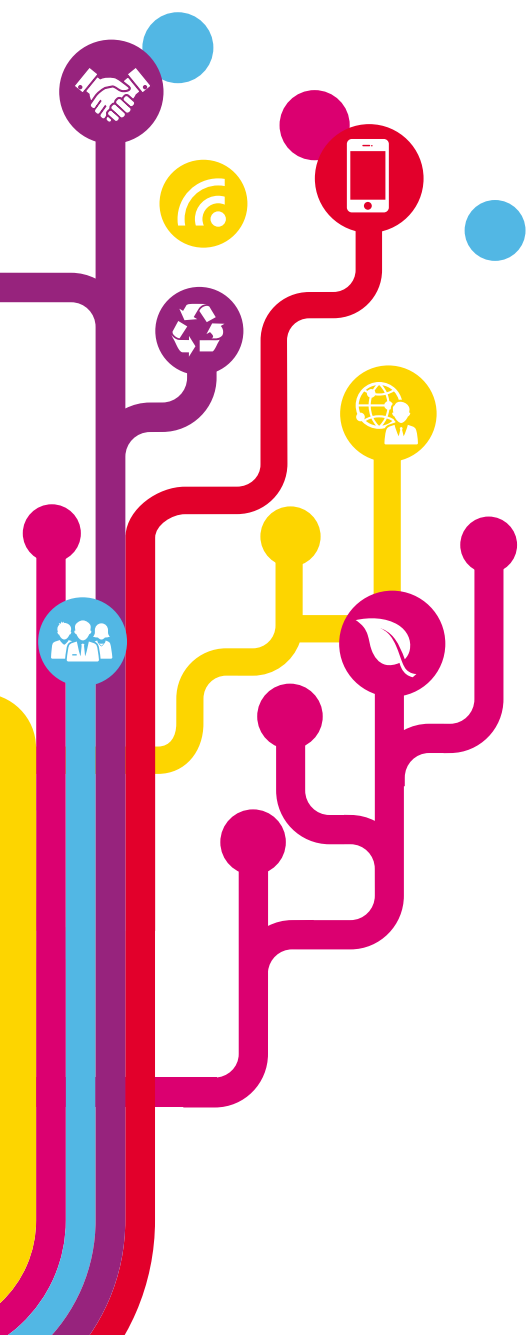
## Materiality Review

This is our 4<sup>th</sup> Sustainability Report and we have reached the halfway mark of our 1<sup>st</sup> five-year plan. The plan was set to align sustainability with our core business values. It identified the four key pillars of Marketplace, People, Environment and Community as well as 14 key sustainability goals. These pillars and goals are regularly reviewed by the Group CSR function to ensure that they remain relevant and address stakeholder concerns raised during our regular engagement. Priority targets have been disclosed and outcomes reported in the last two years.

We also identified our key stakeholder groups, assessing each one in terms of relevance and influence. This was reviewed in FY2013 and our key stakeholders are customers, employees, government and regulators, industry bodies, investors, local communities, media, trade unions and vendors.

We intend to conduct a materiality review in the coming year and deliver an updated sustainability plan and goals.





Stakeholders	Engagement Goals	Engagement and Communication Channels	Frequency
Customers	We reach out to our customers to understand their needs and respond to their feedback through product innovation or service improvement.	<ul style="list-style-type: none"> <li>Account, Project and Service Management professionals</li> <li>Customer Premise Installation and Service engineers</li> <li>SingTel Customer Experience Survey</li> <li>SingTel Customer Service Hotline</li> <li>SingTel Retail and Dealer Shops</li> <li>Social Media</li> <li>Website</li> </ul>	Ongoing Ongoing Monthly Ongoing Ongoing Ongoing Ongoing
Employees	We engage our employees with open and constant communications to create a cohesive and well-informed workforce.	<ul style="list-style-type: none"> <li>Intranet (ESPRESSO)</li> <li>Staff briefings</li> <li>SingTel employee engagement survey</li> <li>Staff performance reviews</li> <li>Team meetings</li> </ul>	Ongoing Quarterly Annual 2-3 times/ year Ongoing
Government and Regulators	We engage the government and regulators to update our business direction and influence industry developments.	<ul style="list-style-type: none"> <li>Participation in consultation papers</li> <li>Dialogues</li> </ul>	Ongoing Regular
Industry bodies	We work with industry associations and professional organisations to promote, support and benchmark against best practices in the industry.	<ul style="list-style-type: none"> <li>Active membership and participation</li> <li>Presentations at industry seminars</li> <li>Regular industry and professional networking sessions</li> </ul>	Ongoing Regular Regular
Investors	We provide timely and regular updates to the investment community, including market development, business strategy, financial performance and other shareholder issues, to allow them to make informed investment decisions.	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Investor roadshows by top management</li> <li>One-to-one meetings with investors</li> <li>Financial results</li> </ul>	Annual Half-yearly Ongoing Quarterly
Local communities	We support community development programmes to provide for the well-being and economic progress of communities in the markets in which we operate.	<ul style="list-style-type: none"> <li>SingTel CSR programmes</li> <li>SingTel Touching Lives Fund</li> <li>Staff volunteerism initiatives</li> </ul>	Ongoing Annual Ongoing
Media	We engage the media to ensure the public obtains timely and accurate information about the company.	<ul style="list-style-type: none"> <li>Management interviews</li> <li>Media releases/conferences</li> <li>Financial results</li> </ul>	Regular Regular Quarterly
Trade unions	We engage the union to ensure a harmonious and collaborative partnership.	<ul style="list-style-type: none"> <li>Management-union dialogues</li> <li>Management-union workshops/ retreats</li> </ul>	Regular Regular
Vendors	We work with our vendors to procure goods and services to meet our business needs in an ethical manner.	<ul style="list-style-type: none"> <li>Online procurement portal</li> <li>Requests for quotations/tenders</li> <li>Supplier Code of Conduct</li> <li>Vendor surveys</li> </ul>	Ongoing Ongoing Ongoing Scheduled

## Engaging our stakeholders

Stakeholder engagement is undertaken on a number of levels at SingTel. Depending on the stakeholder group, the channels and frequency of interaction will differ. Where possible, our aim is to engage all relevant stakeholders in an open two-way dialogue, although some of the communication is more straightforward such as the provision of information.

Some examples of our interactions include union-management dialogues, active membership of professional and industry bodies, digital customer feedback and surveys, quarterly staff briefings and annual employee survey.

### Stakeholder Engagement Exercise on Sustainability Issues

We commenced a structured stakeholder engagement exercise in 2012. The purpose of the three-year exercise was to review current practices, initiate new conversations with targeted stakeholder groups and assess their opinions on our sustainability strategy, issues and programmes.

The projected outcome was to help us align our efforts on appropriate responses and actions, address them in our review and feed into future strategy and reporting. Stakeholder engagement can be highly valuable in understanding stakeholders' views, and both internal and external consultation should increase our understanding of future challenges, risks and opportunities for the company.

The AA1000 Stakeholder Engagement Standard (2011) was used to guide the engagement process and provide a framework for structure and best practice. During the 1<sup>st</sup> stage of this three-year plan, we undertook a mapping and profiling exercise on each identified stakeholder group and sub-groups, and conducted workshops for our internal stakeholders to ensure that they understood the process. We then proceeded to engage the targeted groups directly in FY2013.

#### Phase 1

Stakeholders were identified in groups and sub-groups and prioritised according to a defined set of criteria. The output was a stakeholder map and stakeholder matrix. An individual profile was produced and a priority level assigned to each group and sub-group to determine when and how SingTel planned to engage them.

#### Phase 2

Initially, engagement priorities were set for two years. In Year 1, these were at the Customer sub-group level (digitally savvy/Gen Y customers and enterprise clients) and an Investor group representing institutional, retail and socially responsible investors (SRI). Engagement methods were developed and executed for the digitally savvy/Gen Y and investor groups. Engagement for the digitally savvy/Gen Y group took the form of an online survey, and a semi-structured questionnaire was developed for the investor group.

#### Phase 3

Nearly 1,500 responses were collected from the digitally savvy/Gen Y group of stakeholders, outperforming all estimates of response levels. From the invited investors, seven of nine responded to the engagement questionnaire.

## Key findings

There was a good mix of respondents from our customer survey panel and although the sample size for investors was small, there was some interesting feedback. Respondents noted the importance of the provision of information on sustainability, two-way engagement and transparency in communication.

Some of the key findings from our survey, providing us with insights on aspects where we are doing well and those where we can improve, are:

- 21% of our customers always take the company's sustainability practices into account when purchasing from a telecommunications service provider, while 48% sometimes do. This highlights the importance of sustainability issues on our customers' agenda.
- 59% of our customers feel informed about our sustainability efforts. We have increased our efforts over the last three years to ensure information on sustainability is more widely available and will continue to review how this is delivered and understood by our customers.
- 63% of our customers think that easy availability of options for e-waste recycling is important.
- 86% of our customers stated that SingTel should conduct business in a fair, open and transparent manner (e.g. with clear sustainability codes of conduct, business ethics, anti-corruption and whistleblowing provisions in place) while 66% stated we met or exceeded their expectations in this area.
- 58% of our customers believe that their health and safety relating to service delivery such as network deployment, electromagnetic fields (EMF)

and base station location are very important, with a further 31% classifying this as an important issue. We will ensure that information is available to consumers to understand this area of our business.

- All investor respondents were aware of SingTel's efforts to communicate sustainability initiatives.
- Investors see sustainability as a more risk or compliance focused function, with only one of the seven investors making the link to future opportunities.
- Issues SingTel should be aware of over the next three years include a continued focus on good corporate governance, cost efficiencies (many of which may be achieved through sustainability-related initiatives) and understanding issues in the supply chain.
- One of the seven investors thought that sustainability should not be a high priority but mentioned many issues that had sustainability-related themes. This could potentially be addressed with better communication about links between sustainability issues and their effects on SingTel's business and customer relationships.

We thank all our stakeholders for taking part in the 1<sup>st</sup> phase of this engagement exercise. Findings of the feedback will be incorporated into our materiality review and future decision making around sustainability issues. We will also continue to appraise our current methods of ongoing engagement and interaction with stakeholders. Our target stakeholder groups in Year 2 of our engagement exercise are our enterprise customers and our employees.

## Global Reporting Initiative G4 Consultation

In September 2012, SingTel was involved in determining the future of the GRI guidelines by taking part in a public consultation programme to discuss and comment on the draft G4 version of the guidelines.

The half-day event collected the views of over 30 participants, made up of consultants and practitioners, our peers and competitors, and fed these responses back into the development process of G4. As a user of the GRI guidelines, and one of the biggest companies in the region, we felt that it was important to share SingTel's views during the consultation process.