



05

MARKETPLACE

Lead. Enable. Embrace.

Our Approach

SingTel is committed to increasing stakeholder value. We achieve this by leading the market with innovative ICT services and care for our customers that help improve their lives and the way they run their businesses. We adhere to the highest standards of corporate governance and embrace responsible business practices.

SingTel continues to focus on business excellence, stakeholder accountability and transparency as priorities. Our efforts have been recognised and we have received multiple awards in the last financial year, in areas such as corporate governance and transparency, innovation in service provision and delivery, environmental management, community development and as one of the world's most ethical companies.

In a constantly changing and highly competitive market environment, independent endorsement

and recognition motivate us to strive for further improvements in our business and sustainability efforts.

Operating in this digital age, SingTel recognises the great opportunities we have with our customers in helping them to improve quality of life and stay connected at both the professional and personal levels. They can enjoy the latest products and innovative services and solutions from us — from mobile services to TV content to corporate cloud solutions — whether they are at work, home or on the move.

SingTel continues to rank as leading ethical company



For the 3rd consecutive year, SingTel has been included in the 'World's Most Ethical Companies' ranking by Ethisphere Institute, a US-based think-tank that awards businesses with good ethics and compliance programmes. We are among a handful of Asian firms and one of only three telecommunication companies globally to be ranked.

SingTel in Newsweek's ranking of Greenest Companies 2012

SingTel is one of only three companies in Singapore to be listed on Newsweek's 4th annual Green Rankings. We are ranked highest among them at 185, up 149 places from last year. The world's top 500 companies were assessed on performance in three areas: environmental footprint, management and disclosure.

INNOVATE FOR SUSTAINABLE BUSINESS GROWTH

Our organisational structure is creating an even more customer-centric SingTel. We want to use this change to help drive our culture of continuous innovation in this highly competitive market. We have been able to differentiate ourselves from competition through the years to maintain a leadership position in the various market segments.

For the core telco business, we continue to drive operational efficiencies and create a competitive cost structure. In the digital space, we have also made strategic acquisitions that have helped lift the Group's capabilities. Investments in Amobee, Pixable and HungryGoWhere for example, will help us further leverage our strengths.

Innovative digital services

We are constantly working on developing new apps and services that make the most of our networks and smartphone technology to enhance the lives of our customers. We appreciate that technology and digital services can replace physical objects, thus helping users to reduce their impact on the environment. For example, with cloud computing, business customers need not invest in physical servers. Our development and offering of such services allow us to reach and influence customers to opt for lower-carbon options.

SingTel AMPed 2.0 supports Singapore's Indie scene



AMPed supports Indie musicians

Singapore's number one digital music service with over 600,000 users was re-launched in May 2012. SingTel AMPed 2.0 included new features to promote local talent from Singapore's Indie music scene. The collaboration with the Singapore Music Society will offer the music of local independent artistes for streaming and downloads to mobile devices for the 1st time. The initiative seeks to promote greater awareness of Singapore artistes at home and abroad, and to raise the profile of the local music industry.

AMPed 2.0 also continues the high quality services our customers expect including an extensive song catalogue, smooth streaming and intelligent playlist capabilities through the new Smart Mix feature.

NewsLoop keeps Singapore in the loop

July 2012 saw the launch of NewsLoop, a ground breaking e-Reader app that offers the largest selection of Singapore news, blogs, lifestyle articles, photographs and videos. It differentiates itself by being the 1st app to cater specifically to the needs and interests of local readers. Readers no longer have to scan through long lists of posts and numerous links. Now, they can enjoy quick access to stories and images with just a few swipes, making it simpler and more entertaining than ever to discover, view and share content.

Enabling productivity

In the enterprise sector, SingTel has been actively developing and promoting products and services that increase resource efficiency and productivity. In November 2012, we launched a biennial event, i.luminate, which introduced a suite of innovative ICT solutions that helps large corporations, small and medium enterprises (SMEs) and governments improve productivity and lower their operating costs effectively.

These innovations were part of around 200 solutions that were showcased at the event. Our aim was to highlight the challenges businesses face today and the role our Group Enterprise unit plays in harnessing ICT innovations in partnership with our corporate partners in both private and public sectors for continued business success.

i.luminate 2012 marked the 1st time that the SingTel's business group, including NCS, Enterprise Data and Managed Services and our Optus businesses, jointly presented their capabilities as one entity under the newly formed Group Enterprise unit.

For SMEs, the development of myBusiness online resource portal demonstrated SingTel's commitment in providing resources to help SMEs grow. An innovative feature of the portal is a virtual market place where SMEs can take up job tenders, pitch for business, or join others to bulk-buy services or products. By doing these things on a single portal, SME owners can save time, cost and resources while allocating savings to more productive uses. The portal will also feature thought leadership and best practices by SMEs that have successfully transformed their operations and capabilities through innovative use of ICT services and solutions. With over one million page views, myBusiness is currently the largest all-in-one online SME community in Singapore.

PURSUE PROACTIVE MARKET LEADERSHIP

SingTel continues to invest in enhancing our systems and network infrastructure in pursuit of our aim to be Asia's leading multimedia and ICT solutions provider.

In FY2013, our total capital investment in Singapore was S\$726 million. The year also saw a number of acquisitions by SingTel to deliver innovative content to both consumers and enterprise customers. These include Amobee and Adjitsu (digital advertising), Pixable (photo application) and HungryGoWhere.com and Eatability (restaurant guides).

Our investments mean that customers get to enjoy the best from the cutting-edge technology around the world and high quality services to meet their communications and entertainment needs. For example, more than 300,000 corporate users trust SingTel's cloud services to drive their business operations today, making SingTel the leading telco provider of cloud services in the region.

Total capital investment			
FY2010	FY2011	FY2012	FY2013
S\$652 million	S\$726 million	S\$818 million	S\$726 million

The G-Cloud

In FY2103, SingTel's track record of investment and innovation led to a number of significant events coming to fruition. SingTel's comprehensive suite of award winning, trusted end-to-end cloud capabilities, strong ICT expertise and track record enabled us to be awarded a five-year tender to deploy a private cloud computing infrastructure on a whole-of-government basis. The G-Cloud marks the 1st private cloud infrastructure to be developed on such a scale to cover all government bodies in Singapore.

The adoption of the G-Cloud services redefines the government sector's delivery of e-services, both internally and to the public. G-Cloud opens the gateway for more government e-services to be delivered quickly, securely and on-demand. It helps to streamline service delivery and improve productivity while lowering capital and operating costs.

Collaboration for market development

SingTel is part of a technological development alliance which includes six other global communications companies to cooperate globally in machine-to-machine (M2M) business solutions. The focus is on technological cooperation in developing and enabling a seamless global solution for the

provision of M2M communications for multinational customers, stimulating the sale of M2M communications further and improving customer convenience.

The goal is to initially assist a number of distinct and high-potential industries such as consumer electronics, automotive and energy efficiency through the development of new business models, creation of new products and services and reduction in operational costs.

Collaboration for research and development

SingTel and Amdocs joined forces to open a development centre based in Israel to serve as a gateway for local start-ups. SingTel L!feLabs@Israel is the 1st such collaboration in Israel by a service provider from Asia Pacific. It will fulfil part of our strategic plan to increase investments in R&D and accelerate innovation. Working with strategic partners, renowned research institutes and the ecosystems of start-ups and incubators, L!feLabs will focus on reaching out to the local community of entrepreneurs to develop capabilities, conduct proof of concepts and the eventual commercialisation of innovative technologies, products and services in the 25 countries where the SingTel Group operates.

EMBRACE RESPONSIBLE BUSINESS PRACTICES

Corporate governance, ethics and fraud prevention

SingTel aspires to the highest standards of corporate governance and business ethics through the implementation of appropriate policy, structure and enforcement of our Code of Ethics and core value of integrity.

Major control initiatives across the businesses have been implemented, focusing on establishing and maintaining accountability for prevention, detection and reporting of fraud, and applying the Group's zero tolerance policy at the highest levels of management.

The adoption of the Fraud Investigation and Whistleblower Protection Policy in SingTel, along with our whistleblower programme, provides robust internal controls in the management of fraud risk. This includes prompt identification of suspected fraud and encouraging employees to raise any concerns about fraud or other irregularities without fear of reprisal. The Policy and related processes, including the adoption of a zero tolerance approach to fraud, are formally communicated to our people each year. The Policy requires independent and prompt investigation of all fraud matters by Internal Audit and timely and regular reporting of all significant fraud cases and whistleblower complaints to the Audit Committee, Senior Management and external auditors, as appropriate.

During the year, SingTel reported one case of alleged corruption to the law enforcement authority. We also conducted a thorough internal investigation and in accordance with our zero tolerance approach, the services of the people involved were subsequently terminated.

To encourage further transparency and reporting of potential or actual instances of fraud, the independent whistleblower hotline was published on our corporate website. In January 2013, a separate internal Fraud Risk Management Committee was formed comprising senior management members to review all fraud related cases within SingTel and ensure necessary follow-up actions.

Fraud and control awareness training programmes were conducted throughout the year to broaden the education and awareness of our people on fraud risk and accompanying mitigating measures. A total of 94 participants attended these sessions in FY2013. Internal Audit worked with Management to conduct regular training in Singapore and overseas subsidiaries and offices. The training sessions included discussion of past fraud cases and the lessons learnt on internal control procedures. Continuous education on the Code of Business Conduct via eLearning has been rolled out and 870 employees have completed this programme since December 2011.

SingTel launched a Code of Ethics with Vendors in December 2011. This Code requires all employees to comply with the guidelines covering gifts and hospitality in order to avoid a situation of conflict or potential/perceived conflicts of interest. Employees have to make the required declarations to Human Resources and their line supervisor. They also have to report any breach or case involving potential or alleged fraud to Human Resources and Internal Audit.

We require our people to be honest in all business dealings at all times. Any payment or in-kind transaction, such as gifts or favours, to influence business opportunities or decisions in SingTel's favour is prohibited. SingTel has a strict Code of Conduct that governs employee dealings with

customers, suppliers, competitors and the community. On an annual basis, all SingTel employees are required to make a mandatory declaration on the absence of any instances of conflict of interest.

In accordance with the requirement under SGX Listing Rule 1207 (10), the Board is required to issue an opinion to the shareholders on the adequacy of SingTel Group's internal controls, addressing financial, operational and compliance risks in the Corporate Governance section of the Annual Report.

The framework and process to support the Board's opinion on the adequacy of SingTel Group's internal controls include reviews and statutory audit of financial statements by external auditors, results of work performed by SingTel Internal Audit, annual certification by Management on adequacy and effectiveness of risk management and internal controls, and reporting protocol for escalating major incidents and violations.

An escalation process had been established so that the Board of Directors, Senior Management and both internal and external stakeholders are kept informed of corporate crises in a timely manner, based on level of severity. Such crises may include violations of code of conduct and/or applicable laws and regulations, as well as loss events and fraud, which have or are expected to have a significant impact on the Group's business and operations.

Risk management

Risk takes on many forms and can have material impact for a company of SingTel's size and breadth of operations. It can have an adverse impact on SingTel's reputation, operations and financial performance. It is imperative that the identification and management of risk reduces the uncertainty associated with the execution of our business strategies and allows SingTel to maximise opportunities that may arise.

In May 2012, a separate Board Risk Committee was established by the Board of Directors to assist in its responsibilities relating to the governance

of risk. This has provided an increased focus and a more integrated Group-wide perspective in relation to the oversight of material risks. The committee's responsibilities include ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. It is also tasked with determining the nature and extent of the material risks which the Board is willing to take in achieving the Group's strategic objectives.

Day-to-day SingTel's risk management operates within a robust framework. The ongoing process for executive officers involves risk identification, monitoring, management and reporting of risks throughout the organisation. This in turn provides assurances to the Board, its Risk Committee and other interested stakeholders. More information on the risk management process is found in our annual report <http://info.singtel.com/annualreport/2013/corporate-governance/risk-management-philosophy-and-approach.html>.

Safety standards in telecommunications

Risks associated with electromagnetic energy are of particular interest to the telecommunications industry. A number of health concerns has been raised globally regarding the potential exposure to electromagnetic energy associated with the operation of mobile devices and the related infrastructure including towers and base stations. While there is no substantiated evidence of public health risks from exposure to the levels of electromagnetic energy typically emitted from mobile devices, perceived health risks can be a concern for our customers and regulators.

Radiation Emissions from Base Stations

Mobile phones communicate by transmitting radio frequency (RF) waves through a network of fixed antennas called mobile base stations. RF waves are EMF, and their possible impact on health is a frequently discussed issue in the mobile telecommunications sector. Radiation is produced by mobile devices and base stations and there has been a great deal of research undertaken since the early 1990s related to EMF. SingTel frequently monitors the latest developments and publications.

The World Health Organisation (WHO) has been active in promoting research and awareness of possible EMF health impact and states that a large number of scientific studies have been performed over the last two decades to assess potential health risks. They currently conclude that no adverse health effects have been established as being caused by mobile phone use to date^[1].

In Singapore, the Centre for Radiation Protection and Nuclear Science (CRPNS), an office of the National Environment Agency, is responsible for all matters relating to EMF exposure. According to CRPNS, the levels of mobile phone radiation permitted in Singapore complies with the WHO recommended International Commission on Non-Ionizing Radiation Protection (ICNIRP) standards and that radiation exposure from base stations is far lower than that from mobile phones. Current advice from CRPNS is that individuals can take precautionary measures to reduce RF exposure to themselves by limiting the length of calls, or using hands-free devices to keep the mobile phones away from the head and body. As a further precaution, the authorities monitor the levels of RF exposure of base stations in Singapore^[2].

The radiation levels from SingTel's mobile base stations are within the ICNIRP acceptable limits and mobile phone handsets sold at our stores must comply with regulatory guidelines set out by CRPNS and IDA.

Please refer to page 11 for the findings of our stakeholder engagement exercise on EMF.

[1] <http://www.who.int/mediacentre/factsheets/fs193/en/>

[2] <http://www.nea.gov.sg>

Telecommunications access

As telecommunications has widened its reach through innovations in technology, it has become an essential part of society. In order to provide service access to everyone in the community, SingTel offers a comprehensive range of plans and products to suit different budgets and requirements, from simple to complex solutions.

Our success in this area is evident from the high uptake of mobile phone and internet use in Singapore. As at 31 March 2013, Singapore had 8.07 million mobile customers, representing a penetration rate of 151.9% which is among the highest in the world. Residential Wired Broadband Household penetration was 102.9%, while Wireless Broadband Population penetration rates were 169.3%. The fixed-line household penetration rate was 99.7%.

SingTel is a Public Telecommunication Licensee and has to meet a range of obligations. This includes requirements to make a basic telephone service available to any person in Singapore who requests the provision of such a service, and to provide emergency call and public payphone services. The telecommunications regulator in Singapore, the Infocomm Development Authority of Singapore (IDA), also requires SingTel to meet specific quality standards for certain services that we offer. IDA publishes regular performance reports on broadband, mobile and fixed telephone services offered by various operators in Singapore. These reports are found at www.ida.gov.sg.

SingTel's 4G rollout and 3G upgrades

The rollout of our high-speed LTE or 4G mobile network from June 2012, which SingTel invested S\$150 million in FY2013, has enabled our customers to enjoy a superior experience during peak periods for applications such as video and music streaming, surfing, file downloads and online games while on the move. Speeds of up to 150Mbps are possible and more than 300,000 customers have signed up for our 4G service since its launch. As part of an accelerated network upgrade programme, we also enhanced our 3G network to offer customers with compatible devices download speeds of up to 42Mbps, which is double the maximum speed of 21Mbps they previously enjoyed. Today, our 4G street-level coverage is 95% nation-wide.

Responsible products and services

Cyberwellness, including cybersafety, continues to be an area of concern as more and more information and content are stored digitally while games and apps proliferate. We continued to promote awareness on how customers can protect their data and how parents can protect their children in their home and on mobile devices by keeping them safe from exposure to inappropriate content, social networking risks and other online threats.

SingTel offers a range of home and mobile protection including the Security Suite, Home Internet Filter, Mobile Internet Filter and Mobile Security, all powered by McAfee. These services give customers all-in-one protection against online threats whichever device is used.

By activating our Home Internet Filter, parents can protect all devices connected to the home WiFi and filter inappropriate content and websites from children. It also manages the amount of time spent on the internet and allows customisation settings to block or allow certain websites. In addition, our Mobile Internet Filter protects smartphones or tablets connected to our mobile network. Parents can now receive SMS or email alerts when the child attempts to access inappropriate content online.

As part of our commitment to responsible products and services, SingTel adheres to the policies and practices issued by the regulators in Singapore, IDA and Media Development Authority of Singapore (MDA), relating to the access and use of telecommunication products, content and services.

Data protection for our customers

Customer privacy is very important to us and we have implemented a number of practical measures to ensure that data is only accessed by authorised employees and for authorised uses. SingTel regularly trains and updates employees who deal with customer information, and use other proprietary company information as part of their job function, to handle such data with the utmost care and confidentiality.

Our database management system resides on our own servers, so we have full control of the information and manage customer data to protect it from being compromised or misused by 3rd party vendors. Only employees with authorised access can retrieve data as access is based on job scopes and roles. Sensitive customer information, such as credit card and bank account numbers, is masked when displayed on our systems that are being accessed by our Customer Care Officers.

SingTel supports the government's intention to introduce Singapore's 1st consumer data protection framework, the Personal Data Protection Act 2012 and we provided feedback on the consultations prior to the Act being passed into law. The provisions of the Do Not Call Registry of the Act will come into force in early 2014 and the remaining provisions of the Act in mid-2014.

Using ICT to improve lives

Project Silverline for the seniors

Starting October 2012, SingTel undertook a community investment programme to help enhance the lives of seniors through digital access to communications and multimedia technology. Leveraging our strength in ICT, Project Silverline gives our seniors a greater sense of connection and security while reducing isolation by opening new communication channels. Seniors under the care of voluntary welfare organisations (VWOs) Lions Befrienders and Willing Hearts received refurbished iPhones donated by our customers. SingTel sponsored their talktime and data usage for one year.

The iPhones were also installed with a suite of five apps that were specially designed by SingTel in partnership with our partners to help the seniors take better care of their health, discover new experiences everyday and stay connected within their social circle. The apps are available with English and Mandarin language options.



Inspire



Connect



Well-Being



Discover



Emergency

"I am really excited to receive the phone because I can use it to take photos when I go out with my friends.... I love learning new things and will enjoy all the games and activities that come with it."

- Mdm Choo Kim Lain, 76, a beneficiary of the Lions Befrienders

Ecommuter for the disabled community

Since May 2012, we partnered a local start-up Hapticus on a technical and service trial for an app that facilitates the commuting option and experience of the mobility challenged. They can now book transportation offered by VWOs such as the Handicapped Welfare Association or volunteers who own cars. Using our Broadband on Mobile service, VWOs involved are able to make use of this real-time matching platform which cuts down the minimum advance booking notice from days to as and when required.

T.Ware vest for autistic children

In November 2012, we supported a local social enterprise and sponsored data SIM cards for a technical trial to aid autistic children. Controlled by a smartphone app, the vest measures the vital signs of the child and sends alerts to the caregivers. Caregivers can then send instructions to special vests that will tighten around the special child's shoulders and waist, thus creating a hug and calming the child down. The child can then cope better with his or her environment through better focus, thereby reducing hyperactivity.

Responsible marketing and selling

Our marketing communications delivery is a key driver of the customer experience and we aim to ensure high levels of satisfaction and continuous improvement.

We try to be as transparent as possible with mobile coverage and download speeds. We are the only local operator to publish network upgrade timelines for both indoor and outdoor coverage as well as before and after download speeds for consumers to better understand our services they are purchasing.

We keep abreast of the latest developments in the industry through affiliation with relevant associations and institutions. We also ensure our compliance with the law and constantly review industry standards and codes to adopt relevant guidelines and programmes. For example, our marketing practices are aligned with industry guidelines such as the Premium Rate Services Code, Internet Code of Practice, TV Advertising Code, Singapore Code of Advertising Practice and Consumer Protection (Fair Trading) Act.

We want to make the customer purchasing experience as quick and uncomplicated as possible while we remain fully committed to openness and honesty in our sales practices. Our customer facing teams at the SingTel retail stores are all trained to inform customers about potentially contentious issues prior to signing any agreement. These issues include contract terms, bill shock safeguards and penalties involved with early termination requests. Customers are also requested to acknowledge and confirm the products and services provided in the Service Agreement.

For example, to give our customers peace of mind when they access data services while travelling overseas, we introduced a new feature of auto suspension for our postpaid mobile customers in January 2013. The pay per use data roaming quota is pre-set at \$500, thus limiting any bill shock.

Across our retail stores we have also installed interactive screens to display the latest deals and promotions, thus reducing the amount of in-store paper brochures and allowing customers to access the latest information they need at their fingertips. Many of our Value-Added Services (VAS) are offered

free for a limited promotional period when customers sign new contracts with SingTel. Our customers enjoy peace of mind as we advise them via SMS when the promotion is ending, giving them the option to subscribe or cancel the VAS. Additionally, every mobile phone that we sell comes with at least a one-year warranty from the manufacturer.

Our virtual store *singtelshop.com* offers customers an online alternative to buy the latest phones from us. A Live Chat function is available between 9am and 11pm daily to give users the opportunity to receive instant clarification on queries. We also have a dedicated hotline for after-sales support outside of the Live Chat operation hours. By empowering the 1st point of contact to take ownership of the case, we ensure that customers have a specific SingTel contact to attend to them and follow through to find a solution.

Responsible procurement

We select SingTel vendors very carefully and are always looking to enhance our business processes. We are committed to providing our customers with the best quality products and services we can purchase at the best prices possible. During FY2013, 85% of our purchases were from suppliers based in Singapore. We have developed a Supplier Code of Conduct to ensure that our vendors understand our expectations.

Supplier Code of Conduct

In our ongoing efforts to improve the way we purchase goods and services, SingTel seeks to procure from vendors who currently are or working towards being responsible and sustainable companies. To facilitate this aim, we implemented in September 2012 our Supplier Code of Conduct which we developed and is our commitment on minimising social and environmental impact of our procurement of products and services.

This Code sets out clear expectations that we have of our vendors in areas such as supplier relationships, subcontract, forced labour, child labour, human rights, health and safety, environment, as well as bribery and corruption. All of our vendors are required to adhere to the minimum standards as set out in SingTel's Supplier Code of Conduct. A copy of

the Code is available at our corporate website and is also posted on our procurement portal, reaching out to all our vendors who transact with us online.

Sustainability in procurement decision making

Sustainability has always been part of our consideration when making procurement decisions. With the rollout of our Supplier Code of Conduct, vendor compliance has become part of our evaluation consideration.

An example is a tender for the supply, installation and commissioning of a DC power system at SingTel premises in February 2013. Vendors were required to indicate their compliance with SingTel's Supplier Code of Conduct during tender submission. A two-stage evaluation methodology was adopted where vendors were 1st qualified based on commercial and technical criteria, followed by compliance with the Code. Suppliers who fully complied with our Code were considered more favourably. SingTel will formalise and extend this process to all quotations and tenders in FY2014.

Taking responsible procurement forward

With effect from September 2012, we have converted all purchase of white photocopying paper to Forest Stewardship Council or FSC-certified paper. FSC is an international non-profit, multi-stakeholder organisation established to promote responsible management of the world's forests. FSC certified paper represents products from socially and environmentally responsible forestry.

We have also implemented small but effective changes to our internal processes that helped in the reduction of paper use. For example, sales approval to the Channel Sales team is now via email instead of a printed hardcopy. Going forward, we are looking at implementing e-Redemption and e-Delivery Order projects to reduce the need to print documents.

Vendor audit and supply chain survey

Further to the survey that was sent out to our Tier 1 vendors in FY2012, we are in the process of developing a vendor audit programme, with the audit procedures expected to be finalised by late FY2014. Vendors will be selected for audit based on the questionnaire survey results. The aim of the

audit is to ensure vendors' compliance with SingTel's sustainable business expectations and we will take the opportunity to provide feedback to vendors should they fall short of our expectations. We will work closely with our key vendors and seek their support in creating a sustainable supply chain.

We will also extend the supply chain survey to other active vendors in FY2014 to determine their level of understanding and whether they have related policies and processes in place to address some of the environmental and social issues relevant to their sector. For example, issues such as potential environmental impact, clear labelling, screening of human rights, child labour and forced labour will be addressed in the questionnaire.

Regulatory compliance

As a leading communications group in Singapore and Asia Pacific, we abide by the local laws and regulations. We also have an obligation to demonstrate ethical behaviour that encourages fair competition in our market that is in line with regulatory expectations.

In FY2013, SingTel paid a total of seven fines imposed by IDA and MDA totalling S\$982,150. These included:

- A S\$400,000 fine for a lapse in 3G mobile services in July 2011 and S\$380,000 for a lapse in fixed-line voice and mio TV services in October 2011 and November 2011.
- A S\$10,000 fine for non-compliance with the revised outdoor coverage quality of service (QoS) standard in September 2012. The 3G mobile service in Singapore is held to a set of stringent QoS standards and IDA revised these requirements from 1 April 2012. This raised the outdoor coverage QoS standard to 99% service coverage (up from 95% service coverage) and expanded the testing areas.
- A S\$180,000 fine for a service difficulty incident which affected the broadcast of the Barclays Premier League in May 2012.

We took the initiative to offer our BPL customers a free one-month subscription which amounted to S\$5 million in rebates.

In Singapore, as part of the Dominant Licensee Obligations under the Telecom Competition Code, we have a number of regulatory responsibilities required by IDA. We submit around 150 tariff filings per annum to IDA for approval. These filings are undertaken in accordance with the requirements under the Telecom Competition Code, and our track record of compliance is very good.

Government support

As the largest home-grown provider in Singapore, SingTel is involved in a number of government-led initiatives relating to the development of telecommunications in Singapore. In FY2013 we were eligible to receive about S\$1.66 million in government grants from IDA, MDA as well as a one-off grant from the Maritime Port Authority (MPA). The grants are classified under the industry programmes and funds are for different grant periods, including one programme that commenced as early as May 2008 and another that will end by October 2014.

Grant Authority	Projects
Infocomm Development Authority of Singapore (IDA)	Near Field Communications (NFC); Digital Concierge (Shared Business Directory Service and Innovative mobile service Table DB); Grid Service Provisioning (GSP) Call For Collaboration; Pilots for Home-Based Work; SME Infocomm Package
Marine Port Authority of Singapore (MPA)	Low-Cost Broadband via Hybrid Communication; Trident Project-Asset Tracking via Satellite
Media Development Authority of Singapore (MDA)	Stereoscopic 3D Television (3D TV) Trial

Some highlights from the industry programmes are:

- **Pilots for Home-Based Work**

The project called for pilot organisations, ICT Solution Providers and Human Resource Consultants to come together to demonstrate the viability of home-based work as a solution to manpower needs. Led by IDA, about 30 employees from five companies will be working from home for at least 70% of each week for the next one year, as the consortium comes together to establish a structured and sustainable way to help more companies redesign their processes and adopt ICT solutions to offer home-based work to their employees.

- **Low-Cost Broadband via Hybrid Communication**

The purpose of this project was to find a way to offer low cost broadband services for the maritime sector. The solution offers maritime personnel low-cost internet access using TV Received Only (TVRO) antenna systems on-board ships. The project provides services that are supported by SingTel's Inmarsat Fleet broadband network.

- **Trident Project - Asset Tracking via Satellite**

This project explores technologies to enable onshore shipping headquarters or personnel on the move to have total visibility of their cargoes on land or at sea. The real-time location data will be sent from a satellite modem mounted on these assets and transmitted over SingTel's mobile satellite data network to support movement monitoring for this logistics community.

The Workforce Development Agency (WDA), Ministry of Manpower (MOM) and IDA all offer training grants to assist companies in the development of their employees. These grants are open to any company in Singapore that meets the criteria set by each government agency or ministry. For FY2013, SingTel received a total of S\$595,223 from these programmes.

Training grants from WDA, MOM and IDA

Training Grants Received	FY2011	FY2012	FY2013
Total	\$866,063	\$767,804	\$595,223

BUILD CUSTOMER LOYALTY AND SATISFACTION



Better customer experience on our 4G network

Our Group structure reflects SingTel's view that customers are the purpose and the focus of everything we do. We intend for all our Group businesses to focus on setting new benchmarks for the customer experience. Through all our interactions with customers, our people keep their focus on improving and strengthening the customer experience, especially satisfaction and loyalty.

Our levels of customer service have been noticed externally too, with SingTel being voted the Best Mobile Operator and Best Provider

of Mobile and Fibre Broadband services in Singapore for four consecutive years from 2010 to 2013, by the discerning readers of Hardwarezone.com and HardwareZone magazines. We also collected the Telecommunication Services category at the Computerworld Singapore Customer Care Awards 2012 and the Premium GEM Award in the Telecommunications category at the Going the Extra Mile (GEMS) Award 2012.

We don't always get it right, so we have introduced a number of feedback mechanisms that our customers can use to let us know if they have any issues or problems, such as our new Twitter channel.

SingTel's social media interactions promote and educate customers on our products, services and promotions, and customer feedback has also led to accelerated network coverage rollout and achieving leading positive Net Promoter Scores (loyalty index) at major consumer events such as new mobile device launches.

This index is a customer loyalty metric which asks customers on the likelihood they would recommend the service provider to someone else based on a zero to 10 point rating scale. The score is calculated by taking the percentage of customers who are Promoters minus the percentage of Detractors, thus gauging the organisation's customer loyalty.

A new section introduced in our report last year focused on our efforts to reach out to digitally connected customers using social media. We now have a presence on Facebook and YouTube, and two Twitter feeds for customer care and products. Enquiries and service issues raised on Facebook and Twitter are channelled to the respective customer care teams.

Strategic customer experience management

Customer Focus has been one of our core values for many years. We want to connect with our customers and provide them with quality services that enhance their daily lives. By monitoring and managing the end-to-end customer experience with our dedicated Customer Experience team, we are able to respond to customer needs proactively and provide innovative solutions and services.

We engage an external research firm to conduct Customer Experience tracking across key customer touchpoints regularly. Since 2009 we have seen yearly increases in our Customer Experience Index and are eager to continuously improve ourselves and our service standards and delivery. One of the metrics SingTel uses to measure customer satisfaction is the number of complaints and compliments we receive.

Number of compliments and complaints

Customer Experience Category*	FY2011	FY2012	FY2013	Change (%) FY2013 vs FY 2012
Compliments	2,271	2,973	2,794	(6)
Complaints	2,540	2,742	4,733	73
Compliments vs Complaints Ratio	0.9	1.1	0.6	(45)

** The complaints and compliments referred to in the table are escalated complaints from customers via our website, social media, media and SingTel management.*

In FY2013, the number of complaints increased 73% from a year ago due to the service disruptions on our mio TV and mobile networks (see section on Regulatory Compliance).

To address this and as part of our customer social media engagement for example, we invited customers to help us better understand the on-the-ground reality of network coverage through our Facebook page for network feedback. Customers can also find out about our coverage enhancement plans at singtel.com/network.

For any customer-oriented company, employees play a crucial role. At all levels throughout SingTel, everyone is a brand ambassador and must always focus on delivering great customer experiences. To achieve this,

SingTel continues to invest in the right tools to allow issue ownership and collaboration across business units to create a customer-centric mindset. In the last four years, we have been expanding organisational capabilities by training more than 2,300 practitioners in Lean Six Sigma (LSS) and service leadership.

More than 1,200 SingTel Customer Experience Ambassadors have been trained as part of the customer-centricity programme in FY2013. In addition, our enterprise social network ESPRESSO and mobile app Starfish Online have provided a platform for management communication, employee collaboration and empowerment to resolve customer issues quickly and effectively.

Accelerating SingTel's 4G network rollout

In FY2013, our network team worked very hard to accelerate the deployment of LTE so that our customers get to enjoy the best nation-wide 4G network coverage and speed. Previously, deploying LTE base stations was slow due to the challenges faced in getting approvals from building owners at both private and public agencies to install the base stations at their premises. Besides rounds of negotiation, other factors such as weather as well as timing given to access the premises can affect the installation schedule.

A project team was set up by our Network colleagues to streamline the pre-installation and actual installation phases and better manage the entire process involving parties like our vendors and building owners. The project team practised the Lean Six Sigma (LSS) methodology to define the problem and analyse the root causes for the delay. Through actual inspection, they came out with solutions like proposal guidelines to better engage the building owners and speed up the approval process at pre-installation phase. Other solutions such as managing resources for the installers and testers were also put in place for weather or schedule changes.

Internally, we structured and enhanced our work flow to give an accurate and instant overview of the deployment plan through constant update of installation status and priority. We were able to accelerate our LTE deployment by 2.5 months and increased our coverage from 50% to 95% of Singapore by March 2013, which also improved network traffic handling. As a result, besides faster speed, our customers benefitted from lesser congestion and lower drop call rate, thus uplifting the customer experience.

Digital marketing

Our digital marketing team, which sits under the Consumer Marketing unit, is responsible for reaching out to our digitally connected consumers. The team's key goals include moving traditional advertising spend to digital, reaching more digitally-savvy audiences using online and social platforms and building strong social communities.

With the introduction of our numerous digital product and service innovations, our digital advertising expenditure was 20% of our total advertising spend in FY2013, up 1% from last year. We leveraged new media channels, such as YouTube mastheads, to reach out to our customers.

Social Media

In FY2013, approximately two years since its launch, our official SingTel Facebook page hit our target fan audience of 200,000. We have also set up two Twitter accounts: a Customer Care channel for us to have conversations with customers and better respond to queries, managed by our social customer relations team who also handles our Facebook page. The other














Twitter account reaches out to customers with the latest deals, offers and announcements from the company.

These are significant achievements for SingTel as part of our customer engagement strategy. They provide new channels of communication that allow us to reach out across the popular social networks. To manage the ideas, content and feedback for our social media connections, a cross-functional editorial board was set up to ensure consistency and quality.

SingTel YouTube Channel

The SingTel YouTube channel, launched in November 2011, now has over 1,600 subscribers and has reached out with over two million video views. The channel is made up of original content such as TGIS (Thank Goodness It's SingTel which is now in its latest 2.0 version), a lifestyle video series that gives a fresh perspective on the latest consumer technologies and gadgets, educational pieces that enhance users understanding of products, and information derived from 3rd parties such as 4G network blind testing.

Performance against sustainability goals

Key Areas of Focus	FY2013 Targets	FY2013 Performance
Innovate for sustainable business growth	<ul style="list-style-type: none"> At least two new e-services introduced for SingTel customers to access via their mobile phone/PC/tablet 	<p> Achieved. Examples:</p> <ul style="list-style-type: none"> NewsLoop puts together the best news and lifestyle content into a single elegant app mio TV Go is a companion app to enhance mio TV viewing experience on the move
Pursue proactive market leadership	<ul style="list-style-type: none"> Continue to monitor market development and participate in public policy advocacy Continue to uphold high standards of corporate governance and business ethics Ensure compliance with the revised Singapore Code of Corporate Governance Undertake a formal stakeholder engagement exercise to better understand material sustainability issues for SingTel 	<p> Actively participated in public policy advocacy through submissions and representations covering a range of telecommunication and broadcasting issues</p> <p> Continued to be recognised by the industry for our efforts in upholding high standards and received numerous awards during the year</p> <p> Achieved compliance with the 16 principles in the revised Singapore Code of Corporate Governance; Board and Audit Committee provide oversight on the adequacy and effectiveness of our internal controls, including financial, operational, compliance and information technology controls, and risk management systems</p> <p> Commissioned a structured stakeholder engagement exercise; Engaged the consumer and investor stakeholder groups in Year 1</p>
Embrace responsible business practices	<ul style="list-style-type: none"> Grow Facebook fan base by 50% Launch a Twitter Customer Care channel to better respond to conversations about the brand and address customers' enquiries and issues on social platforms Develop an official SingTel YouTube channel and include a wider scope of content, e.g. building specific playlists: sports, music, entertainment, gadgets, corporate responsibility etc Develop online resource on www.singtel.com to promote safety awareness and responsible use for parents on cyberbullying and sexting among young user Include at least two GRI indicators or UN Global Compact Principles in the evaluation of procurement tenders to raise awareness and enforce the application of pro-human rights criteria during tender evaluation Begin implementation of the Supplier Code of Conduct Develop plans for the vendor audit scheduled to be held over the next two years 	<p> Doubled Facebook fan base to >200,000</p> <p> Launched Twitter Customer Care channel, allowing SingTel to have conversations with customers and better respond to queries</p> <p> Launched official SingTel YouTube channel; Achieved over two million video views in FY2013</p> <p> In progress for completion in FY2014</p> <p> We have included supplier's response to our Supplier Code of Conduct in our evaluation of procurement tenders</p> <p> Implemented a Supplier Code of Conduct in September 2012; Publicly available on SingTel's corporate website</p> <p> Completed shortlisting of Tier 1 suppliers whom we will audit, based on the previous sustainability survey results; In the process of designing the audit procedures and schedule</p>
Build customer loyalty and satisfaction	<p>To improve Customer Experience Index and be distinctive in the market by:</p> <ul style="list-style-type: none"> Enhancing current measurement to better understand customer expectations Implementing company-wide service communications and training programme 	<p> Achieved.</p> <ul style="list-style-type: none"> SingTel's overall Customer Experience Index sustained at last year level amid increasing customer expectations We actively engaged customers via social media platform, acting on customer feedback on a variety of issues, such as the acceleration of 3G enhancements and 4G network rollout. We also brought in highly-anticipated iconic mobile devices at major consumer events to the delight of customers, which has helped to improve our Net Promoter Scores (loyalty index) Lean Six Sigma programme continued to grow with a strong community of over 2,300 practitioners to accelerate our business performance and competitive advantage Key projects to streamline and improve end-to-end process and delight our customers, such as accelerated deployment of LTE to support the launch of LTE capable handsets and superior coverage SingTel ESPRESSO, our enterprise social network, and Starfish Online, a mobile app, provided the platform for management communication, employee collaboration and empowerment to resolve customer issues More than 1,200 SingTel Customer Experience Ambassadors recruited and trained as part of our customer-centricity programme

Improvement targets

Key Areas of Focus	What We Will Do	
	Five-Year Plan (FY2011-FY2015)	FY2014 Targets
Innovate for sustainable business growth	To re-position and build SingTel into a sustainable brand by: <ul style="list-style-type: none"> Developing more e-services to offer corporate customers one-stop convenience and also to reduce paper transactions Providing our consumer clients more online services and content via their mobile devices 	<ul style="list-style-type: none"> At least two new e-services introduced for SingTel customers to access via their mobile phone/PC/tablet
Pursue proactive market leadership	To continue to: <ul style="list-style-type: none"> Monitor market development and participate in public policy advocacy Uphold high standards of corporate governance and business ethics 	<ul style="list-style-type: none"> Continue to monitor market development and participate in public policy advocacy Continue to uphold high standards of corporate governance and business ethics Continue with Phase 2 of our formal stakeholder engagement exercise to better understand material sustainability issues for SingTel
Embrace responsible business practices	To embrace responsible marketing by: <ul style="list-style-type: none"> Adopting marketing guidelines and programmes for alignment to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship Participating as corporate member in five local/regional industry associations or marketing bodies Introducing Green marketing practices and complying with the usage of recycled paper materials for 100% of SingTel's marketing activities Introducing education programmes to promote safety and the responsible use of mobile technology for SingTel customers To embrace responsible procurement by: <ul style="list-style-type: none"> Adopting a vendor engagement framework for our sustainable procurement commitments to communities and strategic partners Establishing SingTel's sustainable procurement policy and standards, as well as planning to conduct random verification of at least three of the top 10 suppliers annually Introducing at least two sustainability KPIs as performance metrics for the procurement decision makers 	<ul style="list-style-type: none"> Maintain overall digital spend at 20% Introduce new services that lower dependence on retail outlets and promote customer self-service Continue to use new media technology in an innovative format to educate users on proper and responsible use of mobile technology Vendor audit procedures and schedule to complete by September 2013 To formalise compliance with SingTel's Supplier Code of Conduct as part of tender evaluation consideration Conduct random verification of at least two of our top 10 vendors before 31 March 2014
Build customer loyalty and satisfaction	To enhance the customer loyalty and satisfaction index by: <ul style="list-style-type: none"> Reviewing customer feedback and benchmarking review mechanisms Implementing additional feedback surveys to measure customer satisfaction levels at key customer touchpoints 	To continue to uplift our customer experience and be distinctive in the market by: <ul style="list-style-type: none"> Enhancing current measurement and data analytics to better anticipate customer needs and drive customer advocacy Continuing the rollout of company-wide service leadership communications and training programme Entrenching customer-centricity mindset company-wide through 'Huddling to Cuddling' programme and active application of service excellence tools